CA
PT
HC
H51
32/1
v.19

HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

FIRST SESSION—THIRTY-SECOND PARLIAMENT

31 Elizabeth II

VOLUME XIX, 1982

COMPRISING THE PERIOD FROM THE THIRD DAY OF DECEMBER, 1982
TO THE FIRST DAY OF FEBRUARY, 1983

INDEX ISSUED IN A SEPARATE VOLUME

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

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

HOUSE OF COMMONS

Friday, December 3, 1982

The House met at 11 a.m.

• (1105)

MOTIONS UNDER S.O. 43

[*English*]

LABOUR CONDITIONS

INCREASE IN UNEMPLOYMENT

Mr. Dave Nickerson (Western Arctic): Madam Speaker, in the single month of November an additional 55,000 jobs have been lost in Canada. There are now officially 1,438,000 Canadians who are out of work. Therefore I move, seconded by the Hon. Member for Prince Edward-Hastings (Mr. Ellis):

That this House has absolutely no confidence in the Liberals' handling of the economy and condemns the Liberals' six and five policy of fighting inflation through massive unemployment.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

CRIMINAL CODE

NECESSITY TO CONTROL PORNOGRAPHIC ENTERPRISES

Mr. Fred King (Okanagan-Similkameen): Madam Speaker, I rise on a matter of urgency. Citizen outrage in British Columbia against the spreading pornographic industry was evidenced by the fire bombing of three Red Hot video sales outlets. Less dramatic, but of equal intensity, is the citizen protest in smaller centres such as Penticton in Okanagan-Similkameen which are experiencing the extension of this unworthy business into their communities. Inasmuch as the struggle for decency in society is national and not just municipal, I move, seconded by the Hon. Member for Cariboo-Chilcotin (Mr. Greenaway):

That this House urge the Attorney General of Canada to meet with provincial counterparts to develop legislation which will represent the people's interests in eliminating this indecent trade, and relieve municipal councils of the burden of attempting to control pornographic enterprises without the backing of law.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

POLITICAL PARTIES

ABSENCE OF PROGRESSIVE CONSERVATIVE MEMBERS FROM CHAMBER

Mr. Lyle S. Kristiansen (Kootenay West): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter that is of pressing importance. Last night the Official Opposition Tory Members of the "Liberal Lifesaving Squad", this time 31 of the 101 PC MPs, stayed away from a vote again, thus preserving the life of the Government by allowing the Liberals to float by with a 27 vote margin and ensuring that most Canadian senior citizens will suffer a loss in real incomes as a result of Bill C-131's "deep sixing" of the aged. In recognition of these continuing PC efforts, I move, seconded by the Hon. Member for Skeena (Mr. Fulton):

That the Prime Minister publicly thank the PCs for saving his Liberal Government from defeat, and further, that he ask his Tory "Lifesavers" whether their repeated absenteeism and Liberal support is due to the fact that Tories love the Prime Minister more or love their own leader less.

Some Hon. Members: Oh, oh!

* * *

LABOUR CONDITIONS

NEED FOR MEASURES TO ADDRESS PROBLEMS OF THE UNEMPLOYED

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, since the presentation of the budget of November, 1981, the number of people out of work for six months or more, that is the long term unemployed, has risen 124 per cent, and the total measured unemployed now nears the 1.5 million mark. The Government's response to this has been to attempt to create 60,000 short term jobs for these long term unemployed while sacrificing an undisclosed number of permanent jobs in the process. Inasmuch as the depth of winter is a particularly bad time for the unemployed, and that the Government has repeatedly stated that methods to improve the situation will be taken only in its projected spring budget, I move, seconded by the Hon. Member for Prince Edward-Hastings (Mr. Ellis):

That this House request the Minister to bring forward measures now not only to address the problems of the winter unemployed but also to convince the Canadian public that we who sit in this place do have their welfare at heart in a way that is more than crassly political.

S.O. 43

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

CRIMINAL CODE

USE OF FIREARMS DURING CRIMINAL ACTS

Mr. Mel Gass (Malpeque): Madam Speaker, Bill C-451 will be debated in the House today. This Bill would place further restrictions on the possession of firearms. Under our present gun control laws, all guns purchased after 1978 must be registered, and anyone wishing to purchase a firearm must obtain a firearms acquisition certificate from the police department. Police statistics show that this registration of guns does not reduce crime, and that it is ineffective, cumbersome and expensive. Therefore I urge, and move, seconded by the Hon. Member for Durham-Northumberland (Mr. Lawrence):

● (1110)

That all Hon. Members of the House seriously consider further legislation which places greater penalties on those who use guns during criminal acts.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

ROYAL CANADIAN MOUNTED POLICE

CLOSING OF AIRPORT SECURITY SERVICES

Mr. Len Gustafson (Assiniboia): Madam Speaker, I rise under the provisions of Standing Order 43. In view of increased unemployment of 55 per cent, and 12.5 per cent of the work force unemployed at this time, I move, seconded by the Hon. Member for Carleton-Charlotte (Mr. McCain):

That the Government reconsider its position on closing out the RCMP security offices at airports in St. John's, Moncton, Quebec City, London, Windsor, Victoria, Regina and Saskatoon, which will only cause unemployment and create security risks at these airports.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

HEALTH

HOME SUPPORT SERVICES FOR SENIOR CITIZENS

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, Canada has an increasing number of senior citizens who are in vital need of home support services which will allow them to remain out of institutions and to live productive, independent lives. We also have thousands of unemployed Canadians who are willing to work and provide these services in every community for senior citizens, services such as Meals on Wheels, home maintenance, transportation, medical care, and recreational and social programs. Therefore I move, seconded by the Hon. Member for Kootenay East-Revelstoke (Mr. Parker):

That the Minister of Finance and the Government introduce a program of productive, long-term jobs to provide essential support services for the elderly and to save millions of dollars in costly institutional care.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

THE LATE PERCY WILLIAMS

COMMEMORATION OF OUTSTANDING ATHLETE

Mr. Joe Reid (St. Catharines): Madam Speaker, this motion should have the full sympathy and support of all parties in the House. One of Canada's outstanding athletes is dead. Percy Williams surprised the world when, at Amsterdam, during the Summer Olympics held there in 1928, he won both the 100-metre and the 200-metre sprints, a feat which no other Canadian has accomplished. In 1950 he was voted the outstanding Canadian track and field athlete for the half century, and in 1978 he was presented with the Order of Canada. I therefore move, seconded by the Hon. Member for Cariboo-Chilcotin (Mr. Greenaway):

That, since Percy Williams died alone and without any known living relatives, will the Government of Canada consider recognizing, in a lasting way, the outstanding achievements of this athlete by issuing a commemorative stamp or by some other suitable manner through Fitness and Amateur Sport.

Some Hon. Members: Hear, hear!

Madam Speaker: The Hon. Member would have to gain the support of another Hon. Member for the motion, because the Hon. Member for Cariboo-Chilcotin (Mr. Greenaway) is not in the House. Oh, he is here. Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

EDUCATION

REPAYMENT OF STUDENT LOANS

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, my motion under Standing Order 43 concerns the plight of approximately 13,000 young Canadians who borrowed through the Canada Student Loan Program to get an education but now find themselves being hounded by Government collection agencies because they are unable to pay back their loans, due to our restrictive job market. The level of youth unemployment today amounts to 21 per cent. The only crime of these young people is that they do not come from affluent families, and they took the Government up on its attempt to provide equal access to post-secondary education regardless of income. I therefore move, seconded by the Hon. Member for Winnipeg North (Mr. Orlikow):

That the Minister of Finance declare a moratorium on interest charges to young Canadians who have had to default because there are no jobs for them in the marketplace.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

LABOUR CONDITIONS

INCREASE IN UNEMPLOYMENT—IMPLEMENTATION OF NEED PROGRAM

Hon. David Crombie (Rosedale): Madam Speaker, my question, in the incredible absence of the Minister of Employment and Immigration, is directed to the Minister of Finance. The Minister will know the results of the statistics from Statistics Canada this morning on the unemployment situation. We now have over one and one half million people on the street and looking for work. The unemployment rate is at 12.7 per cent. In the last month alone we have 55,000 more Canadians out of work, on the street and looking for jobs. Clearly, the unemployment situation in this country is absolutely appalling. On October 27 the Minister and the absent Minister of Employment and Immigration announced the establishment of a so-called NEED Program to provide 60,000 short-term jobs. The problem with that Program, as the Minister knows, is that it will not kick in until the end of January or the beginning of February. I would like to ask the Minister would he not now use all of his influence in the Cabinet to move that Program forward so that jobs can be created before Christmas.

• (1115)

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I agree with the Hon. Member that the unemployment situation is very distressing. Even though the actual percentage of unemployment has not increased since last month, this is small satisfaction—

An Hon. Member: No satisfaction.

Mr. Lalonde: —to the hundreds of thousands of people who are unemployed at the present time.

The issue that the Hon. Member has raised is one that we have addressed. The Minister of Employment and Immigration has discussed this issue with me and we have decided to take every step possible to speed up the implementation of the Program. Consultation with the Provinces has been advanced, and I am pleased to advise the Hon. Member that I am informed that the Program will start being implemented this very month, before the end of December.

The agreement signed with the Province of Ontario in particular, this week, whereby the Province of Ontario is going to add $100 million to our own contribution of $130 million, will mean that we will be able to start the Program earlier than had been previously anticipated.

I want to assure the Hon. Member that we will do everything we can to make sure that that $500 million is available to the Canadian unemployed at the earliest possible moment.

STATEMENT MADE BY PRIME MINISTER

Hon. David Crombie (Rosedale): Madam Speaker, now that the Minister of Employment and Immigration has come into the House, perhaps I could direct my supplementary question to him rather than to the Minister of Finance.

The Minister of Finance and the Minister of Employment and Immigration, when they announced this Program, indicated that it would be a Program primarily directed toward those who are coming off unemployment insurance and are in danger of going on welfare, and it was to deal with the so-called "exhaustees", as the Minister calls them.

Sixty thousand jobs was the promise. Two days ago the Prime Minister publicly indicated that, in his opinion, there would not be 60,000 jobs created because the money that was coming for the 60,000 jobs was coming from programs which already employed people. Therefore, the Prime Minister indicated, contrary to what the Minister himself had indicated, there are not going to be sufficient funds for 60,000 jobs and sixty thousand jobs will not be created.

Who is right? Is the Minister of Employment right, or is the Prime Minister right? Are we going to have 60,000 jobs or are we not going to have 60,000 jobs?

Mr. Lalonde: You are wrong.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, if the truth were known, we

will have substantially more than 60,000 jobs, because of that Program.

Mr. Clark: Which will last 20 minutes.

Mr. Axworthy: No, that is how long your leadership will last, Mr. Clark.

Mr. Clark: How long did yours last?

Mr. Baker (Nepean-Carleton): You could not even handle the women.

An Hon. Member: You twit.

Mr. Axworthy: What we are achieving with that Program is taking the $500 million and being able to multiply that into a substantial addition because of the contributions being made by the Provinces and by municipalities and, increasingly, by interest shown in the private sector. For example, yesterday we signed an agreement with the Province of Ontario. We had initially allocated $130 million. That Program now has grown to a $280 million Program and it is our estimate that we will provide, in that Province alone, somewhere between 35,000 and 40,000 jobs to help those most in need.

We have also signed an agreement with Saskatchewan. We have indications from Manitoba and several other Provinces that they will be coming into the Program, so it is our expectation that we will be providing a substantial amount of additional work at the time it is most needed for those who are facing the most severe problems. That was the intention of the Program. We intend to fulfil that intention.

Some Hon. Members: Hear, hear!

• (1120)

REQUEST THAT PROGRAM BE EXPEDITED

Hon. David Crombie (Rosedale): Madam Speaker, if the Minister and the Government ever wonder why people do not believe them when they speak, on October 27 the Minister of Finance said there will be 60,000 jobs created with the NEED Program. Two days ago the Prime Minister said there will not be 60,000 jobs created.

Mr. Lalonde: That is not what he said.

Mr. Crombie: Today the Minister of Employment and Immigration says there will be more than 60,000 jobs created. If there is any difficulty understanding why there is no credibility for this Government, that is as good an example as any.

Some Hon. Members: Hear, hear!

Mr. Crombie: Now that the Minister is in the House, let me repeat the question I asked. People who are now suffering unemployment are in need. They want to know when the Minister is going to bring on the jobs under the NEED Program. Why will he not speed up the process and have those jobs available, or at least begin to have them available by Christmas?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, it is important to clear up the misunderstanding that the Hon. Member is trying to perpetrate. In the press conference held by the Prime Minister, he was asked the question by a member of the press: would the money that has been reallocated from the energy envelope not in itself create jobs? As I have pointed out in the past, those funds were for long-term economic investment over a period of several years and may have only created one job for $300,000 or $400,000, say on a major pipeline project.

What we are talking about here is targeting in the very immediate future when people are suffering problems and difficulties. We want to apply the resources and money at a time when they will do the most good. That was the whole point being made in answer to that question. We are saying that because of the willingness and the ability of the Provinces and others to join with us in a major effort, and not to engage in the kind of carping criticism we constantly hear from that Member opposite, we will be able to start jobs under that Program before Christmas.

GOVERNMENT PLANS

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my question is directed to the Minister of Finance. It concerns the very serious matter of unemployment. Unemployment is reaching deeper and deeper into the labour force and is now attacking those with years of seniority. The figures released this morning show that 48,000 of the 55,000 Canadians who lost jobs last month are 25 years of age or over. That means many of them are heads of families. With the deteriorating situation in employment and the fact that the GNP is off 1 per cent again in the third quarter, how much longer is the Government going to wait before it takes major measures? Are the unemployed going to be told that they have to wait until next February or March before the Government presents a budget and comes up with major moves?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I remind the Hon. Member that slightly more than a month ago I introduced an economic statement in this House in which I indicated that the Government was allocating $1.1 billion of additional expenditure in the next few months to cope with the very problem that the Hon. Member has indicated.

Miss MacDonald: It's not coping.

Mr. Lalonde: The Hon. Member may feel it is not enough. I agree it will not be enough to mop up all the unemployment at the present time. I said in my statement that unfortunately we will be faced with high unemployment levels for the next several months. I remind the Hon. Member that this morning the unemployment figures were announced in the United States. Average unemployment has gone up there by almost half a point in this last month. The situation is the same.

Mr. Broadbent: Oh, no!

Mr. Lalonde: Already I hear the Leader of the NDP jumping. I might remind him that the same situation is occurring with his socialist friends in France. As a good member of the Socialists International, he should realize the problem is worldwide at the present time, and is not only a Canadian and American problem.

To come back to the serious question raised by the Hon. Member for Kingston and the Islands, as the Minister of Employment and Immigration just stated, we are doing everything to speed up the implementation of the expenditures that we have announced in order to help the situation. I have indicated that I will have a budget early in the new year, but I do not want to leave any impression that that budget is going to be able to resolve the unemployment problem and the very serious situation that we are facing in Canada, as well as in all industrialized countries, at the present time. What is important is that we address the problem seriously, responsibly and consistently, and that is what we are trying to do.

• (1125)

DURATION OF INDIVIDUAL UNEMPLOYMENT

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, the unemployment rate in the United States is 10.8 per cent, and that is serious, but in Canada it is 12.7 per cent. That is the difference.

My supplementary question is directed to the Minister of Employment and Immigration. One year ago people who were without work for 14 weeks, or longer, numbered some 270,000 people. Today 605,000 Canadians have been without work for 14 weeks or longer. That is over a 100 per cent increase. These are the people who will shortly be running out of unemployment insurance benefits. The program which the Minister announced will deal with 10 per cent of that number. What is going to happen to the other 90 per cent who have families to care for, homes to maintain, financial contributions to make? What is going to happen to them? They, too, are looking for an answer.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, we have dealt with that particular question in this House several times. What we have pointed out, both in a study which was published by our Department, and in answer to many questions, is that a substantial percentage of those who exhaust their benefits find alternative employment within a matter of seven to 12 weeks. In fact up to 35 per cent or 40 per cent do find a job within that period of time. To use the figures which the Hon. Member suggests, simply is not accurate. The fact is that people do find employment.

What we have determined from our studies of the labour market is that it is a very active, dynamic labour market. There are something like 250,000 people per month who are presently unemployed who do find new jobs. So there is a very active labour force both going into and out of the market at the same time. That is why I think it is very important that the Hon. Member try to be more accurate in her analysis, rather than simply using those gross exaggerations.

EXTENT OF UNEMPLOYMENT—MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Minister of Finance. The unemployment situation, which seemingly everyone in the country but the Cabinet recognizes, has reached an alarming state. We now have lost more than 100,000 jobs in lay-offs in the last two months alone. This is since the time the Minister made an optimistic forecast about the last quarter. We now have numerically a level of unemployment in Canada that is equivalent to the total labour force of half of our Provinces.

I would like to ask the Minister of Finance if he does not agree that the situation now is alarmingly different from what he forecast when he made his October speech? And if he thinks it is alarming, why does he not bring in something now which will give Canadians some hope?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the Hon. Leader of the New Democratic Party seems to have discovered today the serious unemployment situation in this country.

Some Hon. Members: Oh, oh!

Mr. Lalonde: We have had a serious unemployment problem in this country for many months.

Some Hon. Members: Oh, oh!

Mr. Lalonde: I am glad that the Hon. Leader of the New Democratic Party recognizes this fact and admits it, but I refer him to my statement of October 27 when I said in that statement that we had a very serious unemployment problem which was at that time roughly at the same level as it is now, 12.7 per cent. I indicated that the unemployment level would decline only gradually in this country, but we were addressing it seriously and we were taking steps to try to cope with the people most affected, those who saw their unemployment benefits ending.

• (1130)

We allocated $1.1 billion six weeks ago to help ease the unemployment situation. The Minister of Employment and Immigration indicated that we would be able to start spending that money before Christmas in order to help the people of this country who are suffering from unemployment. These are actual steps which have been taken, and we are going to do everything we can to continue helping those people.

REQUEST THAT GOVERNMENT INTRODUCE NEW PROGRAM

Hon. Edward Broadbent (Oshawa): Madam Speaker, the Minister has just referred to his October 27 statement. Will the Minister have the honesty to admit to the House that in that statement he said that there would be an improvement in

the economy in the last quarter, and that Statistics Canada figures released just a couple of days ago pointed out that the Minister's forecast of an improvement for the last quarter has turned out to be wrong? Instead of things getting better, they are getting worse. I repeat that we have lost more than 100,000 jobs in the last two months alone.

Considering that about a third of these people unemployed are heads of families, where entire families are dependent on the income of those people who are not working, will the Minister now come to his senses, admit his forecast was wrong, admit the need for a new program, and bring it in?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I invite the Hon. Member to go back to my text and read it again, because he seems to have completely misread or forgotten it. It was forecast that there would be an end to the downturn in the fourth quarter. The figures for the fourth quarter are not out, Mr. Leader of the New Democratic Party.

Mr. Broadbent: Look at the StatsCan figures.

Mr. Lalonde: The StatsCan figures refer to the third quarter. I invite the Hon. Member to look at those figures and find out. The figures for the fourth quarter will become available only in the first days of February, and I invite my hon. friend to have the intellectual honesty to recognize the situation and the facts as they are.

As far as the unemployment situation is concerned, I indicated that we expected unemployment to remain high over the next several months. As the Hon. Member knows, every winter in this country the actual number of unemployed increases. What is also very important to know and follow, however, is the seasonally adjusted rate. That rate has remained stable over the past two months. I would hope we will see a gradual decline in that rate, but I cannot promise the Hon. Member it will actually occur.

These are forecasts. Our policies are going to come into effect and I hope they will create an environment where we will see a gradual decline in the unemployment level over the next year. This is our purpose, and indeed we are going to do everything we can to achieve that purpose.

Mr. Broadbent: Madam Speaker, the Minister not only is doing nothing about the problem, he does not listen to the question. The figures I referred to from Statistics Canada were released earlier this week. They have nothing to do with the third quarter figures which came out this morning. They are indicators that StatsCan produced which show that, instead of getting an improvement in the last quarter, as the Minister said we would in his address in October, we are going to get the opposite. I tell the Minister to go back and check. However, I am not interested in scoring little debating points here in the House; I would like some action.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

REQUEST THAT INCOME TAX BE INCREASED FOR UPPER INCOME GROUPS

Hon. Edward Broadbent (Oshawa): Madam Speaker, in October I put a proposal to the Minister which would obtain lots of money to create jobs by reimposing on upper income Canadians the taxes he took off them a year ago. The Minister then said he would study the proposal. A couple of days ago, in the House, the Prime Minister said he would study the proposal. I ask the Minister if the Government of Canada will stop studying this proposal, act upon it, and produce the jobs that Canadians want.

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, in my previous statement I made a mistake. I mentioned that the fourth quarter figures would come out in the first few days of February. I believe they will come out in the first few days of March.

Some Hon. Members: Oh, oh!

Mr. Lalonde: Then we will know what has happened in the economy in the last quarter of 1982—

Mr. Deans: That is not the only mistake you made.

Mr. Lalonde: —and then we will be able to argue about the actual situation.

As far as the proposal of the Hon. Member is concerned, I indicated that I was considering it in the context of my next budget.

Mr. Broadbent: Do it now.

Mr. Lalonde: I will examine this, indeed. I remind him that we have already allocated $1.1 billion of additional expenditures to create jobs in this country right now, and I remind him that I am going to introduce an Income Tax amendment in the House next week. I would hope we will have his support to pass that as soon as possible so that we will create, in the private sector, the certainty required for them to make investment decisions and also encourage the private sector to support recovery in this country.

* * *

NATIONAL SECURITY

CASE OF CANADIAN PROFESSOR—DISCLOSURE OF NATO SECRETS

Hon. Allan B. McKinnon (Victoria): Madam Speaker, in the absence of the Minister of National Defence I direct my question to the Acting Prime Minister, concerning the Hambleton case. It is well known that among NATO nations Canada is recognized as a major player in the area of NATO security and intelligence. With this in mind, how can the Canadian Government take the position that a Canadian divulging NATO secrets is not detrimental to Canada's own security?

Hon. Bob Kaplan (Solicitor General of Canada): In fact that is not the position, Madam Speaker, that the Government of Canada takes. If the Hon. Member will look back at the Treu case, he will see that there it was NATO secrets which were the issue. That demonstrates that the Government was prepared, certainly in that case, to take the position that a breach of NATO secrecy is damaging to the national interests of Canada. But in the Hambleton case, as I indicated, the opinion of the Department of Justice is that a prosecution on the evidence the Security Service had been able to gather would have been unsuccessful.

Mr. McKinnon: Madam Speaker, the Minister must know that a Member of the Cabinet has stated outside this House that the reason Hambleton was not prosecuted was because it was looked upon as a breach of NATO security, not a Canadian breach of security.

REASON FOR DECISION NOT TO PROSECUTE

Hon. Allan B. McKinnon (Victoria): Madam Speaker, the Solicitor General is a Member of the Cabinet Security and Intelligence Committee and must know that Canada's heavy involvement on a day-to-day basis in the security and intelligence operations of NATO makes us an integral part of the process. How can the Minister accept the decision not to prosecute Hambleton in Canada on the spurious grounds that a breach of NATO security in Canada is not a breach of Canadian security?

Hon. Bob Kaplan (Solicitor General of Canada): Well, it is the same question and I give the same answer. A breach of NATO security would be considered by Canadians to be a breach of Canadian security.

Mr. McKinnon: Then prosecute him.

ADVICE GIVEN BY DEPARTMENT OF JUSTICE

Mr. Chris Speyer (Cambridge): Madam Speaker, last night the Commissioner of the RCMP said that the preservation of NATO secrets was absolutely essential to our national interests. In the Hambleton case the RCMP, in my view, did a superb job. They accumulated the evidence, the same evidence being adduced in a British courtroom today. In the case of Peter Worthington and *The Toronto Sun* it was the Department of Justice which decided, both unfairly and politically, to prosecute that case. In the Hambleton case it is that same Department of Justice which, disastrously and incompetently, has decided that there is no evidence to be adduced in a Canadian courtroom. I ask the Minister of Justice to tell us with some precision why this case is not being heard in a Canadian courtroom rather than in the Old Bailey.

Hon. Mark MacGuigan (Minister of Justice and Attorney General of Canada): Madam Speaker, the hon. gentleman knows full well that the reason the decision was made not to prosecute in the Hambleton case is that the evidence was not adequate, in the opinion of the Department of Justice, to sustain a prosecution.

Mr. Nielsen: For a conviction.

Mr. MacGuigan: It has been quite obvious from much of the information released in the last week or two that the kind of information now available was not before the Department of Justice at that time.

PROFESSOR'S ROLE IN INTELLIGENCE

Mr. Chris Speyer (Cambridge): Madam Speaker, my question is directed to the Solicitor General. On April 25 the Department of Justice rendered a decision that Hambleton was not to be prosecuted. After that time Hambleton was in constant contact with our Security Service. After April 25, and until he went to Britain in June of this year, was he acting as a Canadian agent during that time?

Hon. Bob Kaplan (Solicitor General of Canada): The Hon. Member has tried to obtain information of that sort from me and I indicated that, until the trial is over, I am not prepared to make statements which would bear on the issues before the court in Great Britain. He said that what I might say in Canada would not be quoted in the media of Great Britain. I can categorically contradict that. In *The Times* Wednesday a front page article stated in part, "Opposition MPs peppered Government about Professor Hambleton. Ministers Refuse to Answer in any Detail". That is exactly the kind of headline I should like to have in Great Britain.

* * *

• (1140)

LABOUR CONDITIONS

UNEMPLOYMENT IN NORTHWEST BRITISH COLUMBIA

Mr. Jim Fulton (Skeena): Madam Speaker, my question is directed to the Minister of Employment and Immigration. I am sure that he is aware by now that the rate of unemployment across northwest British Columbia has broken the 40 per cent mark. Much of this is due to bad management and lack of forest product diversification. Now that there are over 4,000 forest and pulp workers out of work, that across British Columbia the number of unemployed since this time last year increased by 84 per cent, and that by Christmas another 11,400 workers will run out of unemployment insurance and few of those will be able to get any re-employment under the NEED Program, I should like to put a question to the Minister, and I hope I will get a positive response.

Will the Minister designate northwest British Columbia under ILAP, keeping in mind the rates of unemployment in those other areas of Canada that have been designated under ILAP? Will he make funds available so that a group of workers and economists can look at forest product diversification for both domestic and international markets?

It is very important that we get some kind of response both to ILAP and to making funds available so that workers and economists can look at how the northwest may be revitalized. We need to know exactly where we are going so that we are not just throwing federal funds at different parts of the problem.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I want to tell the Hon. Member that that kind of examination of the future of the forestry industry has been examined by my colleage, the Minister of the Environment, through the forestry services of Canada. My colleague, the Minister of Regional Economic Expansion, has his officials working on it. It is one of the key sectors of our economy. There is a constant assessment of it and planning for its future. What we have to concentrate on is the immediate problem. I would remind the Hon. Member that in his area there are now 45 or 50 Section 38 work creation programs in the Kamloops area. We have established additional allotments under the Canada Community Development Program.

When the Hon. Member says that he does not expect to receive any NEED money, that means that he is not going to work to find it. We are inviting all Members of Parliament to go into their municipalities and communities and develop work projects so that we can put people back to work. Much of the responsibility for how well the NEED Program will operate in his area, is up to him.

* * *

SHIPBUILDING

TARIFF PREFERENCES EXTENDED TO COMMONWEALTH COUNTRIES

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce. In the last two years the country has lost something in the order of 5,000 shipbuilding jobs and about $1 billion in shipbuilding orders. Canadian shipbuilders are asking the Government to implement a policy that would at least put them on an equal footing with foreign competitors.

Would the Minister explain why the Government refuses to remove tariff preferences for shipbuilding from Commonwealth and developing nations, and why he refuses to plug tariff loopholes on offshore marine requirements?

If the Minister would implement such a minimal shipbuilding policy, he would put 10,000 unemployed shipyard workers back to work in Atlantic Canada, Quebec, Ontario and British Columbia, without having to blackmail workers and shipbuilders with the phoney six and five policy.

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, during the course of the summer and the fall we spent a great deal of time dealing with a shipbuilding policy. I hope to be able to make an announcement in that regard in the very near future.

LABOUR CONDITIONS

UNEMPLOYMENT IN MANITOBA

Mr. Jack Murta (Lisgar): Madam Speaker, I should like to direct a question to the Minister of Employment and Immigration. The unemployment level in the Province of Manitoba is around 10.5 per cent, a rise of almost a full percentage point over the October, 1982 figures. In many parts of the Province welfare agencies are being swamped and unemployment insurance offices cannot keep up with the deluge of applications. Is the Minister or his Department preparing any special program for the Province of Manitoba or, more specifically, for the prairie Provinces of Manitoba and Saskatchewan, in this crucial period?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, in yesterday's throne speech in the Province of Manitoba, the provincial Government indicated that it was prepared to participate with us in the implementation of a NEED Program. I expect that either on Saturday or Monday, whichever day is convenient, we will sign the letter of understanding between the federal Government and the provincial Government, to take the initial $17 million job creation money that we have made available to that Province and add to it what the provincial Government will provide. This will enable a large number of work projects to be initiated in that Province.

I can give the Hon. Member that assurance and that confidence that he can take back to his constituency. That program is about ready to be signed and to be brought into effect before Christmas.

ASSISTANCE FOR SECONDARY AGRICULTURE BASED INDUSTRY

Mr. Jack Murta (Lisgar): Madam Speaker, I have a supplementary question for the Minister. One of the areas that has been as hard hit as any is the secondary agriculture base industry in Manitoba, Versatile Manufacturing being a perfect example of this. The economy of a Province like Manitoba is based on the secondary agricultural manufacturing sector aspect.

Is any specific money being targeted to this particular area in the general agreement that the federal Government and the provincial Government have signed together? Is anything at all being done to look after this most important area which is the underpinning of the economy in Manitoba?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I am not sure that I can provide the Hon. Member with a list of different forms of grants and supports that have been given. The Hon. Member mentioned Versatile Manufacturing, which happens to be located in my constituency. I know that through the DREE Program the federal Government provided substantial capital to Versatile during the past year for expansion and modernization.

I would also remind the Hon. Member that we co-operated with the provincial Government to provide a major infusion of

funds into Co-op Implements in the past year to keep that company in business. So we have provided major forms of support to the farm implement manufacturing industry in Manitoba and other parts of the prairies, to keep those companies in business.

What we have to face now, in many cases, is the problem of the export markets. Many of the countries that we relied upon are simply not buying tractors. Australia and the United States are not buying as many as they did earlier. We have to work to improve the basic underpinning of the international economy in order to enable firms such as these to regain their prosperity.

* * *

GRAIN

WHEAT SALE TO JAPAN

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, I should like to direct a question to the Minister of Transport. In a trip last October, the Minister's assistant in the other place travelled to Japan. Could the Minister tell the House whether, on that trip, Senator Argue discussed directly or indirectly the wheat sale to Japan that was announced three days ago?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I do not really try to follow the Hon. Minister responsible for the Canadian Wheat Board in everything he does. I know that he travels internationally. He has been to Japan and the Soviet Union. Strangely enough, following his visits contracts are usually signed, which indicates that he is quite influential.

Mr. McKnight: I think everyone is amazed at that, Madam Speaker.

MINISTER'S TRAVEL BY CANADIAN PACIFIC AIRLINE

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, I should like to ask the Minister if the trip taken by Senator Argue and his wife was on business for the Canadian Wheat Board and, if so, why they travelled on two free tickets provided by Canadian Pacific Air? They did travel on those tickets, so will the Minister ask his colleague to reimburse the cost? As some people feel that Canadian Pacific was the architect of Bill S-31, there could be an allegation of conflict of interest on the part of the Minister's assistant in the other place.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, that is really a personal problem. It was my impression that the national airlines, Air Canada and CN—

Mr. McKnight: CP.

Mr. Epp: That is the other one!

Mr. Pepin: —CP Air, occasionally make tickets available to Ministers who travel around the world to defend the national interest.

I will bring the very detailed question to the attention of my colleague and he can answer it on his own.

* * *

NATIONAL PARKS

PROPOSED BRUCE PENINSULA PARK

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, may I direct a question to the Minister of the Environment. The recent decision of the Liberal Government to allow Judd Buchanan to erect an apartment building within the boundaries of Banff National Park has placed the possible establishment of a national park in the Bruce Peninsula in serious jeopardy. A local advisory committee has given qualified approval for Parks Canada to proceed with the next stage in the establishment of a national park. What guarantees can the Minister give those people if they agree to the proposed park in the Bruce Peninsula that it will not be used for partisan Liberal purposes?

• (1150)

Hon. John Roberts (Minister of the Environment): Madam Speaker, I have a very great deal of respect for the hon. gentleman who asked that question. I will respond to it seriously, and I will ignore what I think are some rather uncharasteristic sentiments that he expressed.

Some Hon. Members: Oh, oh!

Mr. Roberts: In terms of the Bruce Peninsula Park, there is an extensive consultation process which is underway at the present time with the people of the area, and with the two councils of the area. Council elections have recently taken place and there may have been some change in the disposition on the part of the councils in relation to the projects.

Mr. Clark: Will it be patronage as usual?

Mr. Roberts: As the consultation process continues, if Parks Canada decides to proceed with the idea of the establishment of a park, a management plan will be brought forward for extensive public discussion.

Mr. Nielsen: Parks patronage.

Mr. Roberts: That management plan will be the basis for any future developments that take place within the park. It is in the elaborations of public discussion and public confirmation of the management plan that the kinds of limitations which would apply to any developments within that park would occur.

Mr. Gurbin: Madam Speaker, I am sure that Mr. Horner, Mr. Erikson and Mr. Strong would be comfortable with the

position that has been put forward by the Minister of the Environment and by the Liberal Government.

AUTONOMY OF RESIDENTS WITHIN PROPOSED PARK

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, I think the broader question here is the level of autonomy that can be expected by people who live within the boundaries of a national park. It is an important question, and a question which the Minister needs to address with some sort of a guarantee in this House. If the proposal proceeds, and if my constituents and myself are to give support to this proposal for it to proceed, what guarantees will we have that we will continue to have local autonomy and be able to exercise democratic self-determination? What demonstration is there that we can have confidence or trust in the Minister's answers, in view of the practices of the Liberal Government in the recent past?

Hon. John Roberts (Minister of the Environment): Madam Speaker, we will not proceed with the establishment of a national park in that area, or indeed in any area, unless it has the support and approbation of the people in the area. We undertake an extensive series of consultations to try to ensure that support is there. When we develop to the point of knowing that there is that support, we proceed on the basis of a development or a management plan that is extensively discussed with the people. That is the process by which we establish a park, and that is the process by which the kinds of guarantees about future development are made.

Mr. Nielsen: It didn't happen with Kluane.

Mr. Roberts: I do not know how I can answer more clearly the serious question which I think the Hon. Member is asking. In terms of some rather unfortunate political allusions that I think the Hon. Member has made in the rest of his speech, I would simply advise him to look at past answers which have been given to Members' questions in the House of Commons and I think he would agree—I hope he will agree—that the kind of allusion he has made is unwarranted.

Mr. Clark: Stop hiding the information. Table the Buchanan documents.

* * *

LABOUR CONDITIONS

UNEMPLOYMENT IN ONTARIO

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, my question is for the Minister of Finance. The number of unemployed in the Province of Ontario has now reached half a million. I am sure the Minister realizes that this number is the equivalent of the total population of a number of our Provinces. The Government's reaction to date has certainly not recognized the human misery and suffering that this unemployment has created.

The programs which the Government has brought forward will provide employment for somewhat less than 13 per cent of the total number of the people unemployed in Ontario. Will the Minister now begin a systematic and quick review of the steel industry, which is at a modern-day low, the auto industry which is in serious jeopardy, the farm implement industry, which is rapidly declining, and the housing industry which is virtually at a standstill? Will the Minister bring in programs now which will introduce into those industries some appropriate stimulus that will bring about their recovery so that people who are currently unemployed will be able to look forward to an opportunity to work?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the Hon. Member mentioned a number of problems that clearly indicate the Government's policy must be one of stimulating investment across Canada, in all industries and sectors. The Hon. Member will have realized that it would be impossible for the Government to create directly all the jobs required at the present time. The solution is to stimulate the private sector, to restore investor confidence and to stimulate consumer demand. I would also remind the Hon. Member that there are indications in the housing industry that a recovery has started. To give an example, the Urban Development Institute has announced that next year, according to its projections, 150,000 new housing units will be built in Canada, a subtantial improvement over this year's situation and also over previous projections. I would therefore invite the Hon. Member to reflect on all of these factors during the weekend.

[*English*]

PROVISION OF FULL-TIME JOBS

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, my question is for the Minister of Employment and Immigration. Today's labour statistics indicate that over a one year period, since November, 1981, the Canadian economy has lost some 500,000 full-time jobs. Yet the Minister's announcements over the past year, the latest of which is the NEED Program, have focused upon temporary employment. The Minister has even refused during committee hearings to provide information on the number of full-time jobs his programs have created.

In light of the labour force statistics, which indicate a loss of half a million full-time jobs, is the Minister prepared to recognize the need for full-time employment in this country? As well, is the Minister prepared to put in place an emergency program to provide full-time employment for the half a million people who have lost work over the last year, particularly in light of the fact that during the past 12 months half a million Canadians who are heads of households, and primarily responsible for taking care of their families' needs have lost their jobs as well?

Mr. Nowlan: That is a supplementary speech.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, the Government of Canada has been continually interested in promoting development of an economic base upon which full-time work can be created. We have had a number of investments in the housing industry, in research and development, in new technology, and in new training programs, all to ensure that we provide a framework within which the private sector can develop an ongoing, stable, and active economy.

In the meantime, we are saying that, because of the world-wide recession that we are a part of, we must provide bridging assistance to help those who are laid off, who do not have jobs, or who have run out of UI benefits. That is why we have introduced programs, such as the NEED Program and the Canada Community Development Program. The Hon. Member refers to temporary versus full-time employment. But what we consider important is to provide the opportunity for people to have jobs, whatever label you put on it, and that is what we are trying to do.

* * *

GOVERNMENT EXPENDITURES

IMPLEMENTATION OF RESTRAINT PROGRAM

Mr. S. J. Korchinski (Mackenzie): Madam Speaker, I have a question for the Minister of Finance. The Minister is charged with the responsibility of promoting the six and five program, but he is promoting it to the point where he is having it apply to pensioners? Has the Minister sought and received the total co-operation of all Ministers and Departments to implement this program, particularly where Government funding applies to projects either taken alone or in conjunction with other Governments or private enterprise?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I received the support and the co-operation of all my hon. colleagues for implementation of the 6 and 5 policy. It has the support of all ministers and of the entire caucus on this side of the House, and I would even say of all Canadians, and I hope that the Hon. Member himself will also continue to support this policy.

• (1200)

[*English*]

SALARIES OF COMMUNITY DEVELOPMENT PROJECT OFFICERS

Mr. S. J. Korchinski (Mackenzie): Madam Speaker, my supplemetary question is for the Minister of Employment and Immigration. Why, under the Community Development Projects, has the Minister allowed salaries for project managers to go over 41 per cent above the average levels that were in effect last year, which has the effect of reducing the number of projects which can be undertaken? As well, it works out on the average from 30 per cent to 50 per cent of the funds going to the project managers and not employing as many people.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I would think that the answer to that question would be obvious. The normal salary range that we provide under the Canada Community Development Projects, is the prevailing provincial minimum wage with a variable of approximately 20 per cent. However, because many of these projects are engaged in fairly skilled light construction work in the development of municipal services or facilities, they require the addition of some skilled personnel to provide supervision and management. In order to engage those people to provide the over-all accountability for that program, or to provide specialized training for those on the projects, a slightly higher stipend must be paid to do it. That is why we provide that different rate.

The average wages which are paid are around $200 a week, based on the minimum wage. It is only the managers or supervisors who must provide the over-all direction for a project who receive a larger stipend.

* * *

PETITIONS

MR. GREENAWAY—PREVENTION FROM PROFITING FROM CRIME

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table the three hundred and forty-fifth report of the Clerk of Petitions stating that he has examined the petition presented by the Hon. Member for Cariboo-Chilcotin (Mr. Greenaway) on Thursday, December 2, 1982, and finds that the petition meets the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

STANDING ORDERS AND PROCEDURE—PRESENTATION OF FOURTH REPORT OF SPECIAL COMMITTEE

Mr. Thomas H. Lefebvre (Pontiac-Gatineau-Labelle): I have the honour to present the fourth report of the Special Committee on Standing Orders and Procedures—

[*Translation*]

—in French and in English, Canada's two official languages.

[*English*]

REGIONAL DEVELOPMENT—PRESENTATION OF SIXTH REPORT OF STANDING COMMITTEE

Mr. Maurice Harquail (Restigouche): I have the honour to present the sixth report of the Standing Committee on Regional Development—

S.O. 26

[*Translation*]

—in French and English, our two official languages.

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

* * *

PETITION

MR. CLARK—CALL FOR ABANDONMENT OF SALES TAX PROPOSAL AFFECTING WHOLESALERS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I have the duty and the responsibility to present a petition on behalf of 96 citizens from Grande Cache, Alberta.

The nature and purpose of this petition is to inform the federal Government that the announcement of the Minister of Finance (Mr. Lalonde) of October 27, 1982 to delay the implementation of the proposed federal sales tax onto wholesalers until the middle of 1984 is not adequate. They call on the Government to have the Government publicly abandon, not simply delay, its proposed federal sales tax onto the wholesalers of Canada.

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

Madam Speaker: I have a notice of a motion under Standing Order 26 by the Hon. Member for Oshawa (Mr. Broadbent).

* * *

LABOUR CONDITIONS

INCREASE IN UNEMPLOYMENT

Hon. Edward Broadbent (Oshawa): Madam Speaker, I ask leave, seconded by the Hon. Member for Winnipeg-St. James (Mr. Keeper), to move the adjournment of the House under the provisions of Standing Order 26 for the purpose of discussing a specific and important matter, namely the continuing unemployment situation which has reached a new critical plateau entailing the following elements: a record high level of unemployment which now includes heads of families as constituting more than one-third of the total unemployed in Canada; a total number of unemployed which more than equals the combined labour force of Newfoundland, Nova Scotia, Prince Edward Island, New Brunswick and Manitoba; the reality that more than one-quarter of a million men and women have now been unemployed for over a year.

This alarming human and economic information, presented in a context in which the forecast of the Minister of Finance (Mr. Lalonde) for improvement made on October 27 has turned out to be incorrect and in the context of statements made this week by the same Minister of Finance and the Prime Minister (Mr. Trudeau) that no new programs dealing with unemployment would be announced before the Christmas recess, means we have reached a new and acute situation in the problem of unemployment in our country.

Some Hon. Members: Hear, hear!

Madam Speaker: The Hon. Member has given the Chair the required notice of the motion that he has now proposed to the House. As the Hon. Member knows, a matter can only be proper to be discussed under the provisions of Standing Order 26 if it is a genuine emergency, a sudden or unexpected occurrence. Section 16(a) of the Standing Order reads as follows:

> The matter proposed for discussion must relate to a genuine emergency, calling for immediate and urgent consideration.

I and my predecessors have consistently ruled that matters of ongoing concern and of a chronic nature are not proper to be discussed under this Standing Order.

I would also draw to the attention of Hon. Members Citation 288 of Beauchesne's Fifth Edition, which states:

> The Speaker is bound to apply to motions made under S.O. 26 the established rules of debate, and to enforce the principle that subjects excluded by those rules cannot be brought forward thereon, such as a matter under adjudication by a court of law, or matters already discussed or appointed for consideration during the current session, whether upon a substantive motion, upon an amendment, or upon an Order of the Day.

Members will be aware that the House has debated the subject of unemployment on a number of occasions, the most recent being November 5, 1982.

I must further point out to the Hon. Member that the President of the Privy Council (Mr. Pinard) announced yesterday that next Thursday would be the final allotted day for this supply period which the House could use not only to discuss this important matter but also to demand a vote on it.

For these reasons, I regret that I cannot accept the matter as being proper to be discussed under the provisions of Standing Order 26, although it is, of course, a matter of extreme importance.

* * *

POINT OF ORDER

MR. KRISTIANSEN—COMMENT OF MR. LEBLANC DURING QUESTION PERIOD

Mr. Lyle S. Kristiansen (Kootenay West): Madam Speaker, I rise on a point of order. In answer to a question I put to the Minister of Public Works (Mr. LeBlanc) yesterday during Question Period, the Minister said, as reported on page 21202 of *Hansard:*

> Madam Speaker, I need your guidance as to whether we are answering questions on a regional basis or on a departmental basis.

The fact that you did not rise at that time to answer the Minister's request for guidance led me, and I believe others, to believe that you were probably reserving your opinion and that, following consideration, you would inform us of that opinion. It is important for all Members to know whether or not we will have these kinds of undue restrictions placed on us.

The question was asked regarding a foundry being placed into receivership in the Minister's riding. To some of us, he appeared to be using his request for guidance from you as a dodge in order to refuse answering that question, which might have been embarrassing to him. Will you be making a ruling, Madam Speaker, and, if so, we await it with some interest.

Madam Speaker: I have not made that ruling but I have reminded Members several times of the rules and practices which they have accepted for a long time in the House. That is, that Ministers may not be questioned on matters of regional importance which are under their jurisdiction as political personnel. Ministers in the House answer questions related to their administrative responsibilities in the Department of which they are a Minister.

I think the Hon. Minister put it in the terms yesterday which were quite adequate. Therefore, I felt no need to intervene.

* * *

● (1210)

QUESTIONS ON THE ORDER PAPER

(Questions answered orrally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 3,564, 4,165.

[*Text*]

CMHC OWNED CONDOMINIUM UNITS IN MISSISSAUGA

Question No. 3,564—**Mr. Blenkarn:**

1. Did newspaper releases of the Canada Mortgage and Housing Corporation indicate that purchasers can buy Corporation-repossessed condominium units with 5 per cent down and, if so, which lending institutions are prepared to accept purchasers paying as little as 5 per cent down on condominiums in Mississauga?

2. Which condominiums in Mississauga are available with 5 per cent down to qualifying purchasers and from what lending institutions can they borrow money?

3. When the government prepays interest to a lending institution to reduce the interest rate from 18 per cent to 15 per cent, are the purchasers who assume those mortgages qualified on the basis of interest at 15 per cent or do they need salary qualifications to show that they can pay a mortgage bearing 18 per cent interest?

4. What is the amount of income of a proposed purchaser which is taken into account when purchasers are given the advantage to pay down CMHC mortgages?

Hon. Roméo LeBlanc (Minister of Public Works): I am informed by Canada Mortgage and Housing Corporation that as of the date the question was asked the situation was as follows:

Order Paper Questions

1. Yes. Lenders have not been individually canvassed on their willingness to provide NHA financing.

2. None.

3. If the term of the mortgage is less than three years, the purchaser must qualify at the pre-buydown interest rate; if over three years, qualification is at the discretion of the lender but lenders generally qualify purchasers at the higher interest rate.

4. Under current NHA guidelines, lenders may qualify a purchaser using up to a maximum of 32 per cent of the purchaser's gross income. The following factors are included in the calculation of the gross debt service: principal and interest, taxes, one-half of the condominium fees, and the heating costs (if not included in the condominium fee). Use of the maximum G.D.S. ratio of 32 per cent is at the discretion of the lender.

MAIN SQUARE, TORONTO, ONTARIO

Question No. 4,165—**Mr. Young:**

1. What is the maximum annual income level at which tenants of the Main Square apartment complex in Toronto become ineligible for the 25 per cent rent-geared-to-income program?

2. On what data is the maximum income level set?

3. To whom are rent-geared-to-income applications submitted and who approves or disapproves the applications?

4. How long is the Main Square rent-geared-to-income program intended to last?

5. For how long can fixed income tenants of the apartment complex expect to have their rents subsidized?

6. What were the level of profits made by the Marchant Property Management Co. on the commercial operation (the shopping complex) of the complex for 1980-81?

7. What were the operating losses for apartment rental at the apartment complex for 1980-81?

8. What criteria were applied to determine local apartment rental market values in deciding the level that Main Square apartment rental rates will rise to?

9. What is the maximum annual income that people are required to earn before being eligible to rent a unit at the apartment complex?

10. Does the Canada Mortgage and Housing Corporation intend to increase rental rates for the Main Square apartment units in the fiscal year 1982-83?

11. Under the original management agreement signed by Victoria Wood Development Corporation Inc. and CMHC for the operation of the apartment complex, how many apartment units were reserved to accomodate (a) disabled persons (b) senior citizens (c) single parent families?

12. How many apartment units of the complex were occupied by (a) disabled persons (b) senior citizens (c) single parent families as of March 19, 1982?

13. Under the original management agreement, for what period of time were specific numbers of apartment units to be occupied by (a) disabled persons (b) senior citizens (c) single parent families?

Hon. Roméo LeBlanc (Minister of Public Works): I am informed by Canada Mortgage and Housing Corporation as follows:

1. Based on the highest rental rate, $22,940 and over.

2. The maximum income level is a factor of the apartment rent of a unit and a 25 per cent gross debt service calculation.

3. (a) Marchant Property Management Office at Main Square, (b) the property manager.

Point of Order—Hon. Walter Baker

4. The program will continue for as long as CMHC remains the owner of the property.

5. For as long as they are qualified under the rent-geared-to-income program.

6. None.

7. $582,026 in 1980 and $312,282 in 1981.

8. Comparable properties were selected by CMHC. Adjustments relating to location, amenities, unit types and sizes were then made for differences in the comparables and the various units in Main Square.

9. None.

10. Yes.

11. (a) 50, (b) 300, (c) 90.

12. (a) 18 approximately, (b) 260, (c) 54.

13. For the full length of the term of the mortgage or as long as CMHC owned the property. However, when the demand for these units dropped off in the mid-1970s, vacant units were rented to market tenants.

[*English*]

Mr. Smith: I ask, Madam Speaker, that the remaining questions be allowed to stand.

Mr. MacKay: Madam Speaker, about a month ago I asked the President of the Treasury Board about the terms of Mr. André Déom's settlement, which is on the basis of a five-year $300,000 package, $175,000 tax-free, with a contingency built in by the Treasury Board to pay any future tax liabilities. It is a very startling situation and I would hope that we will get some answers and some specifics at a time when, as some Hon. Members have said, bridging is very important and unemployment is very high.

Mr. Smith: Perhaps the Hon. Member could provide me with the number of his question and I will be happy to look into it.

Mr. MacKay: It is question No. 4,530 which has been on the Order Paper for over a month.

Madam Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

Madam Speaker: Orders of the day.

* * *

POINT OF ORDER

MR. BAKER (NEPEAN-CARLETON)—PRACTICE RESPECTING TABLING OF REPORTS UNDER NEW HOUSE RULES

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, just before you continue on to Orders of the Day, I thought there might be some tabling of answers to questions today and I was waiting for that time before raising my point of order, which is with respect to the new rules of the House of Commons which will be in place on January 17. As the President of the Privy Council (Mr. Pinard) knows, those rules indicate that reports, returns and other matters tabled in the House of Commons will be automatically referred to the appropriate standing committee by the Hon. Members tabling them.

There has been a feeling for some time that some Crown agencies, Departments, Crown corporations and others have not been following the statutory requirement of tabling their annual reports on time. There may be a myriad of reasons why that is so, but now that the House has unanimously adopted a new set of rules, part of which is predicated on the timely tabling of those reports, returns and other things, I wonder whether the President of the Privy Council, during the period between now and January 17, in order to put the proper foundation under those rules, could canvass the Crown agencies and Departments to ensure that all of the reports which are due as of January 17 are tabled by that time.

Mr. Nielsen: It is required by law.

Mr. Baker (Nepean-Carleton): And, incidentally, this is required by law. If the President of the Privy Council would undertake to make that investigation and perhaps report to the House at a later time, I would be quite happy.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, we have made it clear, and I indicated this in my speech on the motion, that we are approaching this parliamentary reform experiment in good faith, which means that we would do nothing to prevent Crown corporations or other agencies from tabling a report or other papers, if they are legally obliged to do so. However, my hon. colleague has gone one step further, since he does not seem to be satisfied with our undertaking that we would do nothing to prevent them from observing the law. On the other hand, I have no desire to be the enforcer of this country's laws. I can only confirm that we will not take advantage of this experiment to ask Crown corporations or other agencies to delay tabling their reports, but I cannot guarantee that they are going to be able to table those reports at a date convenient to the Hon. Member. I trust that my answer is still clear enough to satisfy what the Hon. Member has in mind.

[*English*]

Mr. Baker (Nepean-Carleton): I was not even implying in my point of order, and I want to make it clear, that the Government is acting improperly or has acted improperly with respect to the matter. I am satisfied that the Government has not been holding back, as far as I know. However, there is a feeling that a practice has developed which is unsatisfactory. Perhaps the President of the Privy Council, using the prestige of his office, might be able to remind the various Departments and agencies about the new rules and their importance and the

attitude of good faith which he himself has respected. If he would do that, it would satisfy what I believe is an innocent query on my part to underpin the operation of the new rules.

Mr. Pinard: Yes, Madam Speaker, the words "good faith" are very well spread, I can assure the Hon. Member, in Government offices and in Crown corporations, and I hope that he will be happy.

Mr. Baker (Nepean-Carleton): Thank you.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Madam Speaker, with regard to that same point of order, may I ask the President of the Privy Council if he would also look into the practice of some corporations or organizations of tabling reports through what they call back door tabling? It is sometimes difficult for Members to find out if a report has been tabled in time, and when we do look for it, I have noticed many times that the practice called back door tabling has been followed. I wonder if we could change or modify that practice and ensure that Members are aware of it.

Mr. Pinard: Madam Speaker, I will very seriously consider the very positive suggestion made by the Hon. Member, even if I am not sure that I understand what he means by "back door"; but I will speak with him and try to satisfy his request.

GOVERNMENT ORDERS

[*English*]

WAYS AND MEANS

INCOME TAX ACT

Hon. Paul J. Cosgrove (Minister of State (Finance)) moved that a Ways and Means motion to amend the Income Tax Act, laid upon the Table Wednesday, December 1, 1982, be concurred in.

Motion agreed to.

INCOME TAX ACT APPLICATION RULES, 1971

Hon. Paul J. Cosgrove (Minister of State (Finance)) moved that a Ways and Means motion to amend the Income Tax Application Rules, 1971, laid upon the Table Wednesday, December 1, 1982, be concurred in.

Motion agreed to.

[*Translation*]

FAMILY ALLOWANCES ACT, 1973

MEASURE TO LIMIT INDEXATION

The House resumed from Wednesday, December 1, consideration of the motion of Miss Bégin that Bill C-132, an Act to amend the Family Allowances Act, 1973, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I think it is hard to trust a Government that is planning to cut programs and to cut back assistance to Canadians who are having trouble making ends meet. Madam Speaker—

Some Hon. Members: More, more!

Mr. Hawkes: Mr. Speaker, it is also hard to trust a Minister and the Members from Quebec, who are intending to do just that.

The Acting Speaker (Mr. Corbin): Order, please. The Hon. Member for Lac-Saint-Jean (Mr. Gimaïel), on a point of order.

Mr. Gimaïel: Mr. Speaker, if I understood correctly what my hon. colleague just said about Quebec Members of the House of Commons, and perhaps I should congratulate him on his French, he does not have any confidence in the work being done by Quebec Members of the House of Commons—

The Acting Speaker (Mr. Corbin): Order, please. This is not a point of order, this is debate.

[*English*]

Mr. Hawkes: Mr. Speaker, the subject of the debate here this afternoon is the Government's intention to cut assistance to families. This week we have been debating the Government's intention to cut assistance to pensioners in this country. I maintain that we are doing that at a time in Canadian history when it is extremely difficult for the average Canadian—

[*Translation*]

The Acting Speaker (Mr. Corbin): The Hon. Member for Lac-Saint-Jean is raising the same point of order. I just informed the Hon. Member—

Mr. Gimaïel: This is on another point of order, Mr. Speaker.

Family Allowances Act, 1973

The Acting Speaker (Mr. Corbin): Would the Hon. Member please sit down? He has just been informed by the Chair that he did not raise a point of order. I can hardly recognize the same Member on the same point of order, since there is none.

Mr. Gimaïel: This is on another point of order, Mr. Speaker.

The Acting Speaker (Mr. Corbin): Well, the Hon. Member for Lac-Saint-Jean (Mr. Gimaïel), on another point of order.

Mr. Gimaïel: Mr. Speaker, I am raising a point of order because I cannot allow the Hon. Member to influence me with respect to the kind of work I am doing as a Member of this House. He said that he did not have any confidence in the work being done by Quebec Members. The Members from Quebec in the House—

The Acting Speaker (Mr. Corbin): Order, please. I am very sorry, but the Hon. Member for Lac-Saint-Jean is an experienced parliamentarian, and he is stretching our interpretation of a point of order to its very limits.

The Hon. Member for Calgary West (Mr. Hawkes).

Mr. Hawkes: Thank you, Mr. Speaker. There are now quite a few Progressive Conservative Members who have studied French because we are aware that Liberal Members from the Province of Quebec are not always able to tell their fellow citizens in that province the truth. We must support the use of French in order to be able to speak out against the Members from the Province of Quebec.

• (1220)

[*English*]

Mr. Speaker, that is the kind of difficulty that the country is in. It is difficult enough and takes a lot of goodwill for us to communicate in the two official languages of Canada. Government policies that make that difficult should be avoided and it is up to the Members of this House to straighten out such abuses, because Cabinet does not do it.

That takes me directly to the economic situation in Canada today. It is a difficult one, and in that difficult climate there are civil servants who give advice to Ministers who bring this advice to this House in the form of legislation. This week we are dealing with legislation which would cut assistance to Canadian families and pension assistance to Canadian senior citizens.

There may be a time in the history of Canada when such a policy is warranted. May I suggest that now is not the time. The difficulty in Canada today is not excessively high interest rates, as it might have been six months or a year ago. The difficulty is a lack of confidence, a psychological difficulty. The citizens of this country are not spending, they are not buying; they are saving and they are reducing debts. As a consequence we have a million and a half unemployed because there is not anybody willing or with the confidence to make the big ticket purchases, to buy cars, refrigerators, an extra pair of shoes, clothes or a little extra food. That is the difficulty we are in.

The new "Messiah of Finance" some three or four months ago went public with his personal preference, his personal intention of cutting all assistance to families in the form of Family Allowances. The wisdom of the caucus, I presume, prevailed over the wisdom of the Minister of Finance (Mr. Lalonde). After three months of discourse we have more or less some assurance that there is no intention to cut Family Allowances altogether.

But consider the three months of economic costs, which came about as a consequence solely of the statements made by the Minister of Finance. People out there in all our ridings, ridings held by Liberals, New Democrats or Conservatives, people in those ridings got scared because in the difficulty that we are in today in Canada people are afraid that next month, or three months down the road, they may not be able to put food on the table for their children. They are afraid that they may not be able to pay their rent. They are afraid that they may not be able to pay their mortgage payments.

Senior citizens are worried. I have many times in this House brought to the attention of Ministers and backbenchers in the Liberal Party the fact that there is a definite correlation between increased unemployment and all the stress-related impacts on society. Crimes of violence, heart attacks, suicides and mental hospital admissions increase as unemployment increases. All of these kinds of social costs are a consequence of increasing unemployment.

In committee this morning the first thing that astonished me was that the Minister would not admit that that correlation exists, that it is scientifically validated from many, many sources. But even more astonishing was the Minister's admission that the Cabinet of Canada, supported by the Liberal backbenchers, have decided that spending priority number one shall be the buying of service stations, rather than the provision of funds to old age pensioners and people on Family Allowances.

This Bill before us today—

The Acting Speaker (Mr. Corbin): Order, please. The Hon. Parliamentary Secretary to the Minister of National Health and Welfare is rising on a point of order.

Mr. Schroder: Mr. Speaker, I am sure that the Hon. Member would not want to mislead the House, but he did not quote correctly what the Minister said. What the Minister said was that she was interested in job creation—

Mr. Baker (Nepean-Carleton): That is not a point of order.

The Acting Speaker (Mr. Corbin): Order, please. I should advise the Hon. Parliamentary Secretary that at the second reading stage the Parliamentary Secretary or the Minister will have the opportunity for reply. The remarks just made by the Hon. Parliamentary Secretary are debate, not a point of order.

Mr. Baker (Nepean-Carleton): They will reply.

Mr. Hawkes: Mr. Speaker, one of the advantages of a committee meeting is that we have a written transcript, and every Member of the House can check what is said.

Miss Bégin: Exactly, and we will look at it.

Mr. Hawkes: The Minister did not talk about job creation but said that the purchase of British Petroleum service stations

was to protect Canadian jobs. That is on the public record. That is a rather indefensible position, but it is irrefutable and there is no argument that that response is now a matter of public record, from our committee meeting this morning.

Mr. Speaker, this decision to buy service stations instead of providing money to families should perhaps be put in context. One recent service station purchase, the smallest one in its total dollar cost that has been made by this Government since 1974, is at a cost of something in the order of $550 million. Mr. Speaker, just buying 6 per cent fewer service stations from that one deal would enable us to leave the Family Allowances program alone. Transferring 6 per cent of the cost to the Family Allowance program would mean we do not have to deal with this piece of legislation this afternoon. Ninety-four per cent of the service stations that seem to be their passion and their priority could have been bought, and by not buying the remaining 6 per cent of them, the Family Allowance program could have been left alone.

Mr. Speaker, that identifies in the clearest, most concrete form the choices that the Cabinet—

Some Hon. Members: Order, order!

The Acting Speaker (Mr. Corbin): Order, please. The Hon. Parliamentary Secretary to the Minister of Finance.

Mr. Fisher: A few minutes ago the Member said that he was referring to the truth. I wonder if he could tell us how the discussion he is carrying on about service stations bears any relation to the truth, let alone relevance.

Some Hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): Why don't you sit down and listen to his speech?

Mr. Hawkes: One of the responsibilities of a Cabinet is to make spending and taxing decisions. One of the responsibilities of all Members of this House is to hold the Cabinet responsible for those spending and taxing decisions. The Cabinet is asking us later this day to cut the amount of assistance that this Parliament is prepared to give to families. It is going to ask us to cut the amount of assistance that we give to pensioners.

• (1230)

The Cabinet Minister defends that by saying we do not have any money. Governments spend and governments choose the priority, when the backbenchers support them in the choice of the priority. This Government clearly and consistently chooses to buy service stations instead of providing money to senior citizens and families in Canada.

If Members on the other side joined with this Party, we could stop this Bill. If they would stand up in this House and vote in the manner that says to the Cabinet "Your priorities are messed up, your priorities are wrong", we could collectively stop it. We are wasting taxpayers' dollars. We are driving the country deeper into debt because of one or two stubborn people in the front benches whose minds are just a little mixed up about what Canada needs and should have today.

The only check on that power is the votes of backbenchers in the Liberal Party. They have a majority. On one or two occasions later this day we will see whether they are willing to stand up in this House and say yes, cut assistance to families. Next week we will see if they are willing to stand in this House and cut assistance to pensioners. We have already seen that they are willing to stand in this House and buy service stations as a priority. Now they are trying to make us believe there is no money.

Anybody on the other side who tells their constituents there is not enough money for pensions and family assistance is in danger of stretching the truth. The money is there, but it has been allocated to buying service stations, air travel for Ministers, and giving patronage to people such as Keith Davey, Jim Coutts, Maurice Stong, Joel Bell, and to send people to Europe at $200,000 a year for language training when we have some of the best teachers in the world in this country. Those are the priorities of this Cabinet, supported by the backbenchers. Some day they will be accountable to the voters in their riding.

Canadian jobs are disappearing at a rapid rate because the backbenchers support that policy. It is not a myth that the Liberal Party is self-destructing. The Gallup Poll now shows that 30 per cent of Canadians believe in them, whereas two years ago it was 50 per cent. Support is eroding and people say it is the Liberal Party's own fault.

We are helping. We are vigilant. We are hard-working and know what we are talking about. I bring to the attention of Hon. Members that our Leader and our caucus stood alone two years ago on the Constitution when all the Members opposite—

The Acting Speaker (Mr. Corbin): Order, please. I apologize for having to interrupt the Hon. Member for Calgary West. However, as Hon. Members know, the rule of relevancy is a very difficult one for the Chair to apply. I invite the Hon. Member for Calgary West to relate his comments to the debate now before the House, a Bill to amend the Family Allowances Act.

Mr. Hawkes: I will be very happy to do that.

Mr. Harquail: Mr. Speaker, I rise on a point of order. Perhaps this is a good occasion because we have some difficulty with the procedure. Earlier the Hon. Member said that he had chosen one of the official languages to point out to Canadians that some Members on this side said something that was not the truth. Would he like to withdraw that or clarify what he meant?

The Acting Speaker (Mr. Corbin): Order. That is clearly debate.

[*Translation*]

Mr. Hawkes: Mr. Speaker, I trust your interpretation of the Standing Orders of the House.

Family Allowances Act, 1973

[*English*]

Mr. Harquail: Mr. Speaker, I rise on a question of privilege. I am sure you would be the first to agree that when a Member uses a term that is unparliamentary and suggests or imputes that somebody is not telling the truth, has not told the truth or refers to lying, it is incumbent upon the Chair and all Members to correct that. The Hon. Member said that the reason he was speaking *en français aujourd'hui* was to make sure that Members from the Province of Quebec were not able to continue to say things that would be considered not to be the truth. He suggested that some Member, unnamed, or all Members from Quebec were trying to mislead by not telling the truth. One of the benefits we will have under the new rules will be being able to question Members for ten minutes after they have spoken, if we want clarification.

The Acting Speaker (Mr. Corbin): Order. I have listened attentively to the point raised by the Hon. Member for Restigouche (Mr. Harquail). That is definitely not a question of privilege. The matter referred to by the Hon. Member for Restigouche may be a point of order. However, I have listened attentively to the remarks of the Hon. Member for Calgary West and have not noticed any unparliamentary language.

Mr. Hawkes: Mr. Speaker, I will provide to all Members opposite a transcript of the meeting held this morning with the Minister of National Health and Welfare (Miss Bégin), where she indicated that spending on service stations is more important than Family Allowances. If Members opposite will put that in their Householder I will be glad to stand in this House and praise them for providing both sides of the story. However, If they do not do that, I will continue with my lessons until I reach a level of skill where I can be comfortable in telling the story myself as to what I find in the Health and Welfare Committee minutes.

When you interrupted me, Mr. Speaker, you were asking for relevance. We will be voting later this day on the second reading stage of Bill C-132. Before doing that, we will vote on a motion which I will propose. The relevance is as follows.

I would like to make it clear to the other side that, in a marketing sense, politics is never a one-way street. The difference between selling your point of view to the voters of this country and selling a car or sewing machine is that it is a two-way communication street. When I sell a car, I have the chance to tell my story, but there is no opposition to interpret it in a different way. In politics there is a one-way communication and it is rebutted by the other side. Therefore, it goes two ways.

I point out to Members opposite that the Cabinet is asking them to cut assistance to families and pensioners, reducing the amount of money which goes to those two groups. I remind Hon. Members that the Conservative Party under the leadership of the Leader of the Opposition (Mr. Clark) has been rather skilled in the last two years in acquainting the Canadian public with what Liberal backbenchers have done.

I started by saying the Liberal Party backbenchers supported the original Constitution. We had the opportunity to tell Canadians what was wrong with it. They believed us, it was eventually changed, and their popularity went down. We are the group in this House that rang the bells for democracy. Members opposite were prepared to support a non-democratic Cabinet. We rang the bells, Mr. Speaker, Canadians learned about the Liberal Party's lack of commitment to democracy and their popularity went down.

• (1240)

The Liberal backbenchers opposite supported the budget of the former Minister of Finance, and they did so at the beginning with a sense of positive voting behaviour. But our Leader and our caucus informed Canadians about the difficulties with that budget, the jobs which would be lost, the health concerns, and all of the things that were wrong, and gradually Canadians started to fight back. The popularity of the backbenchers on the other side fell.

I would like to remind those Hon. Members that we told them consistently that the National Energy Program was an economic disaster. It has cost jobs and foreign exchange. It is a disaster from start to finish. Because of its complexity Canadians did not believe us for a long time, but today they are very nervous about the support which Liberal backbenchers, as well as the New Democratic Party, gave to that program. As the economic mess worsens in this country, the popularity of these two Parties is going to go down and down, because we are telling Canadians where the source of the problem is.

With regard to political patronage and scandal, Joel Bell, Morris Strong, Jim Coutts and Keith Davey were unknown Canadians until we in this Party brought those names to the attention of Canadians, and in a manner which was not very pleasant. Because the Liberal backbenchers support that kind of Cabinet behaviour, their personal popularity in their ridings is going down.

Every voter in every riding in this country is going to find out who votes this afternoon and who votes next week to cut Family Allowances and pensions. We are going to tell them, Mr. Speaker, from the platform, in brochures, on radio and television that the Cabinet was supported by its backbenchers in cutting social programs at a time when Canadians have a real need and at a time of economic uncertainty, when stress-related illnesses are almost epidemic. The backbenchers opposite want to buy service stations instead of putting money in health and social programs.

I can understand the difficulty of the Hon. Members opposite in voting against the Government, throwing it out of office and going to the general electorate at a time when they have made so many mistakes as backbenchers, and I would like to give them a graceful way out. There is a graceful way of voting this afternoon which will not turf out the Government, but will simply delay the cut in Family Allowances. All they have to do is vote for the following motion. I move, seconded by the Hon. Member for Leeds-Grenville (Mrs. Cossitt):

That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:

"Bill C-132, an Act to amend the Family Allowances Act, 1973, be not now read a second time but that it be read a second time this day six months hence".

This is a delay of six months, Mr. Speaker. That is all we are asking for and that is all the backbenchers have to do to keep faith with the families of Canada, the pensioners, and those that need some help from this Parliament.

[*Translation*]

Mr. Herb Breau (Gloucester): Mr. Speaker, I am pleased to be taking part in the debate this afternoon. I feel that Bill C-132 should be seen as part of the anti-inflation program announced by the Government in June. The program includes restricting salary increases of public servants to 6 per cent in 1983 and 5 per cent in 1984 and capping indexation of payments such as Family Allowances and Old Age Security Pensions to 6 and 5 per cent. Mr. Speaker, I think it is strange that a party like the Progressive Conservative Party should react the way it does. It is understandable that the New Democratic Party should speak with conviction about such matters, because before and after and during the month of June, according to them there was nothing the Government could do to try and fight inflation. As you know, Mr. Speaker, inflationary trends in modern society are partly due to psychological factors. That is why it is very important that the central Government should take action and implement measures that will have a psychological impact. Much of the 6 and 5 program is, in fact, psychological, because people are saying that the Federal Government is taking the initiative in an area over which it has direct control by restricting salary increases of its employees to 6 and 5 per cent. Salaries of Members of the House of Commons, Senators, and staff of the House and the Senate were limited right away to increases of 6 per cent this year and 5 per cent next year. Although one of the Opposition parties is speaking with the courage of its convictions, because according to them, the Government should not have acted the way it did, the Official Opposition, the Progressive Conservative Party, is being inconsistent, because according to them, it is absolutely necessary to restrict public spending, starting with federal expenditures and including all social payments, because a large part of the federal Budget, I think it is about 20 per cent, goes to direct payments to individuals. However, when it comes to concrete measures, the Progressive Conservatives object, and tell all kinds of horror stories about this particular Bill, as they did about the Bill we have been debating for almost a week because the Government intends to restrict increases in the basic pension but not the Supplement to 6 and 5 per cent, and the same applies here to Family Allowances. Well, Mr. Speaker, I would like to say from the start that most of the stories told by the Official Opposition with respect to this Bill have no basis in fact, because what the Government is doing with Bill C-132 is to restrict increases in Family Allowances, not by cutting allowances but by restricting the increase to 6 per cent as of January 1983 and 5 per cent as of January 1984, instead of normal indexation which would probably have been a bit higher this year, since we are just coming out of an inflationary period when the inflation rate, calculated on an annual basis, was over 12 per cent.

Mr. Speaker, Hon. Members will have to admit that if they read the Bill and read it intelligently, they will see that families receiving the Child Tax Credit will receive a special increase of $50, to compensate for the capping of indexation, since these families are particularly dependent on the tax credit. In other words, Mr. Speaker, those who can afford to cut their spending will make sacrifices in these difficult times, for, as I said earlier, it is important to take some action with a psychological impact to convince Canadians that through self-restraint, following the lead of the federal Government, we could together check and fight the inflationary pressures that we have experienced for over a year now, inflationary pressures which are both an economic and a social threat to our society, because inflation causes divisions among our economic groups and social classes and is an evil that we must eradicate. So is this unfair? Since the child tax credit only applies to families with a taxable income of $26,000 or less, only families with taxable incomes over that amount will be affected by this measure.

I said earlier that it was the taxable income, the net family income, or again the combined family income. Only those families will be adversely affected by the Bill, because the others which are entitled to the Child Tax Credit will receive a special $50 allowance to offset the limit on indexation. Therefore, Mr. Speaker, I think this is a fair, liberal and equitable measure, even though it does provide for certain restrictions applicable at this time to the Federal Government policies and programs. I would suggest, Mr. Speaker, that it is dishonest and almost hypocritical coming from a party which has maintained a traditional position through the years to say, as they did again this year in the budget debate, that a limit must absolutely be set on the expenditures of the Federal Government because the country is going bankrupt. No sooner has the Government taken the lead to do just that, through a fair measure such as Bill C-132, they object strongly and say that it is an unfair measure which appeals to the emotions of people.

Mr. Speaker, I think Canadians are intelligent enough to grasp the dishonesty and the lack of conviction implied in such a stand and to realize also that it is truly the kind of red herring that is deliberately meant to confuse and deceive them. Since I am referring to Family Allowances, Mr. Speaker, I have read with interest the speech made by the Minister of National Health and Welfare (Mrs. Bégin) and I am pleased to see that in her speech she raised the general issue of Family Allowances as well as the more comprehensive question of family assistance, she also mentioned the importance of the system, which has sometimes a negative aspect as far as social justice and personal deductions for dependents are concerned. The universality of Family Allowances is quite often discussed.

• (1250)

[*English*]

We speak about the necessity to protect poor families and use every possible Government resource to do that, but we always forget that one of the injustices in the system, if you go beyond Family Allowances, is the deductions for dependants under the Income Tax Act. That deduction helps only people who are sufficiently well off to pay income tax. That is one of the reasons the child tax credit was introduced a few years ago, and by a Liberal Government, not by a Conservative Government, or an NDP Government either because they have never seen the light of power. That is why it was introduced. Rich families received it automatically. It is silent, not seen anywhere except as a so-called tax expenditure through a deduction from taxable income. Poor families do not receive that because they do not pay as much income tax; some of them do not pay any at all.

So, Mr. Speaker, when we talk, about Family Allowances and universality, I would ask all Members here, as well as the public and the Government, before they search for savings—as necessary as they are in this very difficult time—instead of touching the universality of the Family Allowances program—I should say it is not only a welfare program in the sense of helping people, Mr. Speaker. I have heard the Minister say it is a social contract. I would go even further; it is a political contract because for a lot of mothers it may be the only piece of paper, the only contact that a woman has with the Government of Canada. Every month she receives an envelope bearing a Canadian flag, with a cheque which bears a Canadian flag and which mentions the Government of Canada. Before you touch that, one has to consider the nature of the social and political contract of the Family Allowances program.

I would rather look to the income tax system to save money, because those deductions help rich families more than poor families. If you eliminate the deductions you are increasing the federal tax base and you are not only saving money for the federal Treasury, but you are saving money for all the Provinces, with the exception of Quebec, who use the federal tax base to collect their own provincial income tax. The income tax of those nine Provinces is a percentage of the basic federal tax. So the federal Government will save money, but the Provinces will probably save, generally speaking, about 30 per cent to 35 per cent. That means an automatic saving to the provincial treasuries through a tax measure of the federal Parliament.

One has to recognize the federal-provincial dimension and I suppose it would not be unfair to suggest that, if we look at that, it be within the ambit of an agreement of some kind with the Provinces whereby the money they would save would go to help poor families, either by way of housing, through direct grants or in some other way. Perhaps there should be a provincial Child Tax Credit or some kind of payment to poor families, because I would not want the Parliament of Canada to—

Mr. Benjamin: Shift the responsibility.

Mr. Breau: No, the Hon. Member should listen to me carefully. If we pass a measure here which has the effect of saving the federal Government money, so it can give more to the poor, it will also have the effect of saving the Provinces an additional 30 per cent or 35 per cent, because they use the federal tax base to calculate their own income tax. I think we should do that within the ambit of an agreement whereby the money the Provinces save would go to poor families in some way, as the federal savings would. If that is not part of the agreement, I am not sure that I would want to pass a measure here without any political strings attached. I am not scandalized by attaching political strings as long as they are fair, Liberal, just like the one I am suggesting now.

Some Hon. Members: Oh, oh!

Mr. Breau: So I would ask Members of Parliament to think about that.

May I call it one o'clock, Mr. Speaker, before I conclude?

[*Translation*]

The Acting Speaker (Mr. Corbin): Order, please. It being one o'clock, I do now leave the Chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

[*English*]

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I am quite happy to have this opportunity to speak in the debate on Bill C-132, an Act to amend the Family Allowance Act, 1973.

Over the last few days we have heard a great deal of rhetoric and debate from the Government side about how wonderful Bill C-132 is. Members opposite have stood in their places and said how proud they are to speak in favour of Bill C-132, a Bill which cuts the amount of money which goes to mothers or, more precisely, goes to Canadian children.

I do not want to participate in that kind of debate. I want to present, as objectively and as clearly as possible, what the Bill attempts to do. If Hon. Members opposite feel that my allegations are incorrect, then, when they speak later, I hope they will identify where my arguments have some flaw or where they may be off the mark.

I think it can legitimately be said that over the next few years Bill C-132 will take money out of the pockets of mothers to spend on their children. I think every Member of the House would agree that the children of Canada are unquestionably our greatest resource; human resources in this country are one of the critical sectors where Canada has an advantage. By

definition, therefore, our young people and children hold the key to the future. Anything we can do in the months and years ahead to ensure that these young people, these children of Canada, receive support, encouragement and nurturing ought, as much as possible, to be the least we attempt to do as Members of Parliament.

What is the aim of Bill C-132? First of all, we must recognize that we are talking about $26.91 per month, per child. That means that young people in Canada under the age of 18 can expect the Government of Canada to issue a cheque to their mothers on their behalf in the amount of $26.91.

To put that in perspective, Mr. Speaker, it must be recognized that that sum of money may buy a pair of blue jeans—on sale. That is the kind of money we are discussing, the equivalent of the price of a pair of blue jeans on sale.

The Bill does two things. First, it points to the children of Canada and says: "You are one of the causes of inflation. By receiving $26.91, you are fueling inflation in this country and that must be stopped. We must cap that. We must not allow you young people or your mothers in this country to continue fueling inflation."

That is aboslute balderdash, Mr. Speaker. The young people and mothers of Canada are not the culprits.

Mrs. Mitchell: They certainly are the victims of this Bill.

Mr. Riis: The Government has not brought forward legislation to correct the role that the banks play in fueling inflation in this country. The fact that they fell over themselves in the last few years pushing money on Canadian entrepreneurs, on the corporate sector and encouraging people to borrow beyond their limits has not been discussed. That is what Canadians were talked into doing. I suspect there is not a Member who does not know a number of people who were pushed into borrowing by the lavish advertisements issued by the banks, telling us that we had money that we did not know we had. "Borrow now for a trip to Jamaica—borrow now to buy Canada Savings Bonds—borrow now to buy stocks—borrow now to expand your business operations—borrow to the hilt."

• (1410)

This means that the debt-equity ratio in this country for large firms, huge corporations, small partnerships and proprietorships is usually out of whack. We do not hear anything about the banks. We hear that the children of Canada are fueling inflation. Goodness, what kind of people would present that kind of argument and stand in their places saying: "We are proud today to hammer the daylights out of the children of Canada because they have fueled inflation in Canada"?

What about the land speculators? What about the housing speculators who flip real estate sales time and time again? Do they not fuel inflation? I suspect a lot of Canadians are guilty of fueling inflation in one way or another, but I can say that there is unquestionably one group that did not go out of its way to fuel inflation. This group is made up of children, ages two, four and 15 years of age.

If we are going to talk about Bill C-132 as not being an effort to stop inflation, it will put to rest a good deal of the arguments that we have heard from the Liberal benches. What other possible motive would we have to impose a capping of Family Allowance payments of 6 per cent this year and 5 per cent next year if it is not to reduce inflation?

We have heard some people suggest that we are trying to save money. We have heard it said that the Government must save money. Let us look closely at the facts and identify precisely what it is we are attempting to say. I will quote briefly what the Minister of National Health and Welfare (Miss Bégin) herself said in this House a few days ago. She explained to the people of Canada, through the House of Commons, what amounts of money the Government would save. As reported in *Hansard* at page 21117, we find the Minister said:

> They represent $70 million over two years. This could be explained by the fact that there will be a reduction in Family Allowances of $320 million over the two-year period. However, there will be an additional cost to make up for the loss which the Child Tax Credit will cost the Treasury, amounting to $250 million.

What that means is that, after causing concern and hardship for something like 3.6 million families in Canada and 6.7 million children, we are going to save $35 million a year. Let us consider that for a moment. Let us put the savings from this Bill into some context. The Government is saving $35 million a year by reducing the money mothers get for their children. Each Senator in the Senate will cost the Government between $2 million and $3 million each over the next number of years. Government advertising will be twice the amount of money that will be saved. Government advertising amounts annually to $60 million plus.

Mr. Waddell: What do Coutts and Davey cost?

Mr. Riis: Canadian oil companies last year received something in excess of $1 billion in hand-outs. One F-18, our infamous jet fighter that we hear about continuously and is under a great deal of question, costs $35 million. In an effort to save money, all the Government is saving is the equivalent of one fighter aircraft while causing a lot of hardship for 6.7 million children in this country.

Let us recognize one other small aspect if the Government opposite is interested in saving money. Let me make a suggestion, which I make in all sincerity. Rather than take $35 million from Canada's mothers, money to provide food, shoes and the necessities of life for their children, let us reform the tax system of Canada so that hundreds and hundreds of Canadians who earn well in excess of $100,000 each year and pay no income tax pay their fair share. We are not suggesting that we gouge the rich people of Canada, or that we expect the

upper income earners to pay more than their fair share; we are simply asking them to pay something. Right now hundreds and hundreds of Canadians earning over $100,000 a year pay not one single penny in tax. If we tax those few folks in our society, the Government would not have to rip the money out of the hands of Canada's children, presumably to save some money.

That is not the only reason we in the New Democratic Party find it very difficult to support this legislation. We find it impossible to support this legislation because of its unfair nature. The six and five program is unquestionably unfair. We have heard Members opposite stand in their places saying: "We are all in this together. All Canadians are capping their incomes to 6 per cent. All civil servants are capping their incomes to 6 per cent. Even Cabinet Ministers' incomes being capped." If you stop to think, Mr. Speaker, even capping a Minister's salary at 6 per cent will still mean a $5,400 increase. Can you imagine what the mothers of Canada would think and how they would react if they were told they were going to get a $5,000 increase as a result of this Government's program? Canadian mothers would be leaping with delight.

Let us look at a few other folks who I find a little more interesting. We have heard some of the corporate heads of Canadian companies say that they like the six and five program. They like the idea of imposing the six and five program on the mothers of Canada, on federal civil servants and people working for CN or Air Canada. We hear them say that they are overpaid anyway. Look at who is saying that.

Mr. Benjamin: It is the blue ribbon boys.

Mr. Riis: One of them is Mr. Bronfman. In 1981 he was Chairman of Seagram's. When he caps his income next year he will only get an increase of $60,000. What about the President of Seagram's Mr. Griffin? By capping his income next year, he will only get an increase of $48,000. What about Mr. Tebbs, Senior Vice-President of Hiram Walker? When his income is capped next year, he will only get a $46,000 increase. We can go down the list. Mr. Ian Sinclair is the Chairman of the Board of Canadian Pacific Enterprises. When his income is capped next year he will get a paltry $35,000 increase. Here is a man who is running across the country saying: "Folks, we have a great idea; enjoy the 6 per cent imposition because we are all in this together".

Whether you are a mother who depends on the Family Allowance cheque to make ends meet at the end of the month, or whether you are Mr. Bronfman making well in excess of $1 million a year, we hear it said: "We are all in this together". That may be. We may all be in this together, but there is certainly no fairness, no equity and no justice in the system as it is implemented. That is why we in the New Democratic Party have opposed this six and five concept since the beginning, and we certainly oppose this Bill.

What about our friends to the right? I remember distinctly that last August the Government brought in Bill C-124, which imposed the six and five program on every aspect of the federal Government system. Who voted in favour of that? The Liberal Party representatives here and the Progressive Conservative representatives in the House of Commons. The only Party who saw the unjust nature of the six and five program was the New Democratic Party and, to be fair, a handful of Tories. But today, the Progressive Conservatives rise in their places and condemn this program. They cannot work both sides of the street at the same time, Mr. Speaker. They have to make up their minds. Either they are for or against it.

• (1420)

I suspect that when Bill C-133 comes before the House, those same Members will rise to their feet to call it unjust and unfair, when they are the ones who voted for the six and five program.

One can elaborate at great length on the details of the Bill. Bill C-132 will result in less income being received by the young people of Canada. Mothers will receive a $50 increase in Child Tax Credit for each of their children for the entire year of 1983, which means an additional $34 over what they would normally receive for each child. They will receive $35 less for each child in 1984. In 1985 they will receive $38 less. In 1986 they will receive $41 less. This trend will just continue.

A more serious consequence concerns the effect this Bill will have on the future generations of mothers and children in this country. When these programs return to full indexing in two or three years, the base on which that full indexing will take place will have been eroded. The implication of this program is that the children and the old age pensioners of this country, for the rest of its history, will receive less income from the Family Allowance Program and the old age pension. The base on which the calculations of these payments is made has been eroded. This causes great concern to some of us in the House, particularly those in the NDP who are committed to the concept of universality.

We wonder whether this is just not the foot in the door to abandoning that principle. I distinctly recall that the Minister of Finance (Mr. Lalonde), who is a former Minister of National Health and Welfare, stated on November 3 that the Government of Canada may end the universality of Family Allowances. Despite what the present Minister of National Health and Welfare (Miss Bégin) says, the Minister of Finance unquestionably made these remarks. He will be bringing in a new budget in the months ahead and the Government will be making a Throne speech. Knowing the Minister of Finance's position in Cabinet, I suspect that his remarks should serve as notice to Canadians that the Government is seriously considering abandoning this very basic principle.

I want to conclude my remarks today by suggesting that it will be very interesting to see if there are Members opposite who have the courage and the compassion for young children in Canada who will stay out of the House or perhaps even vote against the Bill when we do so later today. If those Members opposite stand in their place to vote against the Bill, they will be telling the people of Canada that the Government is taking a step today which will result in less money being sent to the mothers and children of Canada. If those Members who vote in favour want that on their conscience, so be it. I will guarantee that we in the NDP will be voting to delay this Bill for six months, as the proposed amendment suggests.

We will be opposing this Bill because we will never vote for a measure that takes money out of the hands of children. Children are the human resource of this country and we are very proud of them. We will vote against any measure which begins to erode this right.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I must say that I am surprised that we have not had from some of the Government backbenchers an explanation of why they are prepared to support this Bill. These measures represent a change in the philosophy of this Government about which we have known of for a long time. These Bills which propose to cap Old Age Security benefits, retired public servant pensions and Family Allowance payments to 6 and 5 per cent are just another example to demonstrate that when times get tough the first thing which the Liberals consider expendable is their supposed commitment to social programs.

We have seen decreasing support for medicare, hospital insurance and other basic safety net programs which were developed in this country over the last 30 years. It is interesting to see our friends in the Conservative benches expressing their opposition to this proposal as well as to the proposals concerning old age pensions. The fact is that when they voted for the 6 per cent and 5 per cent limits on increases to public service wages, they were voting for these measures as well. They are attempting to be on both sides of the fence when they oppose these Bills.

We are witnessing the Government taking deliberate steps during these difficult economic times to scale down the social programs which have been built up over so many years in this country. The Government has introduced measures to cap the indexing of Family Allowances and pensions even though the six and five limits to these increases over the next two years will mean a reduction in the standard of living of old age pensioners and families who receive Family Allowance.

There is no question that the increase in next year's cost of living will be much closer to 9 per cent than the 6 per cent figure which was projected by the Government last June. Furthermore, it will not even be close to the 5 per cent cap which has been proposed by the Government for the following year. At the same time as these cutbacks are being implemented, the reduced revenues of the federal and provincial Governments have resulted in their implementing methods to cut back on coverage in such areas as medical and hospital insurance which Canadians have come to expect. The federal Government is forcing the Provinces to cut back the support in certain areas which they give to hospital and medical insurance programs as a result of the reduction in its contributions to the Provinces for those programs.

Therefore, we have seen a decrease in the number of hospital beds in use in almost every city in Canada. We are seeing more doctors opting out of medical insurance plans because the Provinces will not agree to give the doctors the kind of increases they feel they need. We will see a gradual reduction in the standard of service. Indeed, some people who pioneered the health insurance scheme, such as the Hon. Mr. Douglas, the former Premier of Saskatchewan under whose leadership hospital and medical insurance was implemented for the first time in any Province, and Justice Hall, are predicting that if this trend continues we will have a two-track medical system in a few years. People who have the wherewithal to pay the extras which doctors and hospitals will demand will get first-class coverage, while people who cannot afford that will get second-class coverage.

• (1430)

This proposal to cap Family Allowances strikes a blow at the welfare of almost all the families with children in this country. Given the cost of living at the present time and the cost of housing, the very high percentage of a family's income which is needed to pay the kind of mortgage payments required for anything more than the modest home, it is unusual when both a husband and wife are not working these days. That means extra expenses in the way of child care and other family expenses. Very few families do not need the kind of assistance which they have been getting through Family Allowance. We are not alone in that kind of assessment. Yesterday an editorial in *The Globe and Mail* was entitled "The Society's Charges". Let me put a couple of sentences from that editorial on the record. The editorial begins:

> The effects of a weakened economy are being written ominously into the case books of Children's Aid Society workers in Ontario. More and more parents are finding that the squeeze on their budgets is so tight that they cannot afford to keep their children at home. They are turning to the CAS for help in numbers described as "alarming".
>
> "Poverty is back on our doorsteps and some parents just don't have the wherewithal to care for their children", said George Caldwell, executive director of the Ontario Association of Children's Aid Societies.

The editorial goes on to say that record numbers of teenagers are moving away from home and applying for welfare, partly because their parents say they do not have the money to care for them.

Given that that is the situation and the reality, this is the time when the Government proposes to cut back on the Family Allowances received by Canadian families. The United

Church, in a position paper released by its Working Unit on Social Issues and Justice, in reference to the principle of indexation, has stated:

> As an attempt to offset rapidly-rising inflation in the 1970's, indexation was introduced in the income tax system, and also applied to most of the assistance programs including CPP, OAS, GIS, Spouses Allowance, Family Allowance and the Child Tax Credit. Without this the effect on low-income persons would indeed have been severe.

The United Church group that made that statement knew what it was talking about because the capping of the increases on Family Allowances and other social programs to increases of just 6 and 5 per cent when the cost of living is rising substantially more than six and five, will have a very serious effect on all those families with children.

What is the purpose of this Bill? Its purpose is to cap the increases in the Family Allowance at 6 per cent for 1983 and 5 per cent for 1984, rather than to permit the Allowance to match the increase in the consumer price index. What will be the effect on families which now receive the Allowance? Family Allowance payments now are $26.91 a month per child. This guarantees Canadian mothers some cash in hand to deal with the needs involved in raising children. It has given many mothers who do not work the only income, the only money, which they do not obtain from their husbands or for the receipt of which they are not dependent on someone else's decision-making or goodwill. This enables them to deal with some of the needs of their children, to buy clothing and food and to pay some school expenses. This year the Bill will reduce Family Allowances by $16 in 1983, from $358 for the year to $342 for the year, and will reduce it by $35 in 1984, from $394 to $359.

The Government has argued that those most in need will be sheltered from this real decrease in Family Allowance payments by a one-year increase in the Child Tax Credit of $50. On the face of it, families with children will not lose any money. That is true in an absolute sense, but our national social security system will lose an immeasurable amount because the base of future Family Allowance increases will be lower and, therefore, the reduction will be a permanent one. That, of course, assumes that at the end of two years the Government will go back to full indexation.

I want to suggest to Hon. Members that we have no guarantee that that will happen. After all, if the Government can reduce the rate of indexation to six and five for two years, it can do the same for the years afterwards. Or, even more disastrous, it could eliminate indexation altogether. After all, if the Government has done it once, why will it not do it again? We have no assurances that the economic situation will be any better in 1985 than it is in 1982. It may, indeed, be worse, and the Government, whether it be Liberal or Conservative or any other, could decide that the needs of the country are so great that capping must be continued or that indexation must be eliminated altogether.

Besides that, the amount lost is paid back on a selective basis. What do I mean by that? Presently, 3.6 million Canadian mothers receive Family Allowances, of which 2.5 million also receive the Child Tax Credit. This country has accepted the belief that Family Allowance is a universal right. At least, we have up until now. With the Child Tax Credit, we have divided those needing help into two camps, those with some need and those with more need. With this Bill, we will move closer still to making the two-class system permanent. I suggest that it is a ghetto-type Family Allowance, similar to what I predict we will likely see in relation to hospital and medical care in the next few years.

Some may say that a ghetto-type Family Allowance will do more for the really poor. The problem is different. As soon as one separates the real poor from the rest of the people, one stops doing very much. As soon as one splits the people of Canada into two groups, those who do, in fact, receive Family Allowance, or part of it, and those who do not, those who do not receive it will lose interest in the Program. Those who do not receive the benefits will feel that they have no reason to support the Program, and the almost unanimous support which we have had for this kind of Program will be reduced, if not eliminated.

Therefore, we are opposed to the kind of selectivity which is implicit in the Bill and in the whole Child Tax Credit idea. If some in the upper income brackets do not need the benefit of the assistance they receive from this Program, it would be a very simple matter to use the income tax system as it has supposedly been used but, in fact, has never been used. The income tax system could simply be used to tax back 100 per cent of the benefits which it is believed that people do not need. This would be the most effective, stigma-free way of accomplishing the objective of seeing that those who supposedly do not need the benefits of this kind of Program do not receive them.

• (1440)

We believe it is illogical and unjust to attack a basic social program such as the Family Allowance Program, which has brought such benefits to the Canadian people, while at the same time we are spending millions of dollars on propaganda kits such as the one that was issued a few days ago extolling the virtues and the benefits which will accrue to the Canadian people as a result of the six and five program. The Government is essentially attacking those who cannot defend themselves.

If I can go back to that study done by the United Church of Canada, they say in this regard:

> Poor people are powerless to bargain for more income, they have no access to capital for investment or job creation, they have no control over day-to-day living costs which are imposed upon them, and they have less opportunity to participate in the educational and social structures that might enable them to make it in our highly competitive system.

The poor who receive Family Allowances will never make up the losses in these payments which this Bill will inflict on them

because it cuts away at the shelter that those with low incomes and fixed incomes need to protect them from inflation and to meet the day-to-day price increases which inflation represents.

My colleague, the Hon. Member for Kamloops-Shuswap (Mr. Riis), talked about the food depots which are being established in Kamloops. My colleague, the Hon. Member for Winnipeg-St. James (Mr. Keeper), and I know about the tremendous increase which there has been in the last year in the services of institutions such as the Salvation Army, and in the members of the old, middle-aged and young people who are coming there every day to get food.

I am old enough to have lived through the period of the great depression of the 1930s—

An Hon. Member: You were very young.

Mr. Orlikow: I was very young at that time, that is true—and I remember the soup kitchens and the relief kitchens to which tens of thousands of unemployed had to go just to keep alive. From 1940 on, from the period when World War 11 started and we saw that full employment was not only possible but had been achieved, I, like thousands of other Canadians, came to the conclusion that we would never see those kinds of situations again. They are now back for us, and not only in Kamloops or Winnipeg; Vancouver, wealthy Calgary, Regina, Toronto, every city and, I suppose, every small town in Canada is experiencing the same situation. That is a disgrace. It is a disgrace that that kind of situation would be permitted to exist in a country as wealthy as Canada, a country with the resources that we have, a country with the well-trained, highly-educated young people that we have. Yet that is what is happening in Canada, and it will get worse because the Government has given up any principle or intention it ever had to see that the people of this country live under decent conditions.

The Government brings forward this Bill, which we say is the beginning of an attack on the whole system of social programs which has served Canada so well since 1945, in order to save $115 million in 1983. This is based on the belief that this Government is determined to promote the idea that it is not a "big spender" in terms of social programs. This country is not one of the big spenders on social programs as compared to other countries. David Ross, in his book "The Working Poor" published in 1981, compared what Canada is doing in the way of social programs to other countries, and he makes the following statement:

> Using 1974 data, Canada ranked thirteenth of seventeen OECD countries when expenditures on income maintenance were expressed as a percentage of Gross National Product.

Mr. Speaker, we are not and have never been among the big spenders. We have never been in the same class as countries such as West Germany, Holland, Belgium, Norway or Sweden. Yet this Government which, for reasons which I do not want to discuss today, implemented so many of the programs we have—prodded by other Parties, by organizations such as the Canadian Labour Congress, and urged on by organizations such as the Canadian Council for Social Development—is now moving as quickly as it can to mobilize support, not for holding the line, not for improving the programs which we have, but for cutting back.

Once you start this process of cutting back, the Government and this Minister should know how many important, wealthy, influential individuals, how many big organizations such as the Canadian Manufacturers' Association and the Canadian Chamber of Commerce, will be happy to join with her in helping to persuade the Canadian public that we need to cut back, that we cannot afford these things.

We do not accept this idea that we cannot afford these things. We believe that this country not only has to maintain the services which we have established over these many years, but that we have to improve the services, that we have to catch up to other countries which have done more for their people than we have.

The Family Allowances Program is the only Program we have that acknowledges the cost of parenting and recognizes the importance of children to Canadian society. It has been estimated that it takes $500,000 or more to raise a child, counting out-of-pocket expenses, the extra hours of labour by the parents and the income that the mother could have earned if she had not interrupted her working career. In the end this huge investment benefits society in general rather than the individual parent.

In comparison to this huge expense the Family Allowance is a very small amount, and to reduce this amount even by a little bit is both illogical and unjust. A couple living in one of Canada's largest cities is poor if they have an income of under $12,000. If they have a child, they require an additional $4,000 income. Family Allowance supplies much less than $400 per year, less than 10 per cent of this requirement. Yet a cut in this amount is precisely what this Minister is proposing in this legislation.

We are going to oppose this Bill, as we are going to oppose the other Bills which call for cutbacks and reductions. We are going to oppose them as we always have because we believe that the people of Canada are entitled to the kind of social programs which they have. We believe they need much more than they are getting. This is not the place, nor do I want to take the time of the House, to say to the Minister and the Government that there are dozens if not hundreds of ways in which, if the Government really believes that it needs to save the kind of money that it will save with this program, it could save it with much less harm to ordinary Canadians.

Let me just mention a couple of ways. Let me remind the Minister that her colleague, the Minister of Finance (Mr. Lalonde), in a budget proposal last year reduced the marginal rate of income tax to be paid by those in the highest income

brackets from 59 per cent to 50 per cent. That cost the people of Canada several hundred million dollars. Let me remind the Minister of National Health and Welfare that we have had a whole series of these kinds of hand-outs to people in the upper income brackets. If the Government feels it necessary to save money, there are many other ways it could do that. For all these reasons, we propose to vote against the Bill.

• (1450)

Mr. Scott Fennell (Ontario): Mr. Speaker, what we are debating today is very similar to what we have debated a great deal since October, 1980. Now we are removing the cash flow of families. In 1980 we removed the cash flow from the oil industry. Again, this is a Liberal grab. The Minister is laughing. I do not think she realizes the suffering that many of the unemployed are undergoing today. I am talking about the small people.

Miss Bégin: Speak to the Bill.

Mr. Fennell: I am speaking to the Bill. I am talking about those who need the increase next year because they are running out of unemployment insurance.

Miss Bégin: They are getting it. Read the Bill.

Mr. Fennell: Make your own speech in your own time. This is cruelty in a time of spiralling inflation. The Government is doing nothing to curb its own expenditures. I have been sitting on the Miscellaneous Estimates Committee and expenditures are going up. The Government is spending money everywhere it wants. There is no control. Now it is going to hurt the average guy who needs the money to put food on the table.

This is a serious time for our economy. We are dealing with unemployed people. However, not only are they unemployed, but at this time we have surplus labour. I do not know whether they can be employed. This Government has not identified the need to supply jobs for them. This is a serious subject and this is a serious Bill that will take money away from these people at this time.

There are many areas of Government spending that could be cut, but when the Government begins to cut cash flow to the citizens of this country, it is perpetrating a disgrace on this House. There is no way we could support this Bill at a time when people are starving, losing their jobs and not being re-employed.

The Minister of Employment and Immigration (Mr. Axworthy) referred to the creation of 60,000 jobs. Our Leader referred to the fact that each unemployed worker will get 20 minutes of work. That is not creating jobs for the people who need them; it is an inequity to Canadians. It is unfair to people right across this country, particularly those in areas with heavy unemployment such as Sudbury, where today there is 40 per cent unemployment. Those people do not know when they will go back to work. How can the Government take money away from them? It is cruelty. This is an absolutely cruel Bill being foisted on the citizens of this country.

In addition to looking at the unemployed, we have to look at the exhaustees. We do not know how many there will be before the next year is out. The automobile industry will not replace that many people; it is installing robots in order to remain competitive. We have the unemployment and surplus labour and this situation is not being dealt with. It is what we should be dealing with today instead of taking money out of the pockets of those who will not have any sustenance.

This is a very brief, short and cruel Bill. I regret that it has come before the House. Again it is the attitudinal situation of a grabbing Government, taking money away from people and grabbing all it can get. The Government believes it can spend the money better. However, people with children need it far more than the Government. The Government does not think of the human suffering that will occur because of this Bill.

Mr. Nielsen: They need the money for advertising.

Mr. Fennell: A very good point. Our House Leader says they need it for advertising. They love to sell their great programs across the country with their Maple Leaf and flying swans. They have to use swans because they have worn out the geese. What is happening in Canada is pathetic.

Mr. Evans: Come on!

Mr. Fennell: I see my usual heckler is here today. He always has something to say when I try to get the point across that he is being unkind to the people of this country. The Hon. Member for Ottawa Centre (Mr. Evans) has many good points, but he will have a hard time with families the next time there is an election. I know because I happen to live in his riding when I am in Ottawa. The families who will suffer because of the Bill he is approving will have something to say to him when he knocks on their doors. They will remind him that they have not forgotten what he did to them. That Hon. Member hopes the election is far enough away that they will forget all about this. He hopes that by then the Government will come out with a new package of goodies which will double the Family Allowance just before the next election. That is the way to play the game and get elected. They will do that even though we have a $25 billion deficit this year.

In spite of that debt, there are many other places the Government could cut back. I plead with the Members on the other side to give some consideration to those who need help now and to vote against the Government.

Mr. Les Benjamin (Regina West): Mr. Speaker, by popular demand from Members on the other side of the House, I will sum up the position of the New Democratic Party on this Bill and others like it.

Mr. Evans: That should take all day.

Mr. Benjamin: If I could take all day, I would. Since 1924 people in this kind of Party have been fighting in Parliament for universal programs, beginning with J. S. Woodsworth. When the Government of any political stripe impinges on, detracts from or attempts to reduce or destroy the universality and the benefits of universal programs, this Party will always oppose them.

We are in the midst of the worst social and economic crisis since the dirty thirties. This is a depression, not a recession, but a depression of a different kind. It is interesting to read the speeches of Prime Ministers and Ministers of Finance between 1929 and 1939. They show the same state of mind and they are the same kinds of speeches that were being made between 1979 and 1982. I quote one of them:

> The policies and measures I have outlined are based upon the firm belief . . . that this country is soon to enter upon a new era of prosperity—

That was Lyman P. Duff, the Minister of Finance, speaking on March 12, 1931, as reported at page 3 of *Hansard*. I again quote:

> —I told the electorate that there was one thing of which they could be perfectly certain, and that one thing was that if our Party were elected to power, at the very first opportunity we would enact legislation that would deal not only with unemployment but also with the question of affording to Canadians an equal opportunity with their competitors—

That was R. B. Bennett on March 17, 1931, as reported at page 57 of *Hansard*. The same right hon. gentleman said on June 29, 1931 as reported at page 3137 of *Hansard:*

• (1500)

> The primary duty with respect to unemployment does not rest with the federal Government—

In *Hansard* of June 30, 1931, at page 3183, Mr. Bennett said:

> For as has been very often pointed out and is generally recognized, the duty rests primarily with the municipalities and with the province—

An Hon. Member: We heard that last week from the Minister of Finance (Mr. Lalonde).

Mr. Benjamin: We heard that last week, and we also heard it today from the Minister.

Let me move to another quote. Mackenzie King, at page 1041 of *Hansard* on February 19, 1937, said this:

> During that period much was expended for social services, to the neglect of what should have been expended for the purpose of keeping the defences of our country up to the standard to which they should have been kept.

And then Mr. Bennett, at page 1393 of *Hansard* on March 2, 1937, said this:

> It came to me as somewhat of a surprise that this country had the measure of prosperity that it did have in 1935.

Also at the same page and on the same date Mr. Bennett said:

> If we are to make this country attractive to new capital; if we are to induce people to invest their money in this country, we shall have to have regard to the fact that taxation is a very important item in the minds of those who are sending their capital to new countries.

Those kinds of speeches have been made in the House just in these past three years, Mr. Speaker. Mr. Bennett went on to say, on March 1, 1937, "that this House regrets that the government has failed to take effective measures to deal with the problem of unemployment". On March 24, 1937, at page 2171 of *Hansard*, the same gentleman said:

> Here we have a complete reversal of policy; here we have blank cheques issued for every form of activity that was contemplated by the relief act to the extent of twelve millions of dollars—

I mention these quotes, and there are many more, to illustrate the kinds of speeches which have been coming from the old line Parties on the matter of universal programs, matters of unemployment and taxation, and how they attack universal programs like the Family Allowances Program, attack it by chiselling on the benefits of a universal program.

I would like to quote the following sentence from the CCF Winnipeg Declaration of 1956, "A society motivated only by a desire for profit is basically immoral." A nation which will put up $8 billion for fighter planes, which my hon. colleague from Kamloops-Shuswap (Mr. Riis) referred to, at $35 million each, which are of no use to us, instead of investing that kind of money in food production, fishermen, farmers or our children, surely has its priorities reversed. A nation which permits its financial system to invest billions of dollars in new, towering bank headquarters, corporate mergers and fancy office buildings, while people are losing their homes, their farms, their small businesses, and having their Family Allowances reduced, surely that nation is suffering from a conscience which has gone askew.

A nation which permits billions of dollars of investment capital to cross our borders to speculate on foreign currencies and commodities to make quick profits while those billions of dollars are desperately needed here for mortgage rates geared to income for homes, senior citizens' housing, transportation, research and development, and children, cannot be forgiven. A nation which will chisel on the increases for Old Age Assistance, Family Allowances and the poor, is surely failing the test of any civilized society, namely, how well it treats its old, its young and its disadvantaged. We need a national recovery plan that challenges Canadians, that does not pick upon those who cannot defend themselves.

There have been calls from the Government side about more responsibility on the part of the Provinces. Let me illustrate with an example of another old Party government, the Conservatives in Saskatchewan who, by chiselling the public, cancelled the next two planned 25-cents' per hour increases in the minimum wage. When it comes to being cheapskates, they make the Liberals look like amateurs.

Family Allowances Act, 1973

I would like to quote from a survey by the National Citizens' Coalition in 1976, because I have been listening to the Official Opposition's speeches, led off by the Hon. Member for Kingston and the Islands (Miss MacDonald). All these candidates for the Conservative Party leadership were surveyed in 1976 by the National Citizens' Coalition. The survey reads: "Question: In the case of universal welfare, should any of the following plans be altered to provide for the needy only, unemployment insurance, medicare, Canada Pension Plan and baby bonuses?" The Hon. Member for Yellowhead (Mr. Clark), the Leader of the Opposition, said it should apply to the needy only in the case of unemployment insurance and, would you believe it, baby bonuses. The Hon. Member for Vancouver South (Mr. Fraser) said it should apply only to the needy, UIC and baby bonuses.

A former Member, one James Gillies, said it should apply to UIC and baby bonuses.

The former Liberal Member cum Tory, now cum Liberal, one Paul Hellyer, said it should apply to the Canada Pension Plan. He was a blue Tory. The first three were supposed to be red Tories. He is a blue Tory and he said it might be simpler to tax off the excess on baby bonuses rather than introduce another means test.

Then we have the Hon. Member for Kingston and the Islands. She said there was only one program which should be provided for the needy only, and I listened to her speech carefully about universality. Would you believe, Mr. Speaker, she said the program was baby bonuses.

Then there is the former Tory cum Liberal cum Chairman of the CNR, Jack Horner. He said, UIC and baby bonuses.

Then there was another gentleman who came out of the woodwork or from under a rock by the name of R. C. Quittenton. He said all four should be restricted to the needy only.

Another blue Tory, the Hon. Member for York-Peel, who, some have said makes Genghis Khan look like a raving left-winger, was the one who had the real radical left-of-centre proposal. He said, "Universality is preferable to a means test. Means tests are demeaning." That was the Hon. Member for York-Peel, can you believe it? He said, "Income tax tends to equalize all programs."

Out of those eight names of the leadership candidates for the Tory Party, the Hon. Member for York-Peel (Mr. Stevens) was the most progressive, and he can quite justifiably get up and vote against this Bill. And if Mr. Hellyer were here, he could justifiably vote against this Bill. But if the Hon. Members for Yellowhead, Vancouver South, Kingston and the Islands have had a change of heart, have changed their minds, then I wish they would get up and say so. Everyone has a right to change their mind, but, as my colleague said earlier today, this business of continually trying to work both sides of the street has to be shown up for what it is, the worst kind of hypocrisy.

Some Grits are saying, hear, hear. These are the ones who like to brag about how they brought in the law for these universal programs. There were several of them. They had to be politically blackmailed by the CCF and the NDP and J. S. Woodsworth, to get them in. In fact, in the famous elections of 1945 and 1949, when Mackenzie King and the Liberal Party campaigned on the CCF platform, we found it very frustrating, but we are glad they did those things. But in their efforts to get back up in the polls, Mr. Speaker, these so-called Liberals, these middle-of-the-roaders, these progressives who say they have inaugurated these untouchable universal programs, are implementing the Conservative programs. Who is it that is agreeing with the Hon. Member for Kingston and the Islands, the Right Hon. Member for Yellowhead and the Hon. Member for Vancouver South? It is the Liberal Party and the Liberal Government, Mr. Speaker. Universality of social welfare programs, Mr. Speaker, has always been a foundation of our party. Improvements in these programs has to be a continuing objective of any government, whatever its political stripe, in this Parliament.

• (1510)

I think there is general agreement amongst all political Parties that to equalize, paying the cost for benefits of those universal programs, we are years behind in having a fair income tax system. I will not repeat the remarks of my colleague, the Hon. Member for Kamloops-Shuswap, but surely there is something wrong with an income tax system which allows tens of thousands of Canadians to avoid and evade paying their fair share of the cost of running this nation and its universal programs from which they also obtain benefits. Yet the old line so-called free enterprise governments insist on reducing expenditures at the expense of the aged and retired, including retired civil servants.

Later we will be dealing with a Bill concerning retired federal civil servants and their pensions, and I was very interested to hear at a meeting a week or so ago the replies of Members of Parliament from the Tory and Liberal Parties on that one. It is so obvious, Mr. Speaker, that our income tax system needs a thorough overhauling. We need to blow the dust off the Carter Royal Commission report of 1966. Carter started to go public in support of his report, but the poor man died of cancer. However, there again is the most definitive job which has ever been done on our tax system. We collect taxes from Canadians based on the income they earn, no matter how they earn it, in order to pay for universal programs so that our aged, sick, disadvantaged and children are treated with some amount of civility.

Surely, Mr. Speaker, people are more important than profits. Decency has a priority over dollars. If that principle is incorporated in our universal programs and our income tax system, we can then be really proud; we can take our place amongst the nations of the world as a leader. We need not use

these small-minded, old fashioned and out of date techniques which the Tories and the Liberals have been bringing out over the last 45 years. They have learned nothing from history and they are in fact repeating it.

I hope some Hon. Members in this House will join with us in supporting the amendment. If it does not carry, then let them join us in opposing the Bill. All it would take is for the Minister of National Defence (Mr. Lamontagne) and the Minister of Finance (Mr. Lalonde) to cancel two of the 138 fighter planes they have ordered, and they will save the money that they are attempting to save with this Bill. That would really make no difference in Canada's capacity or capability in the realm of defence or of our NATO commitments. It would not harm that in the least. The money is there, Mr. Speaker, but it is being taken for other purpose at the expense of mothers and children. Surely no Parliament with any kind of a conscience or some civilized priorities would stand for this kind of legislation, or would support it, and I urge this House to support the amendment and oppose the Bill.

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, my purpose in taking part in this debate is to support the motion made by the Hon. Member for Calgary West (Mr. Hawkes). The intent of the motion is to allow the Government to examine the economy of this country for a six-month period to determine if this Bill has to be implemented. If those Members opposite have such a great belief that they are doing the right things, that their programs are going to turn this country around and it is going to blossom and grow and all the good things that the Liberal Party can do will be seen by the people of Canada in a very short while, would this Bill be necessary? We are told it is necessary because Government must restrain its spending. The motion put forward by the Hon. Member for Calgary West would allow all these great programs the Liberal Government is proposing to take effect. Then perhaps we would not have to deprive people of the Family Allowance. We would not have to deprive the single income families who make up about 60 per cent of the people who receive benefits from assistance programs.

All we are asking, Mr. Speaker, is that Hon. Members on the Government side show some belief in their own Government rhetoric. We would like them to say: we know our policies are going to work, therefore, we will support that motion and take the six months, because it may not be necessary to humiliate the Minister of National Health and Welfare (Miss Bégin). It may not be necessary to make it appear as though she is not in charge of her own Department. It may not be necessary to make it appear that she is deferring the matter to the Minister of Finance (Mr. Lalonde) who says that we do not have enough money. Think of it, please. Is what you are saying that nothing is going to change in six months? Is that what you are saying?

• (1520)

All we hear is rhetoric. Are the people who are unable to defend themselves, the families and pensioners in Canada, the people who will have to try to bring this economy around? Surely that is not the Liberal way; there must be another way. Why do we not take six months to consider the Bill? We will be here and we can review it then. I do not understand the rush to become involved in something that every Member on the Government side believes will not be necessary. Our economy is going to grow so much in the next six months. We are going to start the engines of industry again.

I listened with interest to the Hon. Member for Regina West (Mr. Benjamin) I should like to point out to him and his Party that last night the Hon. Member for Qu'Appelle-Moose Mountain (Mr. Hamilton) spoke on a subject on which he has spoken often in at least the last nine or ten years, and that is, the relationship of Family Allowances to the people under the age of 18 who do not have parents. He has fought that battle with the Minister of National Health and Welfare. She has said that she agrees with everything he put forward but that the Minister of Finance told her there was not enough money available to implement the program. Not once in those nine years has any Member of that supposedly compassionate, socially aware Party, stood in this House and supported the Hon. Member for Qu'Appelle-Moose Mountain. Not once have they voted with him on this subject.

The people of the country do not believe that only one Party is socially aware and socially concerned. The difference between the Party of which I am a Member and the Liberal Party or the New Democratic Party, is that this Party is aware that there is a great necessity for generating revenue so that the Government can make a further commitment to those people who have to receive assistance and a little bit of help from the Government. No Member of this Party is any less aware than Members of the New Democratic Party or of the Liberal Party, of the social conscience that is a necessary part of the parliamentary process. It is necessary in order to protect those individuals who, through no fault of their own, cannot protect themselves.

The Minister of National Health and Welfare has said, with regard to the changes proposed to the Family Allowances Act, that those people in the income brackets affected will not suffer because other Government programs will make it up to them. If that is true, then why are we going through this process? Why are we taking the time of the House and causing concern and alarm in every home in Canada if this is not going to make any difference? If the Minister is correct and those people will not be affected by the Bill, why are we debating it?

The Government has continued to say that these changes in the Family Allowances are necessary in order to recover income for the Government. The Government has a horrendous tendency to be more concerned about its own income than that of taxpayers.

Family Allowances Act, 1973

The Government knows full well that all it does is print money; it does not generate money. It has forgotten that a form of social care, aid to individuals and aid to families, is required. The family unit is not changing as drastically as is the Family Allowances Act. The family unit is still the most integral and important part of Canadian society.

I cannot understand the Minister or her Parliamentary Secretary supporting a program that would cause hardship to the most important unit in our population, the family.

Mr. Schroder: That's right.

Mr. McKnight: I hear the Parliamentary Secretary to the Minister say that it is right, that it is not going to cause a hardship. Why are we having this debate if not to save money for the Government? If the people in this income range are not to receive any more or any less funds from the federal Government, why is this legislation necessary? If the Parliamentary Secretary has the time, I should like him to tell the House why we are going through this exercise, if it does not make any difference.

I ask Members of the Government to consider the motion proposed by the Hon. Member for Calgary West. If they believe the Government is doing the right thing for Canada and that this will help the economy grow, then why do we not just suspend this Bill for six months and consider it then? Nothing is going to change in that time. If they do not have faith in the Government and its programs, then I will expect them to vote against the amendment. If they have faith in the Government and the Minister, then they will believe the rhetoric. They will believe the statements of the Prime Minister (Mr. Trudeau) and they will know that six months from now it will not be necessary to take income away from families with children under 18.

I hope Members of the Government will support this motion. I conclude my remarks, Mr. Speaker, by asking for the question.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

Mr. Deputy Speaker: All those opposed to the motion will please say nay.

Some Hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

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

(Division No. 263)

YEAS

Messrs.

Althouse
Andre
Baker (Nepean-Carleton)
Beatty
Benjamin
Blaikie
Bosley
Bradley
Broadbent
Cardiff
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Cooper
Corbett
Cossitt (Mrs.)
Crombie
Crosby (Halifax West)
Crouse
Dantzer
Darling
Deans
de Jong
Dick
Ellis
Elzinga
Epp
Fennell
Fraser
Fulton
Gass
Greenaway
Gurbin
Gustafson
Hamilton (Qu'Appelle-Moose Mountain)
Hawkes
Heap
Hees
Hovdebo
Howie
Huntington
Jarvis
Keeper
Kempling
Kilgour
King
Knowles
Korchinski
Kristiansen
Kushner
Lambert
Lawrence
Lewis
MacDonald (Miss) (Kingston and the Islands)
MacKay
Mazankowski
McCain
McCuish
McKenzie
McKnight
McLean
Mitchell (Mrs.)
Mitges
Murphy
Murta
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Oberle
Orlikow
Paproski
Parker
Patterson
Reid (St. Catharines)
Riis
Rose
Sargeant
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Skelly
Speyer
Taylor
Thacker
Towers
Vankoughnet
Waddell
Wenman
Wilson
Young—90.

NAYS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Campbell (Miss) (South West Nova)
Campbell (Cardigan)
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
de Corneille
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dubois
Duclos
Dupont
Dupras
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lalonde
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McRae
Nicholson (Miss)

Messrs.

Olivier
Ostiguy
Ouellet
Pepin
Peterson
Pinard
Portelance
Prud'homme
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tardif
Turner
Veillette
Watson
Weatherhead
Yanakis—118.

● (1550)

Mr. Deputy Speaker: I declare the amendment lost. Is it the pleasure of the House to adopt the main motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: Those in favour of the motion will please say yea.

Some Hon. Members: Yea.

Mr. Deputy Speaker: Those opposed will please say nay.

Some Hon. Members: Nay.

Mr. Deputy Speaker: In my opinion, the yeas have it.

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

Mr. Nielsen: No bells.

Mr. Deputy Speaker: Shall I dispense with the ringing of the bells?

Some Hon. Members: Dispense.

The House divided on the motion (Miss Bégin) which was agreed to on the following division:

(*Division No. 264*)

YEAS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Campbell (Miss) (South West Nova)
Campbell (Cardigan)
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
de Corneille
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dubois
Duclos
Dupont
Dupras
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lalonde
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McRae
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Pepin
Peterson
Pinard
Portelance
Prud'homme
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tardif
Turner
Veillette
Watson
Weatherhead
Yanakis—118.

NAYS

Messrs.

Althouse
Andre
Baker (Nepean-Carleton)
Beatty
Benjamin
Blaikie
Bosley
Bradley
Broadbent
Cardiff
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Cooper
Corbett
Cossitt (Mrs.)
Crombie
Crosby (Halifax West)
Crouse
Dantzer
Darling
Deans
de Jong
Dick
Ellis
Elzinga
Epp
Fennell
Fraser
Fulton
Gass
Greenaway
Gurbin
Gustafson
Hamilton (Qu'Appelle-Moose Mountain)
Hawkes
Heap
Hees
Hovdebo
Howie
Huntington
Jarvis
Keeper
Kempling
Kilgour
King
Knowles
Korchinski
Kristiansen
Kushner
Lambert
Lawrence
Lewis
MacDonald (Miss) (Kingston and the Islands)
MacKay
Mazankowski
McCain
McCuish
McKenzie
McKnight
McLean
Mitchell (Mrs.)
Mitges
Murphy
Murta
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Oberle
Orlikow
Paproski
Parker
Patterson
Reid (St. Catharines)
Riis
Rose
Sargeant
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Skelly
Speyer
Taylor
Thacker
Towers
Vankoughnet
Waddell
Wenman
Wilson
Young—90.

● (1600)

Mr. Deputy Speaker: I declare the motion carried. It being four o'clock the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper, namely, Public Bills, Notices of Motions, Private Bills.

Gun Control

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

CRIMINAL CODE

AMENDMENT RESPECTING GUN CONTROL

All items preceding No. 451 allowed to stand by unanimous consent.

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East) moved that Bill C-451, an Act to amend the Criminal Code (Gun Control) be read a second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, I am pleased to have this opportunity to move second reading of Bill C-451, a Bill designed to bring about more effective gun control in this country.

First, I would like to explain to the House the provisions of the Bill. I think this is extremely important because the exact provisions of the Bill have been distorted beyond belief by various circulars which have been distributed throughout this country.

This Bill deals principally with only two matters. The first is to change the presently existing firearms acquisition certificate, which was introduced in 1977, to a firearms possession certificate containing the same criteria as the firearms acquisition certificate.

Before 1977, there was little or no control over long guns, rifles and shotguns in this country. One could go into a hardware store or sporting goods store and buy a shotgun or rifle without any requirements, testing or screening. Under the 1977 legislation, to buy a new long gun a firearms acquisition certificate must be obtained. This means that those with a criminal record or a history of violence, instability, or alcoholism, could be refused this firearms acquisition certificate by the police in the local community.

Even if one might qualify under those criteria, because it takes a few days between the application for and the granting of the certificate, there is a cooling off period. This could be beneficial in a situation where one might want the gun for the purpose of doing something violent, on the spur of the moment.

• (1610)

When I presented Bill C-83 in 1966, the provision that I put forward was one whereby the principles of the firearms acquisition certificate—

Mr. Cullen: Mr. Speaker, I rise on a point of order. This is one of the few times that private Members get an opportunity to speak. I think it behooves the House to be listening to the one who is speaking.

Mr. Deputy Speaker: The Hon. Member's point is very well taken.

Mr. Allmand: As I was saying, when I presented Bill C-83 in 1976 as Solicitor General, that Government Bill contained principles with respect to the firearms acquisition certificate whereby it would have applied to all those who possess long guns and not just to those who purchase new guns. Bill C-83 was not passed because the session came to an end. When the Bill which came after it, Bill C-51, was introduced, it was watered down to the extent in that the firearms acquisition certificate licensing proposal only applied to new guns. This Bill intends to apply the criteria of the firearms acquisition certificate to all those who possess weapons. It would mean that those who possess long guns, rifles and shotguns, must have what would become the firearms possession certificate.

The only other provision and change that it makes in the law is that not only would you have to produce the firearms possession certificate when you buy a gun as you now do with the firearms acquisition certificate, but whenever you purchase ammunition, you would also have to produce your firearms possession certificate.

Those are the only two things that this Bill attempts to do. It does not do most of the things put forward in a circular that was distributed throughout this country and which provoked a lot of opposition and concern. I agree with the concern that was expressed, but this is a very dishonest circular, not signed by any individual or association. It shows the cowardice and the dishonesty of not all, but many of the groups dealing with the issue of gun control.

I want to go through some of the items in the circular and to state whether or not they are in the Bill. The first thing it says about Bill C-451 is this:

All retail sales of firearms to be handled through a new Government agency only.

False. There is nothing in the Bill on that point.

Applications must be made to purchase any firearm, and must be posted and published before approval, to allow people who oppose the application to register a complaint.

There is nothing in the Bill on that.

Possession of any firearm by police permit only.

That is one of the few things that is correct. In order to possess a firearm, you would have to get a firearms possession certificate. That is one out of three that is correct.

Compulsory registration of all firearms by serial number.

Absolutely false. There is absolutely nothing in the Bill about that.

Permit holders must file annual reports as to the use and condition of all firearms in their possession—

Absolutely false, there is no such thing in the Bill.

No firearm may be disposed of by sale, barter, gift or bequest.

Absolutely false. It also states it must be turned over to the police. That is absolutely false.

I could go on. There is a whole list of submissions in this circular that was sent everywhere in this country. I must say it was even sent on by some Members of Parliament. Of the ten items in the circular which are meant to describe Bill C-451, only one is correct. On the basis of this circular, people all across this country, some with justification, have written thousands and thousands of letters to protest the Bill.

Mr. Corbett: Thousands and thousands?

Mr. Allmand: There are thousands and thousands. I read a lot of the letters. Unfortunately, most were based on the circular and not on the Bill. Why this Bill?

An Hon. Member: Why?

Mr. Allmand: If the Hon. Member will listen, I will explain it, and I will be glad to listen to his arguments in opposition later.

There are still too many crimes with guns being committed in this country. According to all the evidence I have seen, it has been shown very conclusively that in states and countries where there is stricter gun control law, there is lesser crime with guns. The principal purpose of this Bill is to implement stricter gun control. First, to control the general availability of firearms, and, second, as much as possible to prevent the potential dangerous user from gaining access to weapons. I said that that was the purpose. There are too many crimes with guns. If that is the case, we should tighten our present laws to make them even more effective.

Those who complain about a law like this, whereby those who want to use guns must have a licence showing that they are competent, not dangerous, do not have criminal intentions and so on, seem to be obsessed with that type of law and oppose it at any expense or cost. What is very inconsistent with most of these people is that for years in this country in order to drive an automobile, which is a potentially dangerous object, you have to obtain a licence. If you have a history of drunkenness, poor driving or dangerous driving, your licence is taken away.

The purpose of the automobile is transportation. Here you have a situation where you have a gun, the purpose of which is to kill. It has no other purpose but to kill animals and, in certain circumstances, individuals. If there is good rationale for licensing individuals to drive automobiles and trucks, certainly the same reasons and logic apply to that consumer good, the principal purpose of which is to kill.

We licence people who deal with other types of dangerous substances. A pharmacist must get a licence to sell prescription drugs. I apply the same logic to guns. I feel it is necessary in order to reduce the number of crimes with guns in this country.

I also want to point out to the House that there is nothing in this Bill which outlaws guns altogether. There is nothing in the Bill which would take guns away from responsible, law-abiding hunters and sportsmen. I have never introduced a measure that would do that. I believe that hunting by responsible Canadians is a legitimate sport. I feel that the overwhelming majority of Canadians are responsible and will get a licence to possess a gun, just as they get a licence to drive an automobile. However, we would screen out those who are criminally or otherwise dangerous. Therefore, I accept the legitimate use of guns.

I want to deal with a few of the arguments that will no doubt be raised by some Members in the House. They will probably come up with the old saw that guns do not kill, people kill. Of course there is always an individual involved in a killing. As I said before, the possibility of killing with a gun is much greater than with any other type of weapon. A recent study in the United States shows that the capacity to kill with a gun is five times greater than with any other weapon. Show me the individual who would not rather have somebody go after him or chase him with a knife than with a gun. No doubt, if we have any kind of mobility at all, we would agree that the chances of being killed with a gun is much greater than with another weapon. You hear people arguing that you can kill with a baseball bat. Of course you can, but the purpose of the baseball bat is to hit baseballs. The purpose of most knives is to cut meat, paper, wood, or whatever. The purpose of the gun is to kill animals and to kill people.

• (1620)

Another old saw you hear is that if you outlaw guns, only outlaws will have guns. Again, that statement is based on a complete ignorance of the facts with respect to murder. In this country, two-thirds of the murders are committed by people who are not professional criminals or gangsters. Two-thirds of the murders are committed by people who are not involved in crime, who killed in the context of family emotions or in the context of some problem which has arisen. These are the people who very often go out looking for a gun, and find it in some cases too easily.

While it is true that no matter how strict you make gun laws, the professional criminal, the gangster, will still find guns, my point is that making guns less available will cut down on those two-thirds who are not professional criminals.

There was a young man in Ottawa a few years ago who went out one afternoon, bought a shotgun in a local hardware store, went back to his school and killed two or three of his classmates. He was in a severe emotional state and was able to get that gun without much difficulty. We hear the argument, Mr. Speaker, that by implementing stricter gun laws we are going to enable extreme political movements, such as the communists and the fascists, to take over the country. One has a picture of people with shotguns and rifles shooting at tanks as they roll down the street in Czechoslovakia, thereby stopping some kind of communist takeover. That is a specious argument.

I am coming to the end of my speech, and I want to repeat that of all the consumer goods sold in this country, the most dangerous is the gun. It is the only consumer good the purpose of which is to kill animals and kill people, the one consumer good with the greatest potential to criminal violence.

I would ask Members of Parliament to consider the measures of this Bill seriously. I would ask them not to consider this ridiculous circular which was sent around. If they are going to debate this issue, they should debate the Bill, not the circular. At the beginning of my speech I was afraid Hon. Members were trying to howl me down as if they were afraid to hear any argument on the question. If they are really serious, I would ask them at least to let this matter be sent to committee where it can be given serious study. If their arguments are so good as

they say they are, they will stand up in committee. If they are no good, they will not, and logic will prevail.

Mr. Bill Vankoughnet (Hastings-Frontenac-Lennox and Addington): Mr. Speaker, I welcome this opportunity to rise to speak in the House on Bill C-451 on gun control. It is not only of concern to my constituency but of concern to people all across this country.

I want to congratulate my colleagues for being here in the House today, the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie), the Hon. Member for Moose Jaw (Mr. Neil), the Hon. Member for Red Deer (Mr. Towers), the Hon. Member for Fundy-Royal (Mr. Corbett), the Hon. Member for Victoria-Haliburton (Mr. Scott), the Hon. Member for Bow River (Mr. Taylor), the Hon. Member for Edmonton North (Mr. Paproski), the Hon. Member for Lethbridge-Foothills (Mr. Thacker), I can go on and on. I congratulate the Hon. Member for Malpeque (Mr. Gass), the Hon. Member for Prince George-Peace River (Mr. Oberle), the Hon. Member for Okanagan North (Mr. Dantzer), the Hon. Member for Kindersley-Lloydminster (Mr. McKnight), the Hon. Member for Prince George-Bulkley Valley (Mr. McCuish), the Hon. Member for Huron-Bruce (Mr. Cardiff), the Hon. Member for Cariboo-Chilcotin (Mr. Greenaway), the Hon. Member for Grey-Simcoe (Mr. Mitges), the Hon. Member for Perth (Mr. Jarvis), the Hon. Member for Western Arctic (Mr. Nickerson), and so on. These people are very concerned—

Mr. Deputy Speaker: The Hon. Member for Skeena (Mr. Fulton) rises on a point of order.

Mr. Fulton: I only want to stop the Hon. Member for a moment. I want to hear what he has to say, but I do not think he should name Members who are not in their seats. He has named at least three who are not.

Mr. Vankoughnet: That is not a point of order, Mr. Speaker. I really believe that these people are here in the lobby. They are in and out. They have stayed here specifically this afternoon to protest this Bill.

Some Hon. Members: Hear, hear!

Mr. Vankoughnet: I have listened to the former solicitor general's comments, and I can say with certainty that Canadians do not believe the former solicitor general when he states the "purpose" of his private Member's Bill. I ask the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand), what is the hidden agenda of his Party? This Bill suggests police state tactics which are foreign to Canada and Canadians. This Bill attacks the right to own private property, penalizes law-abiding citizens, gives the police powers which are not necessary, and does not address the real problem, which is the misuse of firearms. If the former solicitor general wants to implement a deterrent to criminals, he should be introducing a private Member's Bill which has tougher laws against those who misuse firearms, not against law-abiding citizens. If he is really serious about the intent of his Bill, he should urge his Party to reintroduce capital punishment, which is a more meaningful deterrent than the increased harassment he now proposes.

I am particularly pleased, Mr. Speaker, to be able to speak to this Private Member's Bill when I think back to a Friday earlier this year, on July 9, when a Private Member's Bill was introduced in this Chamber at four o'clock which changed the name of our July 1 holiday. This was done in an underhanded manner. No way will this Bill be allowed to go any further. On this side of the House, Friday is a difficult day on which to be in attendance, because, unlike Members of the Liberal Party which is centred in Central Canada, my colleagues have had to travel far because of their representations in the vast areas of this country. They cannot be here. I would like to mention, particularly, the Hon. Member for York North (Mr. Gamble), the Hon. Member for Okanagan-Similkameen (Mr. King), and the Hon. Member for Medicine Hat (Mr. Hargrave). They would have liked to take part in this debate, but due to previous commitments they could not be in the House this afternoon.

I have stated publicly previously, and still believe, that Bill C-451 is a trial balloon to test public reaction. We have a former solicitor general sponsoring this Private Member's Bill. He is the same individual who introduced the original Bill C-51. I was heartened to hear the present Solicitor General of Canada (Mr. Kaplan) make the following comment publicly here in the House as well as in the press: "I would like to make it very clear that Mr. Allmand's Bill is not a Government Bill, and the position of the Government has not changed in that there will he no substantive amendments to the current legislation until after the review". The Solicitor General also stated that his review would be available in late 1982 or early 1983. Is Bill C-451 a preview of that report, depending on current public reaction? And will the Solicitor General withdraw any recommendations in that report which allude to the substance of Bill C-451?

Guns used by the professional criminal element will always be acquired, and no amount of gun control will ever control that. If the intent is to control the illegal use of guns, look to the courts, our laws and the complete disregard of justice. Today a murderer can expect a few years in jail. Mandatory supervision sees to it that he is back out on the street quickly. The murderer can try again because he knows he will not spend a long time in jail. There are no complaints from previous victims because they have been buried. Capital punishment is a deterrent.

It is clear that we have had a form of gun control in this country for years. Handguns have been restricted since the 1930s. As well, restrictions on automatic weapons are certainly necessary. We can all agree on that. Bill C-451 will only serve to harass those law-abiding citizens who use hunting and sporting rifles for peaceful purposes.

• (1630)

The new Constitution, which the Progressive Conservatives fought so hard to make humanistic, does not contain the right

to own private property. Responsible gun owners recognize that guns are not toys and must be used with care. But surely Canadians have the right to own private property and exercise that right freely. When we talk about property rights, some have a tendency to think about real estate only. As we all know, however, a rifle or a shotgun is private property. As well, the provisions in Bill C-451 extend also to the possession of ammunition, which presents the possibility of extreme abuse. I stated earlier that this Government seems intent on creating a police state.

The Prime Minister (Mr. Trudeau) relished the taste of repression when he instituted the War Measures Act in 1970, and his Government has been trying one way or another ever since to recapture that taste. The present gun control section of the Criminal Code is cumbersome, expensive to administer and effective only to harass law-abiding individuals. It does not restrict the use of firearms by the criminal element, nor does it affect their ability to secure restricted weapons illegally.

I and Members of my Party have advocated and continue to stress the need for a detailed review of the firearm control provisions in the Criminal Code by the House of Commons Standing Committee on Justice and Legal Affairs. The evaluation study commissioned by the Solicitor General's Ministry will not allow public input until after it is written. The evaluation study has no credibility without direction and public input. The Justice and Legal Affairs Committee could conduct hearings across Canada, at which time the public, particularly in rural areas, could give their views and suggestions for any changes pertaining to gun control in the Criminal Code. The Hon. Member for Durham-Northumberland's (Mr. Lawrence) motion asking for this public review has come before the House previously, and before this House should ever consider more legislation added to current gun laws, I believe a conscious effort should be made to iron out the flaws in the current gun legislation. The time for a review of Bill C-51 is now, and it will most properly be done by a parliamentary committee.

If the purpose of Bill C-451 is to reduce the number of gun crimes in Canada then let us take an accurate accounting of the state of current gun legislation. This would be more effective and appropriate than what Bill C-451 will accomplish by adding to the already cumbersome and time consuming process that now exists. The proposals in Bill C-451 would be a curse to all law-abiding rifle and shotgun owners throughout the country.

It seems that the former solicitor general is still conducting his misguided crusade against legitimate, law-abiding gun owners. Bill C-451 will succeed, if passed, in making criminals out of a great many honest people. If someone is found with ammunition and they do not possess a firearms possession certificate or even a gun with which to fire the ammunition, rendering it virtually harmless, he could be sentenced to two years in a federal penitentiary, not a county jail. In the same vein, if a person is an occupant of a vehicle in which there is ammunition and no one has a firearms possession certificate, that individual could receive a sentence of five years in prison. The burden of proof is on the individual to prove that he is innocent in that he was unaware of the existence of the ammunition, or that someone else in the vehicle possessed a firearms possession certificate. I repeat, Bill C-451 will make a great many law-abiding citizens into criminals.

While I am confident today that Bill C-451 has no chance of becoming legislation, I also recognize the distinct possibility of this Government introducing future legislation. There has been a considerable amount of confusion about this private Member's Bill. This arose, I believe, in the time it took from when it was first introduced to the time it took to be printed. Also, the resemblance of the Bill number of the current gun legislation, Bill C-51, to the Bill number of the private Member's Bill C-451, is just too coincidental for me not to be skeptical.

The party of the Hon. Member for Notre-Dame-de-Grâce (Mr. Allmand) has a history of reversing previous positions and claiming this has not occurred. During the metric debate the Progressive Conservatives were prepared to negotiate concessions to the Government's demand only if the mandatory element was removed from the legislation. The Libearl Party has been misinterpreting our position ever since. My stand on the issue of gun control has been very consistent. The review which the previous Liberal Government made a commitment to undertake, which the succeeding Progressive Conservative Government actively undertook, has now been abandoned. On previous occasions I have risen in support of caucus colleagues who had made a similar request to the current Government.

A recent evaluation of the present Canadian gun control legislation by the Solicitor General (Mr. Kaplan) reveals points worth mentioning. First, there is an inability to find any relationship between gun prohibition and firearm incidents; second, there is evidence of abuse of the power of search and seizure without a warrant; and third, the return procedure for confiscated firearms was not being adhered to, with this report specifically mentioning those sections as potential areas of abuse in the future.

These are all sound reasons why a review of Bill C-51 is necessary, and it is also a sound reason for not allowing Bill C-451 to go any further than the floor of this House. Bill C-451 represents a further erosion of rights we all take for granted. The significance of the right of every lawful citizen to acquire private property for peaceful purposes is a fundamental cornerstone of our system. A majority of citizens, including gun owners; support some form of gun control measures. In practice, Bill C-451 would serve only to impede law-abiding citizens.

In closing, I would like to state that the real losers in Bill C-451 are the Canadian people. Yes, it is conceivable that people possess firearms for peaceful purposes and the need to acquire a firearms possession certificate is just one more regulation in an over-regulated lifestyle.

Mr. Rod Murphy (Churchill): Mr. Speaker, my Party has had a tradition of supporting the concept of reasonable and

safe control of firearms. We do not have that element in this particular Bill before us. Rather, we have a bureaucratic nightmare which will harm ordinary Canadian citizens who enjoy hunting. There are many native Canadians in my riding and the ridings of my colleagues who still hunt as part of their traditional way of life. So we have to speak in opposition to this Bill.

We believe there should be adequate training courses sponsored by the federal Government, much more than there are at present. While I am sure it was not intended, this Bill has harmed real efforts to provide adequate gun control in this country because it is too extreme. In the same way, those people who have ranted and raved against the Bill have also harmed their own cause. Having seen some of the ads and circulars which have gone out over the past two years, I am ashamed of what some of my fellow Canadians have said against this Bill. It is creating here an American type of paranoia which we see there whenever it comes to gun control legislation. We do not want to become like that. We do not want to have groups running around the country sponsoring one person or fighting another person on this issue and giving great hunks of money to one person or one Party. Gun control is a serious issue, one which must be covered by adequate legislation, and it is up to us to make sure that such legislation is reasonable.

• (1640)

I am concerned that many Canadians will get the firearms possession certificate that is called for in the Bill and, as a result, will become criminals. We should never make laws that make ordinary Canadians become criminals by an action which, in itself, is not harmful to other Canadians.

People who live in cities often do not understand why people who live in the North or in other rural areas or parts of western Canada, want guns. I do not believe that Canadians have the right to bear arms at all times in all circumstances, but in a riding such as mine or that of the Hon. Member for Skeena (Mr. Fulton) or that of the Hon. Member for Kamloops-Shuswap (Mr. Riis), or of the Hon. Member for Comox-Powell River (Mr. Skelly), there are vast areas where, just a few miles from home, people can go hunting. Hunting has become part of the tradition. I am not referring only to native people but also to white residents of those communities.

It is very hard for some people to understand that others enjoy hunting or that by hunting the food bill can be cut. Unlike someone who lives in Toronto or Montreal or even Vancouver, those of us from rural ridings do not have to travel great distances in order to go hunting, nor do we have to put up at an expensive lodge. In my riding I can walk across the street into the wilderness. These are aspects of the question that should be debated seriously. However, Mr. Speaker, I am ashamed of some of the things I have heard said about the Bill.

The Hon. Member who introduced the Bill said guns—he was referring to long guns, a term I have not heard for a long time—were the only commodity that can be bought by Canadian civilians which will harm other people. In saying that, he is raising the level of debate on this issue.

An Hon. Member: He is lowering it.

Mr. Murphy: A lot of people have a rifle for some purpose other than killing. Killing is not often taken as referring to birds or moose or other animals but as killing people.

Mr. Hopkins: He was lowering the level of debate. You said he was raising it.

Mr. Murphy: I am sorry. He certainly was lowering the level of the debate.

Mr. Deputy Speaker: Order, please. Would the Hon. Member please address the Chair.

Mr. Murphy: I was glad to see that Members of the Official Opposition did not take a highly partisan position in the debate, because it is true that when the original gun control legislation was introduced, the three opposition Parties in the House at that time opposed the Bill for some of the reasons I have mentioned. It is interesting to note that even at that time only 30 Conservatives showed up to vote against the Bill. On July 18, 1977, the recorded vote was yeas 95, nays 40, of whom 30 Members were Conservatives.

An Hon. Member: How many NDP?

Mr. Murphy: There were eight in the House and at that time there were only 15 NDP Members, so it was more than half.

If the Government is to bring in any Bill similar to C-451, it is important that such legislation be acceptable to Canadians in that it recognizes the different regions in the country. It is important that it be legislation that most Canadians can accept, not just some people in some urban areas.

Mr. Ellis: How about giving someone else a chance to speak? There are 18 Members waiting.

Mr. Murphy: The Hon. Member asks me to give someone else a chance to speak. That is interesting because I listened to the Members of that Party who spoke already, and I hope they will extend me the same courtesy. There are Members of all Parties who wish to speak on the Bill, I am sure. One of the problems with Private Members' hour is that it is just that, an hour. As I indicated the Hon. Member for Kamloops-Shuswap wishes to oppose the Bill, the Hon. Member for Skeena wishes to speak in opposition to it and some other Members of this Party wish to speak as well. I find it interesting that the Hon. Member who spoke ahead of me listed more Conservatives who wished to speak against the Bill than voted against a similar Bill some years ago.

It is important that crime be controlled, Mr. Speaker, especially crime committed with firearms. I do not think the Bill will achieve that. Rather, it will create a massive bureaucracy where people in the areas I have mentioned will, first of

all, have to get a temporary possession form and later a permanent possession form. That will mean they will have to go through the bureaucracy twice in order to keep a weapon that could have been in the family for 40 or 50 or even 60 years. This creates a problem for people who want to live within the law.

As I said, Mr. Speaker, this Party opposes the Bill. If the Hon. Member had offered reasonable gun control legislation we might support it, but certainly the Bill before us would hurt a lot of ordinary Canadians. It is completely unacceptable to this Party for the reasons I have stated.

[*Translation*]

Mr. Alain Tardif (Parliamentary Secretary to Solicitor General): Mr. Speaker, I am also pleased to be taking part in this debate and to have this opportunity to respond to Bill C-451. I was not sitting in the House at the time Bill C-51 was passed, but I am sure Hon. Members will recall that the passage of this bill was accompanied by some controversy. The implementation of the legislation has been smooth, however. Since 1977, new penalties for misuse of firearms were introduced and changes were made in the restricted weapons system on January 1, 1978. A successful Amnesty/Recall program took place in November 1978, and the introduction of the Firearms Acquisition Certificate and Business Permit systems took effect on January 1, 1979.

• (1650)

[*English*]

As significant as these changes were, I think they should be viewed in the context of the history of firearms control in Canada. It is not widely appreciated that Canadian law has controlled firearms in one manner or another for more than 100 years. The first permit system for the carrying of a small arm outside one's residence or place of business was introduced in 1892. By 1934, the law required the registration of all hand guns. Changes to the law in 1968, created three classes of weapons in Canada: prohibited, restricted, and unrestricted.

I bring this brief history to the attention of the House because I believe it sheds some light on why, although a frontier society that depended to a large extent on firearms, Canada has generally enjoyed a history of responsible use of firearms.

[*Translation*]

Mr. Speaker, the changes enacted by Parliament in 1977 continued in the same Canadian tradition, the most important change being the Firearms Acquisition Certificate system. As I mentioned, the 1968 law created three classes of weapons: prohibited, restricted and unrestricted, while conditions were attached to the acquisition and use of handguns, shotguns and hunting rifles—all restricted weapons. The Criminal Law Amendment Act, 1977, introduced controls of long arms to the extent of requiring that individuals wishing to acquire them in any manner after January 1, 1979 must be screened by police to ensure that they do not have a criminal record or history of mental illness associated with violence.

Mr. Speaker, it has now been three full years since all the provisions of the Criminal Law Amendment Act, and in particular the Firearms Acquisition Certificate system have been in force. Although there are some eencouraging indications that the misuse of firearms is declining, it is still too early to draw definitive conclusions about the success of the firearms control program. The most recent report by Statistics Canada shows that homicides and the use of firearms in homicides has continued to decline. I would submit, however, Mr. Speaker, that it would be wrong to amend the legislation in the manner suggested by the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand), or in any other way, until we have fully assessed the impact of the existing legislation. It may well be that no further changes are justified, or indeed that some of the present law is unecessasry from the point of view of public safety.

Because of the extent of public interest in the firearms control laws and because of the sensitive and complex nature of the legislation, the Government decided, when Bill C-51 was tabled in Parliament in 1977, that a thorough evaluation of the program would be carried out. The purpose of the study, which is now underway, is to ensure that legislators as well as interested members of the public will have full and objective information with which to assess the effectiveness of the firearms control program.

Now, as the Hon. Members are, I am sure, aware, the Ministry of the Solicitor General has engaged an outside objective consulting firm to carry out a three-year evaluation study to gather information which will allow us to gauge the impact of the legislation on the frequency and nature of firearms incidents, both criminal and accidental. In addition, the study is collecting data on the implementation of the legislation and the Firearms Acquisition Certificate system so that we will have a much clearer idea of which aspects of the legislation are most effective and which might require amendment. The consulting firm has established co-operative arrangements with provincial and municipal agencies to enable the efficient collection of information relating to the legislation.

The reports from this study will be available to all interested parties in order to ensure that all the facts are available when forming conclusions about the effectiveness of these legislative and administrative measures. The final report will be available in April 1983 for public distribution. I am sure all Hon. Members will appreciate that the accurate measurement of the effect of a complex legislative program such as this must be carefully conducted over a reasonable period of time before reaching definitive conclusions. The final report will permit us, as legislators, to have outside objective material to provide a basis on which we may draw some sound conclusions and make decisions as to whether the program is meeting the objectives set out in 1977 or whether it is in need of revision. In response to thousands of letters received concerning Bill C-451, the

Solicitor General stated that upon completion of the evaluation study, he will be conducting a full public review of the present law. Until that review has taken place and the public has had the opportunity to comment fully, the Government will not consider or support any substantial changes to the current legislation. The Hon. Member's proposals in Bill C-451 are of a very substantial and controversial nature, and I submit it would be wrong to support such measures in this debate.

As this debate is coming to an end, Mr. Speaker, I should like to stress the fact that several colleagues had asked me to rise on their behalf in the House to express their complete disagreement. They are the Hon. Member for Sarnia-Lambton (Mr. Cullen), the Hon. Member for Lambton-Middlesex (Mr. Ferguson), the Hon. Member for London-Middlesex (Mr. Bloomfield), the Hon. Member for Kent (Mr. Bossy), the Hon. Member for Renfrew-Nipissing-Pembroke (Mr. Hopkins), the Hon. Member for Algoma (Mr. Foster), and the Hon. Member for Restigouche (Mr. Harquail). Mr. Speaker, I am using the same ploy as my hon. friends opposite a while ago. There are other Hon. Members who are now in the House and who would have liked to express their complete disagreement with Bill C-451.

[*English*]

Mr. Ellis: Mr. Speaker, I trust that you will allow me a brief point of order in order to put on the record that the Hon. Parliamentary Secretary to the Solicitor General (Mr. Tardif) did exactly as the Government promised and talked out the Bill brought in by the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand).

[*Translation*]

Mr. Deputy Speaker: The time allotted to private members' business has now expired. It now being five o'clock, the House stands adjourned until two o'clock on Monday afternoon, pursuant to Standing Order 2(1).

At 5 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, December 6, 1982

The House met at 2 p.m.

• (1405)

[*English*]

HOUSE OF COMMONS

THE HON. MEMBER FOR NUNATSIAQ

Madam Speaker: Order. I have received a communication from the Hon. Member for Nunatsiaq (Mr. Ittinuar) stating that it is his desire to sit in the Chamber as a Member of the Liberal Party of Canada.

Some Hon. Members: Hear, hear!

Madam Speaker: Accordingly, I am now able to advise the House that the seat to be occupied by the Hon. Member will be No. 125.

Mr. Nielsen: He knows not what he does.

MOTIONS UNDER S.O. 43

[*English*]

NATIONAL PARKS

BANFF LAND EXCHANGE—CONDEMNATION OF MINISTER

Mr. Gordon Taylor (Bow River): Madam Speaker, whereas the Minister of the Environment (Mr. Roberts) justifies the desecration of a park by stating that affordable accommodation is being provided, and whereas the Minister admitted that he has secured no guarantees from Buchanan and Company with regard to rates, which the company now indicates will be in the area of $500 to $800 per month, which is not affordable accommodation, I move, seconded by the Hon. Member for Western Arctic (Mr. Nickerson):

That this House soundly condemn the Minister for inefficiency and his heartless unconcern for the workers and for the destruction of a park.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

DIAMOND JUBILEE OF INSULIN USE

Mr. Jim Peterson (Willowdale): Madam Speaker, I rise under the provisions of Standing Order 43. Whereas on January 11, 1922, Leonard Thompson, a 14 year old diabetic, first received insulin, and whereas this was the first time insulin was ever used on a human being, and whereas recognition should be given to the great role Canadians have played in developing insulin and combatting the disease of diabetes, I move, seconded by the Hon. Member for Gatineau (Mr. Cousineau):

That 1982 be proclaimed the Diamond Jubilee of the use of insulin.

Some Hon. Members: Hear, hear!

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Madam Speaker: Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

TOURISM

DECLINE IN REVENUE

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, figures just released by Statistics Canada show that tourist travel to Canada has trailed off rather dramatically during the past year. There is, of course, no particular reason why the tourist industry should be spared the effects of policies of the Government any more than the rest of society. However, because it provides so much of the income which fuels the economy of my riding of Parry Sound-Muskoka, I feel roused to comment. I therefore move, seconded by the Hon. Member for St. Catharines (Mr. Reid):

That, in view of the rampaging effects of the Government's policies throughout the entire economy, the House call upon the Minister of Finance to restrain himself and to reassess his program for economic recovery before the entire country goes the way the petroleum industry did under his tutelage.

Mr. Nielsen: Under his tinkerage.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

S.O. 43

POLITICAL PARTIES

ATTENDANCE IN CHAMBER OF PROGRESSIVE CONSERVATIVE MEMBERS

Mr. Rod Murphy (Churchill): Madam Speaker, considering the fact that the two opposition parties, along with the vast majority of Canadians, believe that only a new government will be able to solve the economic situations which leave thousands of more Canadians unemployed each month, and considering the fact that on August 3 the Liberal Government retained power by winning a vote in the House by 27 votes with 35 Conservative MPs absent—

Some Hon. Members: Shame!

Mr. Murphy: —and that on November 1 the Liberals retained power on a Tory non-confidence motion with 24 Conservative MPs absent, and that last Thursday 31 Conservatives stayed away in order to allow the Government to retain power by a margin of 27 votes, and that on Friday, 34 Tories stayed away from votes on two motions in order to allow the Government to limit family allowance cheques and to retain power by 28 votes, I move, seconded by the Hon. Member for Selkirk-Interlake (Mr. Sargeant):

That this House urge Conservative Members of Parliament to stop absenting themselves from this House every time there is a chance to bring down this Liberal government and that the Leader of the Official Opposition use his remaining influence with his caucus to remind them that the only way we can put Canadians back to work is if Conservative MPs will come to work.

• (1410)

Madam Speaker: Order. I do want to remind the Hon. Member that I cannot put this motion to the House, because it seems to be out of order. It is not acceptable to refer to the absence from or the presence of Members in the House.

* * *

LABOUR CONDITIONS

YOUTH UNEMPLOYMENT IN NEWFOUNDLAND

Hon. James A. McGrath (St. John's East): Madam Speaker, the Newfoundland and Labrador Youth Advisory Council has completed a study on youth unemployment in Newfoundland. It released its findings on Friday last and found that there is a staggering 42 per cent unemployment rate amongst young people in Newfoundland. Therefore, Madam Speaker, if there is unanimous consent, I would move:

That this House directs the Minister of Employment and Immigration to meet with his counterpart in the Government of Newfoundland with the view to putting in place a special program to deal with this disastrous situation.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

MINES AND MINING

SUGGESTED POSTPONEMENT OF TAXATION PROPOSALS

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, whereas the recently announced closure of the Pinepoint Mine in the Northwest Territories now threatens the jobs of 4,500 workers at the Cominco smelter in Trail, British Columbia, and inasmuch as the Government's new plan to tax northern employee benefits, announced last week, is most inappropriate and will further undermine the mining industry's ability to compete on foreign markets, thus magnifying the reasons for the shutdowns at Pinepoint, Cyprus Anvil, and elsewhere in the North, I move, seconded by the Hon. Member for Prince George-Bulkley Valley (Mr. McCuish):

That the federal Government hold in abeyance all plans for increased taxation affecting the mining sector of our economy, including the proposed northern benefits tax, until the industry has recovered to the point where its competitive position in world markets is secure.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

METRIC CONVERSION

APPLICATION TO RULES OF SPORT

Mr. Bill Domm (Peterborough): Madam Speaker, I have learned that a Unionville consulting firm has just been employed by the Metric Commission to rewrite our Canadian sporting rule books in metric. This was done at a cost of $89,190. Imagine, no longer will there be a forty-five yard line, Instead, with one yard to go for a first down, it will be .9144 of a metre to go—or face confiscation of the football, or fines and a possible jail term. I move, seconded by the Hon. Member for St. Catharines (Mr. Reid):

That we save $89,190 by scrapping the printing of this metric rule book and use the funds to create jobs for some of the one and one half million Canadians who are presently unemployed.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

FOREIGN INVESTMENT REVIEW AGENCY

PERFORMANCE REVIEW OF FOREIGN FIRMS

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, lask week Bowater Newfoundland Limited of Corner Brook announced the layoff of 746 employees. These lay-offs come despite the fact that the company made a profit of over $40

million in Canada in the last two years and paid dividends to its British parent firm of over $30 million during that same period. In light of these facts, which show yet again that a foreign-controlled firm will not voluntarily act in the best interests of Canadians, I move, seconded by the Hon. Member for Regina East (Mr. de Jong):

That this House implement a 1980 election promise made by the Prime Minister, namely: "that the Foreign Investment Review Act be amended to provide for performance reviews of how large foreign firms are meeting the test of bringing substantial benefits to Canada".

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

VETERANS AFFAIRS

COMPENSATION FOR HONG KONG VETERANS

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, as the Division of Laboratories, Ministry of Health, in British Columbia has made positive findings of both strongyloidiasis and amebiasis in Canadian Far East prisoners of war, I move, seconded by the Hon. Member for St. Catharines (Mr. Reid):

That this House direct the Minister of Veterans Affairs to take immediate action and arrange for special pension compensation for these afflicted Hong Kong veterans.

Madam Speaker: Is there unanimous consent for this motion?

Mr. Baker (Nepean-Carleton): Campbell said yes.

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

WELFARE

INCREASE IN NUMBER OF TORONTO APPLICANTS

Mr. Neil Young (Beaches): Madam Speaker, the number of people applying for welfare in Toronto is the highest number since metropolitan Toronto was formed, and since a high proportion of the applicants are considered employable but simply cannot find work, I move, seconded by the Hon. Member for Hamilton Mountain (Mr. Deans):

That this House instructs the Minister of National Health and Welfare to offer immediate assistance by increasing the amount of transfer payments to be used for welfare purposes, and the Minister of Employment expedite the implementation of the NEED Program in Metropolitan Toronto.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

• (1415)

ORAL QUESTION PERIOD

[*English*]

NATIONAL SECURITY

CASE OF CANADIAN PROFESSOR—IDENTITY OF JACQUES LALIBERTÉ

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, I know that a ministerial briefing was prepared so that the Solicitor General today would be able either to furnish some identity or lack of identity for a gentleman by the name of Jacques Laliberté. Can the Solicitor General tell us if anyone by the name of Jacques Laliberté has been or is now a member of the Canadian Security Agency?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, I regret to give monotonous replies, but again the identity of that individual, and his existence or non-existence, as I understand it, and his role, are one of the issues being pursued in a trial on serious charges which is presently under way in Britain. I would ask the Hon. Member to allow that type of evidence to come out as it should in that tribunal and not this one.

INFORMATION AVAILABLE TO ROYAL CANADIAN MOUNTED POLICE

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, Ministers should not be able to blow and suck at the same time. If no comment is to be made in any of these matters by any Minister of the Crown, then they should stick to it, but they do not. For example, on Friday morning in the House we were told by the Minister of Justice, and I quote from *Hansard:* "much of the information released in the last week or two" was not the same kind of information that was before the RCMP and the Government of Canada at the time the decision was made not to prosecute. With that type of comment, obviously they are trying to do two things. The Solicitor General was in the House and he heard what his colleague stated. What information released at the trial of Professor Hugh Hambleton in Britain was not available to the RCMP here in Canada at the time the decision was made not to prosecute?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, the statement that my colleague made the other day was not a matter which would be relevant to the trial taking place in Great Britain. The question that the Hon. Member has asked me is one that I prefer to answer after that trial.

Oral Questions

OBTAINING OF EVIDENCE

Mr. Chris Speyer (Cambridge): Madam Speaker, my question is for the Minister of Justice. At a press conference after Question Period on Friday, the Minister of Justice went through the sequence of events; that there was insufficient evidence at one point in time to justify any prosecution, a letter dated April, 1980 was taken from his predecessor which indicated that subsequent evidence came to light after that, and then he made this statement:

There's an old tradition of the law that, if evidence has been obtained either through threat or inducement, it is not available to the prosecution.

That was within the context that the Canadian Courts were not capable of having a conviction. My question to the Minister is: what inducements or what threats were made to Hambleton for him to make such a statement?

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, I was discussing the law that was applicable. I was not discussing the facts. The hon. gentleman can apply the law to the facts as he wishes.

NATURE OF QUESTIONING

Mr. Chris Speyer (Cambridge): Madam Speaker, my supplementary is directed to the Minister of Justice. There is a law with respect to the admissibility of statements, but I am asking the Minister, within the context that he told the press that there would not be a prosecution in a courtroom of Canada as a result of obtaining this subsequent evidence because it would not be admissible either through threat or inducement, was there any threat or any inducement that would prevent his Department from instigating a prosecution against a spy who gave away the secrets of our country to the Russians.

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, I think I see the Hon. Member's problem. He is drawing a conclusion which I did not draw. I did not say there could not be a prosecution subsequently in this case. I said if one were to consider whether there were to be a prosecution, one would have to look at these principles of evidence.

* * *

• (1420)

THE ECONOMY

PRIME MINISTER'S STATEMENT ON RECOVERY

Hon. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Minister of Finance. It concerns the interesting speech of the Prime Minister to a Liberal gathering on the weekend. The Prime Minister, at a $150-a-plate Liberal dinner, said that economic recovery was at hand. Unemployment at this point in the year is up 55 per cent over last year. On Friday, Statistics Canada indicated that the 15-month trend of a decline in the economy was no reason to believe that improvement was just around the corner. Considering that we are now losing jobs at the rate of 1,700 per day, does the Government have access to information which has eluded the rest of us, or is this simply what Liberals pay $150 a plate to hear?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, perhaps my hon. colleague would care to look at the statement I made in the House on October 27 of this year, when I said that the Government was expecting to see economic recovery in the last quarter of this year and during 1983. I also said on that occasion, as the Hon. Member is well aware, that we expected high levels of unemployment to continue into next year, unfortunately, despite the fact that the economy would be showing a positive growth rate. Those are the predictions I made in the House at the end of October. They are the same predictions we are using today in projecting economic growth for the coming months.

[*English*]

Mr. Broadbent: The Minister carefully avoided dealing with what the Prime Minister had to say. No one in his right mind, at this point in December, 1982, would assert that recovery is at hand. We have the worst level of unemployment since the last depression and every indication is that the situation is getting worse, not better.

* * *

LABOUR CONDITIONS

BOWATER LAY-OFFS—REQUEST THAT COMPANY BE INVESTIGATED

Hon. Edward Broadbent (Oshawa): I would like to ask the Minister a question which is directly relevant to the job situation now in Canada. Last week my colleague, the Hon. Member for Churchill, raised a question concerning the lay-offs by Bowater in Corner Brook, of some 700 employees. At that time the Hon. Member for Churchill pointed out that this company, in spite of significant profits recently, was shutting down. This plant is putting hundreds of Canadian workers out into the street. The Minister indicated that he would be prepared to look at this situation.

Today it was learned that the assertion made last week was absolutely true, that Bowater has paid $33 million in dividends in the last two years, based on a profit of $44 million which was earned here in Canada, mostly in Newfoundland. Is the Liberal Government prepared to investigate this foreign-owned company which has taken profits earned in Canada out of Canada, put Canadian workers out of a job, and transferred its profits back to Great Britain? Will the Minister investigate this?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, in order to help the Hon. Leader of the New Democratic Party see the situation in more exact terms regarding the economy generally, I would like to remind him that housing

starts in November, for instance, on a seasonally adjusted basis were at approximately 135,000 units. In October they were only at 107,000 units. Housing starts were up 30,000 units in a single month. Therefore, there are indicators that there is a turnaround, and there are some positive elements taking place in the economy.

As far as the point raised by the Hon. Member is concerned, I indicated to his colleague last week that I was taking his suggestion seriously and I would examine whether there were any particular steps which should be pursued following his representations. I thank the Hon. Leader of the New Democratic Party for the information he has provided today, and I will certainly make sure that this is pursued further.

* * *

FOREIGN INVESTMENT REVIEW AGENCY

STRENGTHENING OF POWERS

Hon. Edward Broadbent (Oshawa): Madam Speaker, as I have said in another context, the people of Canada are getting just a little tired of the Government of Canada studying situations. They want, just for a change, some action by the Government.

In this particular context, we are losing hundreds of jobs, as I have said, at the rate of 1,700 per day. In the last few days it was Bowater, a foreign owned firm in Newfoundland; a couple of weeks before that it was the Iron Ore Company of Canada in Schefferville, a company which earned millions of dollars in profits in this country but was busy transferring those profits abroad.

• (1425)

Given our concern about jobs, instead of emasculating FIRA is the Government of Canada prepared to do what other industrialized countries have done with equivalent agencies, that is to say, improve the powers of FIRA so it would have the authority to ensure that profits earned by foreign firms in Canada are reinvested in Canada to produce Canadian jobs?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, it is typical of the New Democratic Party to suggest action before they themselves have thought about it. That is not the style of this Government. We want to act, but after getting the proper facts, not on phony assertions which may be made right and left. We are going to get the facts and decide whether action is required, and we will act decisively if action is required and justified in the circumstances.

As far as FIRA is concerned, the previous Minister of Finance and the Government have indicated that we are improving the efficiency of the operation of FIRA.

Mr. Broadbent: What does "efficiency" mean?

Mr. Lalonde: We intend to go on doing so. The steps have already been announced in last June's budget, they have been taken by the previous Minister of Industry, Trade and Commerce, and they are also being implemented by the current Minister.

* * *

LABOUR CONDITIONS

BOWATER LAY-OFFS—CONTACT WITH CORPORATION CHAIRMAN

Hon. James A. McGrath (St. John's East): Madam Speaker, has the Minister of Finance or the Minister of State for Economic Development, or any Minister of the Government of Canada, been in contact with the head of the Bowater Corporation in London to determine whether or not these lay-offs can be avoided?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I understand that the Premier of Newfoundland claimed he had been in touch with the Chairman of Bowater, while the Chairman of Bowater said he had never seen him in his life. To my knowledge, no member of the federal Government has been in touch as yet with the Chairman of Bowater, but I will refer this matter to my colleagues and check whether any of them have already done so.

* * *

NATIONAL SECURITY

CASE OF CANADIAN PROFESSOR—APPLICATION OF OFFICIAL SECRETS ACT

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my question is for the Minister of Justice and relates to the Hambleton spy matter, but more particularly with respect to why spies in Canada are apparently not prosecutable. The Minister will understand that we in Canada, because of the ineptitude of the Government, have become the laughingstock of the world with respect to the prosecution of spies, people who are taking information and selling it to foreign countries. The Minister has indicated that the Official Secrets Act is too broad, and he has indicated that the Treu case and *The Toronto Sun* case are examples of that. I would point out that those cases involved domestic disclosure of classified information, whereas in the Hambleton matter we are talking about the sending of information to our enemies.

Does the Minister feel that spies can be prosecuted under the Official Secrets Act? If not, where are the amendments to the Official Secrets Act, and would he please table in this House the legal opinion of his predecessor as to why the prosecution in the Hambleton affair could not proceed?

Hon. Mark MacGuigan (Minister of Justice and Attorney General of Canada): Madam Speaker, my hon. friend is asking for a great deal of legal advice in one question. The law applicable here is the Official Secrets Act, as he said. This is an act of this Parliament. We endeavour to give this meaning and application in every case in which it is brought forward to us. I have spoken of the fact that there are some deficiencies in

that legislation, and I hope to bring forward amendments to remedy them, but in the meantime we will certainly in good faith attempt to apply the Act in every case where the facts warrant. When facts come before us we judge them on the basis of that Act and the traditional interpretation of that Act, and of course on the weight of the facts themselves. That is exactly the kind of decision that my predecessor made with respect to the Hambleton case.

• (1430)

Mr. Hnatyshyn: Madam Speaker, I only have to refer to the Prime Minister's statement at his press conference last week in which he indicated that the Department of Justice is always doing that, that is to say, always advising against the prosecution of spies in our country.

TIMING OF DECISION TO PROSECUTE IN GREAT BRITAIN

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I have a supplementary question for the Solicitor General. Over the weekend he posed the incredible and novel proposition that somehow the Security Force in Canada was using reverse psychology in telling Mr. Hambleton to beware of a hostile reception in the United Kingdom.

First, when was the Government actually aware that the United Kingdom was going to proceed with the prosecution of Mr. Hambleton? Second, what was the deal between Canada and the United Kingdom with respect to proceeding in the United Kingdom as opposed to proceeding in Canada in the prosecution of the alleged spy, Hugh Hambleton?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, first, as to the headlines, which I also read, speculating about reverse psychology, I can assure the Hon. Member that I said no such thing. In none of the articles that I read was such a position attributed to me. It is speculation, and it just hangs there for what it is worth. I have not said that the Security Service informed him that he would be prosecuted if he went to Great Britain. He was informed that he might receive a hostile reception.

I would remind Hon. Members that the British interviewed him for a long time after he went back to Great Britain. It may well be that the prosecutorial decision was made on the basis of what he said after he arrived in Great Britain. We were not informed, and it was not indicated to the Security Service that the hostile reception would be prosecution. It was simply indicated that he might receive a hostile reception.

DELAY IN AMENDING OFFICIAL SECRETS ACT

Hon. Erik Nielsen (Yukon): Madam Speaker, I have a supplementary question for the Minister of Justice. It was in 1968 that the MacKenzie Commission reported to the Government which was led by the Prime Minister. It recommended, I believe, well over 300 changes, or it had 300 recommendations. One of the more urgent was that the Official Secrets Act be amended. Why has it taken the Government 14 years plus to present amendments to the Official Secrets Act which would provide that the kind of problem that he and his colleagues speak of could be dealt with?

Hon. Mark MacGuigan (Minister of Justice and Attorney General of Canada): Madam Speaker, the primary problem in the case we are speaking about is the problem of the evidence, not the problem of the law. As I have said several times in the last few weeks, this law is the result of recommendations of the McDonald Commission and it is very much under reconsideration. We hope to be in a position, before long, to bring forward amendments to the Official Secrets Act.

Mr. Nielsen: Madam Speaker, the Minister has not answered my question about why it has taken the Government 14 years to do something about the recommendations of the MacKenzie Commission on the security of this country.

POLITICAL CAMPAIGN CONTRIBUTIONS BY FOREIGN COUNTRIES

Hon. Erik Nielsen (Yukon): Madam Speaker, may I direct my second question to the Solicitor General. Have there been or are investigations being made into the possibility of foreign countries contributing to the election campaign funds of political parties in this country, and have activities been undertaken by such countries to encourage or urge individuals to run for election to this House of Commons? If there have been such investigations, what have been the results?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, under the new election campaign expenses legislation any such clandestine activity would be illegal, unless it were disclosed. If it were done by a foreign power in a clandestine way, such action would be conduct that would come within the ambit of the mandate of the Security Service. It would be a matter that could be legitimately investigated by the Security Service.

QUERY RESPECTING POSSIBLE INVESTIGATIONS

Hon. Erik Nielsen (Yukon): Madam Speaker, I have a brief supplementary question. I know the law, but I am asking the Minister whether any investigations had been conducted into that kind of conduct in the past, or whether any such investigations are going on at the present time.

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, I do not consider it to be in the public interest to answer that question.

* * *

LABOUR CONDITIONS

AIR CANADA LAY-OFFS—APPLICATION OF EARLY RETIREMENT POLICY TO MACHINISTS

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, in the absence of the Minister of Labour I will direct

my question to the Minister of Transport. The International Association of Machinists and Aerospace Workers of Air Canada has been informed that 585 employees of that group will be laid off. Mr. J. J. Bourgeault, the Senior Director of Labour Relations for Air Canada, stated on May 19, 1982, that "application of early retirement policy will apply equally to any employee groups". Will the Minister inquire why Air Canada is not willing to apply this policy of a voluntary separation program to the machinists and aerospace workers, but solely to management personnel and employees of other bargaining units in the Air Canada family?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I have inquired about this. In the case of management people the separation is a permanent one and they are not subject to recall or to the protection of collective agreements, et cetera. In the case of mechanics they are subject to recall and are protected by collective agreements in terms of pension, security, priority to certain jobs should they become open, and so on. The two situations are quite different.

REQUEST THAT MEDIATOR BE APPOINTED

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, as 26 machinists will be laid off in the Winnipeg area alone, I should like to ask the Minister if he would consult with the Minister of Labour to consider appointing a mediator to investigate why Air Canada is discriminating against its machinists, all members of the International Association of Machinists and Aerospace Workers. Will they do everything possible to stop these lay-offs?

Hon. Jean-Luc Pepin (Minister of Transport): I will do so, Madam Speaker.

* * *

ENERGY

DEVELOPMENT OF ATHABASCA OIL SANDS

Mr. Jack Shields (Athabasca): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. Has the Minister had discussions with Imperial Oil or Shell or Canstar, or the provincial Government, with regard to establishing a fiscal regime so that the development of the Athabasca oil sands can take place?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, we are having continuing discussions with the industry and the Provinces on this subject. If there is some progress to be announced I will be very pleased to tell the House of Commons about it, but I have nothing to announce at this point.

DISCUSSION OF FISCAL REGIME

Mr. Jack Shields (Athabasca): Madam Speaker, I was not asking whether there was a project to be announced. I was asking whether a fiscal regime had been developed or is in the process of being developed, to control the development of the tar sands and the oil sands in northeastern Alberta. Perhaps I should direct my question to the Minister of Finance. Is he having these discussions?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I replied to both aspects of the question. My answer applied to the development of projects. Of course there are discussions about tax regimes. I am having discussions about that with the Saskatchewan and Alberta Governments.

* * *

LABOUR CONDITIONS

BOWATER LAY-OFFS—REQUEST THAT GOVERNMENT TAKE ACTION

Mr. Sid Parker (Kootenay East-Revelstoke): Madam Speaker, my question is for the Minister of Finance. Considering that the announced lay-offs by Bowater are not taking effect until next April, and considering that Bowater made over $44 million in profits in the last two years, will the Minister ensure that the Government will demand that these lay-offs will not take place?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I have already answered that question in answer to the Leader of the New Democratic Party.

* * *

PUBLIC WORKS

REQUEST THAT MINISTER CONSIDER ESTABLISHING EMERGENCY FUND

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, may I put a question to the Minister of Finance. In his responses to questions in this House in the last number of weeks, he has often been forced to say that there is nothing the Government can do in the short run, to combat lay-offs in all parts of Canada. Perhaps there is a solution that the minister ought to consider. Municipalities across Canada, such as Kamloops and Salmon Arm, have capital works projects ready to go, in the amount of $18 million each. If the Minister is interested in job creation and in stimulating the economy from one end of Canada to the other, would he give some consideration to establishing a special public works emergency fund so that muncipalities across Canada could get these road projects, sewer and water projects and parks projects, that are now waiting for financial support, off the ground?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I will consider any suggestions put forward by anyone in this House. I will give all suggestions very serious consideration.

As a general statement, however, I should like to point out that it would be very wrong for provincial or municipal Governments to sit on their hands and hope that the federal Government is going to dish out hundreds of millions of dollars to them. Municipal Governments and provincial Governments, like the federal Government, have the power to borrow. If there are projects which are worth-while for the community, I encourage them to exercise their responsibilities as elected officials, to go ahead with the projects, to go to the market and borrow money like the federal Government is borrowing, and to do something that is required in the community. They should not wait for the federal Government to finance every action which is taking place in the country.

• (1440)

As I indicated, the federal Government set aside over $1 billion in addition to the previous amounts set aside for direct job creation last October. This is a significant amount of money which we are putting aside for all kinds of job-creation programs across the country. I hope municipal Governments, like others, will do their share in this regard, and try to use this period of recession to stimulate activity, proceed with projects which they themselves can finance on their own, and not just wait for grants from the federal Government. This being said, I take the statements of the Hon. Member as a representation. As I said, I will consider it together with numerous other representations which have been made by other Members.

* * *

INCOME TAX

PROPOSED TAXATION OF NORTHERN BENEFITS

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, my question is directed to the Minister of Finance as well. It concerns the announcement made by his colleague, the Minister of Indian Affairs and Northern Development, on his behalf last week, of the imposition of a very significant new tax burden on northern residents, a burden which will result in an increase of between $2,000 to $3,000 per year for the average worker in the North who is employed in the mining and resource sector industries.

Could the Minister tell the House why he chose this particular time to make this imposition on northerners, having regard to the fact that they are already hit hard and that economic circumstances multiply themselves several times by the time they are experienced in the North? Why is it that he imposed this tax at this time?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I should like to tell the Hon. Member three things. First, the announcement was not made by the Minister of Indian Affairs and Northern Development on my behalf. I made it myself, and I associated that Minister and the Minister of State for Mines with this particular announcement.

Second, the tax will not generate the figures to which the Hon. Member referred of $2,000 or $3,000 per individual.

Third, there is no tax. The remission order is being continued in 1983 and, as a matter of fact, it is being extended to workers who were not covered by the remission order in 1982. They will benefit from an exemption in 1983 which was not available to them in 1982.

The taxation of benefits will only start in 1984. It will start on a very gradual basis. The taxation of benefits will grow 25 per cent a year. It will start with only 25 per cent of the taxable benefits being eligible for taxation. The figures to which the Hon. Member referred are quite small and I would like him to bear that in mind when he considers the steps that have been taken, which I think are quite fair to the people of the North who were benefiting from the particular remission order.

Mr. Oberle: This is a display of a strange twist of logic. The Minister says that it is a tax which was always on the books but had never been paid and that simply because it has to be paid now it is not a new tax. I must have attended a fairy-tale session last week when I sat in on the press conference, including stations of the CBC northern service, when the Minister of Indian Affairs and Northern Development, on behalf of the Minister of Finance, announced a new tax.

In fact it is not a serious imposition when it is figured out on a monthly basis, as the Minister did but, when the monthly figures are multiplied by 12, it is an imposition of between $2,000 and $3,000 on average taxpayers or average northern workers. There are no ifs, ands or buts about it.

REASONS FOR CHANGE

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, did the Minister of Finance take into consideration that the average home owners in the North pay between $200 to $300 in some instances for utilities to heat their homes, that they pay $4 for a gallon of gasoline, and that freight costs often multiply essential consumer commodities by four times? Is there any equity and fairness in his tax system at all? Why was logic not considered, that changes to the tax Act would have been a much better compromise to replace the remission order?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I remind my hon. colleague that the average northerner never had access to this particular benefit. It was limited to a very restricted number of people who happened to work in the North for large corporations or certain Governments. That was the limit of the benefits. They were not available to the average northern citizen or resident. Indeed we have very carefully taken into account the serious recession which the industries in the North are knowing at the present time by not imposing the taxation of those benefits in 1983, and by starting the taxation of them on only a gradual basis in 1984. It will take four years after 1984 before they become fully taxable.

In addition, we have put specific ceilings on benefits such as housing allowance, for instance, so that there would not be

excessive taxation of these people. I invite my hon. friend to examine more fairly the proposal or the plan which was announced, and he will come to the conclusion that he should not be talking about the kinds of figures he indicated.

* * *

FINANCE

IMPLEMENTATION OF SMALL BUSINESS DEVELOPMENT BOND PROGRAM

Hon. Don Mazankowski (Vegreville): Madam Speaker, my question is directed to the Minister of Finance. Canada's chartered banks are flatly refusing to process Small Business Development Bonds for farmers and small-businessmen who are in financial distress. What action has the Minister taken in this regard? Has he met with the banks? If, as the banks suggest, the present program is unworkable, is he actively considering any changes to the program to make it more workable to meet the desperate need?

Hon. Marc Lalonde (Minister of Finance): Yes, Madam Speaker, I am examining the situation very carefully in order to ensure that there is no undue prejudice caused to either farmers or small-businessmen.

FUNDING FOR FARM FINANCIAL ASSISTANCE PROGRAM

Hon. Don Mazankowski (Vegreville): Madam Speaker, my supplementary question is also directed to the Minister of Finance. Under the special Farm Financial Assistance Program the funds appropriated for this fiscal year have been expended and farmers are not being accommodated. Has the Minister had any discussions with his colleague, the Minister of Agriculture, in this regard? Is he actively considering the prospect of increasing funding for that particular purpose so that farmers who are in financial distress at this time will be able to use the Program in a more effective manner?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the Hon. Minister of Agriculture is well-known for his great interest in farmers. Everyone knows that he has their best interests at heart all the time. Indeed he has made very strong representations to the Minister of Finance, and representations coming to the Minister of Finance from the Minister of Agriculture are always examined with great attention and sympathy.

* * *

PIPELINES

CONSTRUCTION OF ALASKA GAS PIPELINE

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. He has heard about plant closings and job losses in the House today. I want to give him an opportunity to create some jobs on a rather massive scale. Is the Minister aware that, if the whole Alaska Highway Gas Pipeline went ahead, it would mean 350,000 man-hours of work and 1.2 million tonnes of pipe construction for Stelco in Hamilton and Ipsco in Regina?

Some Hon. Members: Oh, oh!

Mr. Epp: You were against it.

Mr. Waddell: Before my Conservative friends have heart attacks here as they line up behind their Leader, is the Minister aware that the previous Minister of Energy said in this House in July, 1980, that the Government was convinced of the United States commitment to complete the whole line by 1985? In light of the commitment which "old iron clad" said we had, and in light of the fact that all these jobs could be created, what has the Minister personally done since taking office to get the pipeline construction going, the whole pipeline for the North?

• (1450)

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, the first thing that I did to make that project work was that, contrary to the Hon. Member, I voted for it in the House of Commons.

Some Hon. Members: Hear, hear!

Mr. Chrétien: It was a long time ago, and of course, we were depending on that. I am very pleased to see that the Hon. Member for once in his life wants us to collaborate with the Americans. We are willing to do so. In fact, we need their collaboration. In order to justify the construction of the pipeline from Alaska to the southern parts of the United States there is a need, first, to find financing for it and, second, to find a market for the gas. This matter is under the control of the American administration, over which I do not have great influence.

* * *

SEARCH AND RESCUE

PROVISION OF SERVICES ON WEST COAST

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, my question is for the Minister of National Defence. Over the last year we have had three studies on search and rescue operations on the coast of British Columbia. We have had an interdepartmental study, a joint Coast Guard and a DND study, and a DND study on deployment of air resources.

In addition to the removal of weather ships, the Government has now removed two vessels, one from Campbell River and one from Prince Rupert. As well, the Government has removed two of the three crash groups from CFB, Comox. The Government has also reduced coverage from 9 a.m. to 5 p.m. Monday to Wednesdays. The Government has apparently refused to deploy the air resources on the coast of British Columbia in a proper and effective manner.

Would the Minister be prepared to describe why the three studies are top secret and why there has been a substantial reduction in the available resources on the coast of British Columbia? For example, we get three vessels in lieu of six. Also, when will the Minister consider an effective deployment of his rotary wing air resources on the coast of British Columbia?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, the Member asked many things on search and rescue. First, I do not know of any secrecy with regard to the studies that we are currently doing with a view to ensuring more effective search and rescue on the coast of British Columbia as well as on the east coast. We try to utilize our facilities in the best way possible so that we can effectively cover the area where there are the most incidents. I am sure that my Department in co-operation with the Department of Transport, has studied the air and the sea aspects in detail so as to improve our search and rescue operations.

I can assure the Hon. Member that our search and rescue facilities are much better today than they were a year ago. We intend to continue our examination of those facilities as much as possible, and I know there has been some improvement.

I could write to the Hon. Member and give him details. The Premier of Newfoundland has written to me about this matter. I will give him a complete review of what we are doing in Newfoundland covering all aspects of search and rescue. But, as I have said with reference to the Hon. Member's question, there has been an improvement in search and rescue in British Columbia.

* * *

CRIMINAL CODE

PROPOSED OPENING OF ABORTION CLINIC IN MANITOBA

Hon. Jake Epp (Provencher): Madam Speaker, my question is directed to the Minister of Justice. It concerns Dr. Morgentaler's announcement of his intention to open an abortion clinic in Winnipeg. Has the Minister been in touch with the Attorney General of Manitoba? Has a plan of action been determined which would prevent the opening of an abortion clinic such as this, rather than having it opened first and then having charges laid, which obviously will result in many young Manitoba lives being lost?

Hon. Mark MacGuigan (Minister of Justice and Attorney General of Canada): No, I have not been in touch with the Attorney General of Manitoba on this subject, because it is not necessary, Madam Speaker. The responsibility for enforcing the Criminal Code is entirely in the hands of the Attorney General of Manitoba. If he wanted to consult with me in some way on the law, I would be available, but that is not the usual course for Attorneys General to follow. Just as the Attorney General of Ontario has said that he will apply the law if the occasion warrants it, I am sure the Attorney General of Manitoba will follow the same course.

Mr. Epp: Madam Speaker, I am aware of the administration of justice in that way. I phrased the question in terms of whether the Minister had been in contact with the Attorney General of Manitoba. I recognize his responsibility is to administer the law but there have been other Attorneys General, such as Mr. McMurtry of Ontario, and the Attorney General of Saskatchewan, who have said if that eventuality occurred they would prosecute.

QUERY RESPECTING AMENDMENT OF CODE

Hon. Jake Epp (Provencher): Madam Speaker, in view of the situation in which we find ourselves, namely, that the Criminal Code has some very specific requirements concerning the setting up of therapeutic abortion committees in hospitals before the process can be undertaken, is the Minister now considering amendments to the Criminal Code which would prevent, or at least put a prohibition on the opening of such abortion clinics, rather than leaving the law as it is?

Hon. Mark MacGuigan (Minister of Justice and Attorney General of Canada): Madam Speaker, there really is no need for additional law. It is in the hands of the Provinces, in this case, the Province of Manitoba, to determine what is an accredited hospital. A Province may even decide that a free-standing clinic of this kind should be classed as a hospital, although I am not aware that any Province has yet done that. Therefore all aspects of the problem as they affect the situation in Manitoba are in the hands of the provincial Government and, in particular, in the hands of the Attorney General. I see no role for the federal authorities, Madam Speaker, and no, we are not contemplating changes to the abortion law at this time.

* * *

NATIONAL SOVEREIGNTY

EXTENSION OF CUSTOMS ZONE TO CONTINENTAL SHELF

Mr. Maurice Foster (Algoma): Madam Speaker, my question is for the Minister of State for Finance responsible for customs. In view of the very depressed state of the Canadian steel industry and the advantages which would flow to this industry if the Canadian customs zone were extended from the 12-mile limit to the Continental Shelf, and in view of the fact that most countries such as Australia, New Zealand, the United Kingdom and Norway have already provided for this extension, can the Minister say when the Government of Canada is going to move to extend our custom zone to the Continental Shelf?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, the question of the Hon. Member involves not only areas of customs jurisdiction, and I believe the Minister of Industry, Trade and Commerce responded to a similar type of question last week. He indicated that the matter is under consideration by the Government, and when

the Government is in a position to advise Hon. Members, he will do so.

* * *

TRADE

EFFECT OF FOOTWEAR IMPORT QUOTAS

Mr. Bill Clarke (Vancouver Quadra): Madam Speaker, my question is for the Minister of State for International Trade. Could the Minister tell the House what action he has planned in order to resolve the problem of hundreds of shoe retailers who face extinction because of the reimposition and cut-back of shoe quotas which are drastically reducing the lines which these shoe retailers have offered for decades?

Hon. Gerald Regan (Minister of State (International Trade)): Madam Speaker, the Hon. Member will be aware that, with the reimposition of quotas on importation of shoe wear, meetings took place with representatives not only of retailers but also of importers and manufacturers. Subsequent to those consultations, quotas were arranged to try to take care of the interest of all groups in the most equitable manner possible. I am confident that, on the basis of the quota assignments that have been made, while it may be that retailers will end up selling more Canadian shoes than previously, they will indeed be able to survive and there will not be undue hardship.

POSITION OF INDEPENDENT RETAILERS

Mr. Bill Clarke (Vancouver Quadra): Madam Speaker, I wonder whether the Minister is aware of two facts. First, the quotas were given out so late that the appeal date had passed, and an appeal is being refused now by his Department. Second, the retailers in question have nothing to do with the chains and are only concerned with about 15 per cent of the quotas about which the Minister has been talking.

Hon. Gerald Regan (Minister of State (International Trade)): Madam Speaker, the Hon. Member should be aware that both independent retailers as well as the chains were represented at meetings and consultations that I had. In relation to their volume and numbers, the amount apportioned to them is an equitable amount. I certainly want to carry out this unfortunate necessity of restricting imports in a way that will provide the minimum dislocation possible to the retailers as well as to the importers, but the Hon. Member will be well aware that there are Canadian jobs at stake and the Canadian manufacturers of shoes have been very very hard put as consequence of a sudden, very rapid increase in the volume of imports of footwear. I would hope that the Hon. Member might show some concern for the Canadian workers who have lost their jobs as a result.

• (1500)

PETRO-CANADA

PURCHASE OF BRITISH PETROLEUM SERVICE STATIONS

Mr. Jim Hawkes (Calgary West): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. In Committee on Friday morning the Minister of National Health and Welfare indicated that it was a Government priority to buy service stations to protect Canadian jobs. Could the Minister of Energy, Mines and Resources indicate to the House how the buy-out of British Petroleum service stations became a priority, one more important than pensions and family allowances, and could he explain how that will protect Canadian jobs?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I think that this transaction has been well explained to the House of Commons. It was a commercial transaction involving Petro-Canada, which was buying the stations of BP. Of course, because Petro-Canada is very popular, it will be in a position to pay it easily because it will sell 20 per cent more gasoline than the present owner of the stations. Of course, concerning the other part of the Hon. Member's comment, its purpose was not job preservation. It was a good investment by Petro-Canada and it will be paid commercially, as a good commercial decision should be.

Mr. Hawkes: Madam Speaker, the more Petro-Canada sells, the more we buy from Mexico, Venezuela and so on.

Mr. Chrétien: That is not true.

FUTURE PROSPECTS

Mr. Jim Hawkes (Calgary West): The previous Minister of Energy, Mines and Resources was one of the greatest job cutters in Canadian history. He destroyed about 40 per cent of the jobs in that industry and in related industries.

Mr. Nielsen: Old Slasher Lalonde!

Mr. Hawkes: Do we have any indication from the present Minister that something significant will happen and that we are going to restore jobs in that industry and in those related service industries which serve oil and gas exploration and development?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): I would like to inform the Hon. Member that figures for last week indicate that rigs in Canada were operating at 76 per cent of capacity, the best in a long time, because in the spring they were operating at only 22 per cent of capacity.

Petition

PETITIONS

MR. CLARK—CALL FOR ABANDONMENT OF SALES TAX PROPOSAL AFFECTING WHOLESALERS

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table the three hundred and forty-sixth report of the Clerk of Petitions stating that he has examined the petition presented by the Right Hon. Member for Yellowhead (Mr. Clark) on Friday, December 3, 1982, and finds that the petition meets the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

MR. THACKER—OPPOSITION TO BILL C-10

Mr. Blaine A. Thacker (Lethbridge-Foothills): Madam Speaker, as a Member of this House, it is my privilege and duty to present two petitions. The first is on behalf of 152 members of the Netherlands Reformed Congregation from my riding. The purpose of their petition is to express strong opposition to the proposed legislation contained in Bill C-10. They believe that Bill C-10 reflects a dangerous use of power on the part of the civil government and a potential tool for subjecting churches to the moral decisions of civil courts.

The petitioners hope that in your examination of the petition you will find the petition in order, will sense the urgency and strong commitment in their plea, and use the discretionary power vested in your office to allow discussion and referral to the appropriate committee at the earliest possible moment.

MR. THACKER—CONSIDERATION OF BILL C-53

Mr. Blaine A. Thacker (Lethbridge-Foothills): Madam Speaker, the second petition I wish to present is on behalf of 150 members of the same Netherlands Reformed Congregation, in which they wish to express their concerns about Bill C-53. The petitioners set forth a number of points which they believe the House should consider when the legislation is discussed next.

I note that their petition has been sent to the Minister of Justice (Mr. MacGuigan) and the Chairman of the Justice Committee, and I hope that the committee will consider their views seriously.

MR. PARKER—OPPOSITION TO BILL C-133

Mr. Sid Parker (Kootenay East-Revelstoke): Madam Speaker, it is my privilege and duty to present a petition signed by hundreds of citizens of Ontario and Quebec. The purpose of the petition is to express the clear and strong opposition of those citizens to Bill C-133, legislation which would reduce the indexing of the pensions of public servants. The nature of the petition is to oppose the passage of Bill C-133 at second reading and thereby prevent the cut in indexing of Public Service pensions.

Some Hon. Members: Hear, hear!

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,478 and 4,564.

[*Text*]

NATIONAL LIBRARY ADVISORY BOARD

Question No. 4,478—**Mr. Mazankowski:**

1. Is there a body known as the National Library Advisory Board and, if so (a) what are its stated purposes and terms of reference (b) what is the composition of the Board?

2. Who are the current members and what are the lengths of their appointments?

3. Do members receive any remuneration and, if so, within what ranges?

4. What were the total costs associated with the Board for the fiscal year (a) 1980-81 (b) 1981-82?

5. What tasks did the Board complete in those fiscal years?

Mr. Jack Burghardt (Parliamentary Secretary to Minister of Communications): I am informed by the National Library of Canada as follows:

1. Yes. (a) Section 9 of the National Library Act (1969—c. 47, 17-18 Eliz II) states that "The Governor in Council may establish a Board, to be known as the National Library Advisory Board, to advise and assist the National Librarian in the organization and development of the Library and to advise and assist in the development of the relations of the Library with other libraries and library and educational associations and institutions".

(b) "The membership of the Board shall consist of (a) The National Librarian; (b) the Parliamentary Librarian and the Dominion Archivist, who shall be members ex officio; (c) four other persons, one each representing and nominated by the Canada Council, the Social Sciences and Humanities Research Council, the Association of Universities and Colleges of Canada and the National Research Council of Canada; and (d) "11 other persons, at least five of whom shall be professional librarians and each of whom shall be appointed by the Governor in Council to hold office for a term of not more than four years".

2. The list of current members, with the dates of their appointment (where applicable) is as follows:

Current Members	Term
Mr. John Dutton Director Calgary Public Library	May 25, 1981 to May 25, 1984
Rev. Paul-Emile Filion Director of Libraries Concordia University	April 16, 1981 to April 16, 1984
Mr. Nicholas Goldschmidt	Canada Council appointment Ex Officio
Dr. Francess G. Halpenny General Editor Dictionary of Canadian Biography	December 9, 1979 to December 9, 1982
M. Louis-Edmond Hamelin Recteur Université du Québec à Trois-Rivières	June 17, 1982 to June 17, 1985
Miss E. Diane MacQuarrie Director Halifax City Regional Library	October 29, 1981 to October 29, 1984
Dr. Peter Meincke President University of Prince Edward Island	Association of Universities and Colleges of Canada appointment
Mrs. Anne B. Piternick Professor, School of Librarianship The University of British Columbia	July 13, 1981 to July 13, 1984
Madame Anna Rovira Directeur Bibliothèque municipale La Salle, La Salle	May 14, 1981 to May 14, 1984
Mr. Elmer V. Smith Director, CISTI National Research Council	National Research Council appointment Ex Officio
Dr. W.I. Smith Dominion Archivist	Ex Officio
Mr. Erik J. Spicer Parliamentary Librarian	Ex Officio
Dr. Guy Sylvestre (Secretary) National Librarian	Ex Officio
Dr. T.H.B. Symons Vice-President Social Sciences and Humanities Research Council	Social Sciences and Humanities Research Council appointment Ex Officio
Dr. Otto Tucker Professor of Education Memorial University of Newfoundland	September 22, 1982 to September 22, 1985
Mr. Ronald Yeo Chief Librarian Regina Public Library	January 22, 1981 to January 22, 1984

3. By Order in Council of May 13, 1982, the members receive $225, and the Chairman $325, for each day they attend a meeting of the Board or a committee of the Board. (P.C. 1981-1412)

4. The total costs associated with the Board were (a) $7,720, (b) $7,460.

5. The National Library Advisory Board advises and assists the National Librarian in the organization and development of the Library and its relations with other libraries and other appropriate institutions. It does this on a continuing basis by advising on and reviewing the priorities of the Library, its developments and its ongoing activities. It is also an important channel for making known the services of the Library in the Provinces and for soliciting suggestions for making its services more responsive to the needs of its users.

In the period under review, the Board met three times. In October, 1980, the meeting was held in Saskatoon and at a public session the Library's programs were summarized, questions were entertained and briefs were received. In November, 1981 the National Library Advisory Board met with the Advisory Board on Scientific and Technical Information to discuss Telidon and its application to library and information services. As a result of this meeting, the Board recommended that the National Library act as a clearinghouse of information on the applications of videotex and teletext to library services.

During the two fiscal years under review, the Board furthered the development of a decentralized network to facilitate the exchange of bibliographic data and the sharing of library resources. This recommendation was first set out in the "Future of the National Library of Canada", presented to the Secretary of State in 1979, after extensive consultation across Canada and with the support of the National Library Advisory Board which assisted with the establishment of priorities. In particular, the Board established committees to investigate in depth and make recommendations on some of the issues posed by the application of the combined technologies of computers and telecommunications to the evolution of a bibliographic network as well as those which need examination for the sharing of data and library resources. The progress made in these areas has resulted in the formation of the Bibliographic Common Interest Group, co-ordinated by the National Library, as part of the iNet (intelligent network) trial mounted by the Computer Communications Group of the TransCanada Telephone System. Six libraries with autonomous computer systems are able to interconnect to exchange bibliographic data and to facilitate document delivery. The Board also received recommendations concerning electronic publishing, the legal aspects of network development and the unauthorized use of copies of databases and requested that these issues be investigated.

In the same period, the Board made formal recommendations to the Secretary of State on the establishment of national library services for the visually and physically handicapped. It also actively supported the Library's submission to the Parliamentary Special Committee on the Disabled and the Handicapped which recommended that the Library act as co-ordinator of Canadian library services. As a result of the proposal, endorsed by the Special Committee in its report "Obstacles", the National Library received the resources to set up a program in 1982/83.

The Board has also been concerned with the conservation of the Canadian literary heritage and the alternative methods of storing and retrieving material. Its attention has focused especially on newspapers which are not collected on legal deposit

by the National Library. The Board commissioned two surveys of newspapers; the first gathered information on the policies of provincial, university and other libraries on the collection and maintenance (in original or in microform) of newspapers; the second survey brought together information on the availability of newspapers on interlibrary loan and on the reference services available to researchers in libraries where newspaper collections are maintained. The Board has now asked a committee to make recommendations for a policy which will ensure that newspapers are systematically collected and maintained so that this vital primary source will be available to future researchers.

Both the review of priorities and ongoing activities and the study of special issues by the Board are undertaken in order to fulfil the National Library's objective which is to facilitate the use of library resources of the country by the people and Government of Canada.

"CANADA UPDATE FROM THE 1981 CENSUS"

Question No. 4,564—**Mr. Siddon:**

1. What was the total cost to the Government for the design, production and distribution of the pamphlet entitled "Canada Update from the 1981 Census"?

2. How many copies of the pamphlet were printed and distributed to date?

3. (a) Who did the design and production of the pamphlet (b) was the person an outside contractor and, if so, how was the contract awarded?

Hon. J.-J. Blais (Minister of Supply and Services): 1. The newsletter "Canada Update from the 1981 Census" cost $9,822.54 to design, produce and distribute.

2. As of November 16, 1982, approximately 29,000 were printed and distributed. Subsequent mailings will be only on request and for the next issue will involve 6,338 copies.

3. (a) The design, typesetting and camera-ready artwork were done by Statistics Canada staff. (b) The designer is an employee of Statistics Canada. The printing was done by Dollco Printing, Ottawa, selected under the standard Supply and Services contract tendering process.

[*English*]

Mr. Smith: Madam Speaker, I ask that the remaining questions be allowed to stand.

[*Translation*]

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

[*English*]

Mr. Murphy: I rise on a point of order, Madam Speaker, with regard to Order Paper question No. 3,487, which I asked last November 26, 1981. It was comprised of a series of questions relating to the Public Service superannuation fund and to how much money is in the fund and how much the Government has made in terms of windfall profits. Those questions directly relate to Bill C-133, which we will be debating today in the House. On November 18 of this year I asked the Parliamentary Secretary if I could receive an answer to that question prior to the Bill being discussed in the House. I would like to know if that will be possible.

Mr. Smith: Madam Speaker, I did send off an inquiry and I will send another one today.

Mr. Murphy: If we cannot have that information before the debate starts in the House of Commons, can we have a guarantee that we will have that information before the Bill is discussed in the Standing Committee on Miscellaneous Estimates?

Mr. Nielsen: What good will it do you?

Mr. Murphy: Will we have the information before we debate this important Government legislation?

Mr. Nielsen: Ironclad.

Mr. Smith: It is possible, Madam Speaker. I will do my best to try to obtain an answer for the Hon. Member. The Government is not under any obligation to answer any of these questions, but notwithstanding that fact, we have answered over 83 per cent of the questions placed on the Order Paper in this session alone. Over 3,816 questions have been answered. I think that speaks for our good faith.

Some Hon. Members: Hear, hear!

Mr. Nielsen: That's four a day.

[*Translation*]

Mr. Gauthier: Madam Speaker, while we are on this subject, I would like to refer to a question I asked about a month ago regarding Bill C-133, namely, Question No. 4,532, a thirteen-part question. I wondered whether the Parliamentary Secretary to the President of the Privy Council (Mr. Smith) would be willing to take this as notice and provide the answers before the debate starts in committee?

[*English*]

Mr. Smith: I cannot assure him of that, Madam Speaker, but I can assure him that I will make my best effort to try to obtain an answer.

[*Translation*]

Madam Speaker: Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

SUPPLEMENTARY RETIREMENT BENEFITS ACT (NO.2)

MEASURE TO MODIFY BENEFIT INDEX

Hon. Herb Gray (President of Treasury Board) moved that Bill C-133, an Act to amend the Supplementary Retirement Benefits Act (No. 2), be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

He said: Madam Speaker, this Bill is being presented to implement one of the elements of the six and five program announced in the June 28 budget.

Some Hon. Members: Shame!

Mr. Gray: This program is a cornerstone of the Government's program of economic stabilization and renewal.

Mr. Epp: Not a cornerstone, a millstone.

Mr. Gray: I might remind the House that the purpose of the six and five program is two-fold. First, it is intended to set a clear example of federal leadership so that we can deal effectively with the problems of inflation, high interest rates and unemployment and to make our economy more productive. The second objective of the program is to provide funds to be reallocated to job creation.

[*Translation*]

Mr. Speaker, Bill C-124, the Public Sector Compensation Restraint Act passed by Parliament last summer, was the first in a series of measures to reduce inflationary income expectations. The Bill restricted wage increases of employees in the public sector to 6 and 5 per cent, for a period of two years. Another measure applied the 6 and 5 program to the inflationary component of indexing of family allowances, old age security pensions, public service pensions and personal income tax. Thus, the purpose of Bill C-133 is to apply the 6 and 5 program to public sector pensions. The bill is not a pension policy but should be seen as part of a comprehensive response to the economic problems facing Canada today. As I said before, it is one of the many economic measures that were contained in last June's budget.

• (1510)

[*English*]

In that budget, people who have been employed in the federal public sector and who therefore have more assured incomes and relatively more job security than most other Canadians were asked to accept less protection from inflation temporarily so that inflation could be reduced and the Government could free up needed financial resources for job creation in the private sector.

Bill C-133 does not single out federal Public Service pensioners as the cause of inflation any more than any other group of Canadians. Rather, the Government chose the public sector as a vehicle to project an unmistakable signal to all of the participants in the Canadian economy that we have to have lower income and price increases if we are to deal satisfactorily with problems of inflation, the problems related to it of high interest rates as well as the problems of unemployment.

Mr. Baker (Nepean-Carleton): Nobody believes that.

[*Translation*]

Mr. Gray: Mr. Speaker, the general goal of the program is to encourage the private sector to follow the example set by the Federal Government and its share to reduce inflationary demands on the economy. In Bill C-133, cost-of-living adjustments paid under the Supplementary Retirement Benefits Act are capped at 6 per cent in 1983 and 5 per cent in 1984. These restrictions will apply to all individuals receiving retirement benefits as a result of employment in the federal public service.

[*English*]

Without this legislation, public service pensions would be increased by 11.5 per cent in January of 1983. This percentage reflects the full cost of living adjustment prescribed by the present law. That adjustment of 11.5 per cent would arise out of the relative increase in inflation in the 12-month period ending in September, 1982 over the average increase in the previous 12 months.

The restraint program is designed to alter inflationary expectations. It seeks to counteract the expectations of inflationary increases and the resulting future inflation which comes from assuming that price performance in the past will turn out to be the case for days yet to come.

Since Bill C-133 received first reading there certainly has been a fair amount of public discussion surrounding it, principally by those who oppose it. The debate has also produced a great deal of confusion and factual error over the nature of the present indexation arrangements. I would like to deal briefly with some of those more common misconceptions at this time.

Many of those who oppose the limitation on increases in Public Service pension indexation argue that public servants have fully paid for their indexation through their contribution of 1 per cent of salary, together with the matching direct contribution by the Government as employer, towards the cost of this benefit. This is not the case. Approximately 90 per cent of the indexation benefits paid to Public Service retirees are currently charged directly to the Consolidated Revenue Fund of the federal Government.

Mr. Baker (Nepean-Carleton): Fine way to make a case.

Mr. Gray: The Consolidated Revenue Fund is made up of moneys raised from the taxpayers of Canada generally.

Mr. Stevens: That is right—you bet.

Mr. Gray: Only the balance of the indexing benefit, that is approximately 10 per cent of those payments, comes directly from the supplementary retirement benefits account. This is

the separate account set up to receive employees and employer contributions to provide for pension indexation.

To explain why this is so, I would remind Hon. Members that the present law provides what amounts to full indexation for inflation to all Public Service pensioners and their survivors. But an indexation program was first introduced only in 1970 and a large number of such pensioners retired before that date. Those who retired before 1970 made no contribution for indexing, and the majority of those retired in the years since 1970 have contributed only a small portion of the over-all costs of the benefits being paid.

Those critics of Bill C-133 who are aware of all this say yes, but if the supplementary retirement benefits account was combined with the basic pension accounts, there would be sufficient funds to support full indexation. Again, this is not the case. Looking at the program as a whole, if funds were taken from the basic accounts to support full indexing, shortages would arise in these accounts so that the basic pensions would no longer be properly funded.

Some of those who have commented on Bill C-133 have referred to an alleged $14 billion surplus in the public service superannuation account.

Mr. Stevens: They are crazy.

Mr. Gray: I am informed that no such surplus exists.

Mr. Stevens: That is right.

Mr. Gray: The $14 billion presumably refers to the balance in that account as of the last fiscal year end, that is, March 31, 1982. The balance at this time is in fact $15.5 billion. However, the important thing to note is that this money represents the amount which, together with future interest earnings, is needed to pay the accrued basic superannuation benefits—the basic pension—to all existing Public Service pensioners and their survivors, as well as the benefits which have been earned to date by current employees.

Other arguments have been made to the effect that the Government has broken a contractual agreement with its pensioners and has also violated an agreement that unilateral changes would not be made in the public service pension plan without prior consultation with employee representatives. While I regret that prior discussions did not take place before the June budget on this matter, I can only say that this measure was proposed as part of the over-all restraint program announced in that budget, and that it is not normal practice to reveal measures, so announced, in advance.

The capping of indexing for inflation is a temporary measure for two years which is, of course, quite different from any permanent changes which might be proposed for the plan and which would be discussed in advance.

With respect to the alleged contractual nature of pension arrangements, as Hon. Members are aware, there is no formal contract which parallels the written wage contracts existing between the Government, as an employer, and its employees. While I gather there was consultation with employee representatives on the question of providing full indexing for inflation of Public Service pensions prior to that program being implemented, it in fact came about through a Bill introduced by the Government and approved by Parliament in 1973. Therefore, it would be more realistic to view such pension arrangements as being long-term but, at the same time, flexible and involving the employer and generations of employees, where changes can be made in the relevant legislation to reflect varying economic circumstances.

This was, in fact, what happened in 1973 when Parliament adopted the policy of full indexing of Public Service pensions and took the additional step of applying that policy retroactively to many persons who had paid little or even no extra contributions at all. Also, another modification to reflect economic circumstances was made as part of the Anti-Inflation Board program when Parliament put a cap on Public Service indexing to limit it to an increase of $2,400 for 1976.

Notwithstanding these comments, however, and due in large measure to the representations of several members of our caucus supporting the Government, the Government has given additional consideration to how six and five should apply to the Public Service pension arrangements. The Government recognizes that there are retirees who have made some contributions towards the cost of indexation and that moneys are set aside for this purpose in the supplementary retirement benefits account. The Government has accordingly given further consideration to whether the capping measure should apply both to that portion of the benefits paid out of the Consolidated Revenue Fund. As a result, it has concluded that indeed the capping should not apply to both of these portions.

Therefore, I propose to move, at an appropriate later stage in the debate on Bill C-133, an amendment which would be based on the principle that the six and five cap would apply only to that portion of the indexing which would be paid out of the Consolidated Revenue Fund—that is, from general tax revenues—but not to the indexing which would be charged against employees' credits in the supplementary retirement benefits account—that is, coming from direct contributions by employees and by the employer specifically for indexing.

• (1520)

Such an amendment would be in keeping with the Government's over-all approach on the application of the restraint measures to federal allowances and pensions. That is to say, as the House knows, the Government has proposed that the programs financed out of general tax revenues, the Family Allowance and Old Age Security, would have temporary limits placed on their increases in indexing for two years. However, the Canada Pension Plan, for which direct contributions are made by employees and employers, has not been included in the six and five restraint program.

The effect of the amendment will be to limit the increase in Public Service pensions to 6.5 per cent in 1983 and 5.5 per cent in 1984. The funds available for reallocation to job creation after adjusting for the proposed change are estimated to be $60 million in 1983 and $105 million in 1984.

I want to stress that the Government remains committed to the principle that retired Canadians have protection against the effects of inflation. That is why we are proposing that over the next two years indexing for inflation for recipients of the Old Age Security and the Public Service pension will continue up to the limits to be set for the restraint program. The six and five program does not reduce any inflation protection which has been paid to date. What is proposed is a limit on the amounts for increases in indexing payable from general revenues during the restraint period.

As I said earlier, Canada Pension Plan benefits remain fully indexed, as do the income security benefits of those drawing the Guaranteed Income Supplement so that a measure of full inflation protection will remain on a portion of the incomes of many retirees, including recipients of Public Service pensions. More important, though, is the effect of the six and five program on breaking inflationary expectations. As the consumer price index, interest rates generally and mortgage rates come down, any real income losses from the cap on increases in indexing will disappear.

I know that the introduction of this Bill and the public discussions surrounding it have raised many questions about the state of the superannuation and indexing accounts. These include questions on the funding and financing of the program, the philosophy behind the use of the funds in the accounts and whether the various accounts should be combined, just to name a few of the issues or questions. However, I regard these as long-term issues and I believe these must be addressed in the context of the debate which will take place over the coming months about the direction and form of our national pension system, both public and private, once the green paper on national pension reform is released later this month.

Let me assure everyone that there will be full opportunity for consultation before any changes are decided upon and any proposals made to Parliament concerning the superannuation plans of federal Public Service employees. In passing, I want to recall the work done on these issues by the Miscellaneous Estimates Committee in a previous Parliament.

[*Translation*]

Mr. Speaker, all Canadians should be very happy about the successful results so far of the 6 and 5 program and the promising signs of further success in the near future. We are getting closer to the 6 and 5 era, which is the purpose of the first stage of this important program.

[*English*]

A review of retail prices since the June 28 launching of the program shows inflation moderating. On an annual basis, inflation in October was an even 10 per cent, the lowest rate since May, 1980. On a monthly basis, inflation in October was 0.6 per cent.

[*Translation*]

Mr. Speaker, considering the 0.5 per cent recorded in July, August and September, we can certainly say that inflation is stabilizing at the levels we have set. If we continue this trend, it will also help to stabilize the real income of Canadians, including retired Canadians.

[*English*]

To conclude, let me repeat that this Bill is part of a broad policy package intended to steer us toward lower inflation and renewed economic growth. Therefore, I urge all Members to support this Bill and its early adoption.

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, we have just heard an extraordinary speech by the Minister. Just a few moments ago in one of the last passages of his discourse to the House, the Minister said there would be full consultation before any changes would be made in the superannuation program affecting the public servant. It is interesting to note that that promise about full consultation was made some time ago. It is precisely that promise which the serving public servant and the superannuates say was broken.

I do not know why anyone in the federal Public Service, anyone who represents federal public servants or anyone who is interested in the question of equity and good conscience in terms of this matter should be prepared to accept that representation by the Minister. He read carefully from a prepared text. I do not know why he should expect that when we had similar undertakings from the Prime Minister (Mr. Trudeau) and the former President of the Treasury Board with respect to the same kind of consultation—no changes regarding inflation as an eroding power on superannuates' income.

Earlier in his speech the Minister said, and none of us is quite sure what he meant, that this amendment would limit increases in 1983 and 1984 respectively to 6.5 per cent and 5.5 per cent. I believe that is what he said. What he is saying to this House is that with 0.5 per cent, "I can buy you". That is what he is saying to all the people he is today asking to support his program.

Instead of having a six and five program, apparently it is now a 6.5 and 5.5 program. That is what he seems to be suggesting to the Members of this House. We will have to examine it in some detail, but that is what he said today.

I am going to deal with the problem that affects certain members of this House of Commons and a little later, I hope, a much larger number. If anyone who is interested in this program regards it as a great leap forward in equity, they had better think about it overnight. They will have some time to think about it before they leap and grab at this, clutch it and hold it close to their bosom as a salvation.

What this represents is not a great victory but a failure by Members of Parliament to persuade the Government. They did their best to attempt to succeed with respect to this, but it is a great failure.

The Minister was very careful not to tell this House what this Bill is. He set it in a broad framework. I will tell Members what it is. It is part of a vicious trilogy of legislation being dealt with in this House of Commons. We are not through dealing with it all; This is the third leg of the vicious trilogy of legislation.

Supplementary Retirement Benefits Act (No. 2)

The first piece of legislation, which affects those who are not in a position to look after themselves, is Bill C-131 dealing with the recipients of Old Age Security. The Government decided that the senior citizens would be put into the trenches to be the cannon fodder in this fight against inflation.

• (1530)

The second thing they are saying is that mothers of young families, the young children themselves, are to be the second tier in the trenches behind the Old Age Security recipients under Bill C-132 dealing with Family Allowances and limitations thereto.

The third leg in the trilogy is the public servants. That is an interesting phrase. Let me tell you what that means in terms of who it affects, Mr. Speaker. Broadly speaking, it affects every serving public servant because the six and five program as applied in Bill C-124 has an effect thereafter on their best six years. It affects every retired public servant because the six and five program as applied in Bill C-124 has an effect thereafter on their best six years. It affects every retired public servant because the retired public servants are grateful for the support willingly given to their superannuation by those who are still working. It affects every serving and retired employee of every Crown agency and Crown corporation in the country. It affects the Members of this place, certainly, and Her Majesty's judges. More importantly than that, if affects every member of the Canadian Armed Forces, both serving and retired. It affects as well those who are serving and those who have served in the Royal Canadian Mounted Police.

The group which is sometimes forgotten in all of this discussion about six and five is not just those who are still in the work force in the broad public sector and, therefore, have some clout in terms of future bargaining, but the wives, the widows and the children of those who are serving and those who have served. Those are the ones who are affected by this piece of legislation.

I am going to characterize this Bill, even with the amendment which we are going to have a chance to look at and the figures which are going to be produced later on, in this way: it is a mean, vicious, wretched, immoral act of this Government. That is how it ought to be characterized. Any Government which would put those who have retired into the trenches with respect to the battle against inflation and run them ahead of itself as the shield against inflation ought to be ashamed of itself.

I do not think the President of the Treasury Board (Mr. Gray) ought to count this as a red letter day in his ministerial life. This is his first major piece of legislation. Bill C-119 was his first piece of legislation and that was nothing of which one can be terribly proud. In fact, it has not yet even been scheduled at the Miscellaneous Estimates Committee. In any event, I do not believe the Minister should be proud that his first major piece of legislation is a Bill that breaches faith and an undertaking and defies a moral obligation. Whether this Government likes it or not, the funds with which we are dealing, never mind the statements which have been made, every contribution which has ever been made over the last 50 years, is a contribution of funds which are impressed with a trust. If you or I, Mr. Speaker, tried to convert moneys impressed with a trust from one purpose to another, the Crown Attorney would be called in. Governments are no better than anyone else, even majority Governments. It is a breach of a moral obligation to the serving public servant as well as those who have served in the broad sense I have described, including the wives, the widows and the children.

This piece of legislation is unsupportable. The gall of this Government in this matter is breathtaking, to move in that direction and then to say, "But we will consult a little further now". What happened to the consultation before? Our Party is opposed to this Bill; make no mistake about that. This piece of legislation to cut indexing for serving and retired public servants so that their incomes in retirement will not reflect the cost of living is being proposed by the same Government which decided it would be a good thing one way or the other to index mortgages. It said that in the budget. The Lortie Commission dumped on it, but that proposal has not gone to sleep because the Economic Council of Canada has decided it would be a good thing to index mortgages for, supposedly, younger people buying homes, people still in the work force who can protect themselves. But with respect to that group of public servants who are said to be docile, quiet, who do not make much noise and are not very popular in the country, "We'll deal with them; we'll cut their indexing. We won't let that be reflected".

There is another side to this, Mr. Speaker. This same Government which is asking for a cap on indexing is exactly the same Government which looks after its friends. You must have read in the paper, as I have, about the generous golden handshake for the senior public servant, Michael Pitfield. It is marvellous what the Government has done for him with respect to his pension. It is allowing Michael Pitfield to leave the Public Service with a special deal which will allow him to contribute to his indexed Public Service pension at a certain rate so that when he has reached the period of life when he, too, can no longer bargain, he is going to be protected, even though he did not serve, even though he decided to leave voluntarily. It is generous, Mr. Speaker. This is what the Order in Council said, and I quote:

—to approve . . . the continued participation of Mr. P. M. Pitfield under the Public Service Superannuation Act on the basis that he shall contribute 50 per cent of the contributions payable under the act until such time as he takes his pension, the other 50 per cent of the contributions to be paid by the Government—

I should add, a "grateful" Government. The article continues:

—and . . . to deem . . . the salary of Mr. P. M. Pitfield to be at the 8th decile of the DM-3 level as amended from time to time until he takes his pension."

An Hon. Member: What is that level?

Mr. Baker (Nepean-Carleton): What is that level, my hon. friend asks. At his present rate of pay, it could easily total $100,000 by the time he is eligible for retirement at the age of 55 on June 18, 1992. There is still a Santa Claus, Mr. Speaker. And yet, for the least of the public servants, for the least of the

widows, for the least of the children of public servants, that Minister has the gall to stand up in the House and say: "We are going to do it for Pitfield, but we are not going to do it for you".

• (1540)

Well, Mr. Speaker, we do not intend to stand idly by and see that kind of thing happen. The Government might as well face up to that. Technically, Michael Pitfield could have worked for the Government for 20 years and be paid for 40 through his pension, at the level of a Deputy Minister. That is really generosity worth noting in this country. Yes, Virginia, there is a Santa Claus! Is there not someone over there who can blush at that? Cannot the former President of the Treasury Board, who has now gone to his glory in another portfolio, blush at that? Is there no one over there who does not see the injustice of it all? Is there anyone over there as my friend, the Hon. Member for Annapolis Valley-Hants (Mr. Nowlan) says, without a sense of shame? I hope there is. I hope there is someone over there with the guts to stand up against that kind of inequity for the least of those in the Public Service.

Does the Government need to renege on its contractual obligations, Mr. Speaker? I am going to read from a letter to the Editor of the Ottawa *Citizen* where that question was put. This is the answer:

> The refusal to honour indexing commitments for public servants would reduce the government deficit by less then $60 million in the present fiscal year (based on an average contribution per pensioner of approximately $450 less income tax). That is a substantial sum, but placed against a budget deficit of $23 billion, it will not do much to reduce inflation.
>
> What is really at stake is public trust and confidence in the government. While it may be politically opportune for the government to make public servants and public service pensioners "whipping boys" to divert attention from much more serious matters, the question is, who will be next? Will the government decide to default on other contract commitments?
>
> In the conduct of affairs, whether they be public or private, the "broader principle" is that there must be rules for the game. Neither governments nor individuals should be allowed to change the rules to fit personal convenience. In that direction lies chaos and anarchy.

That is the reason the community is aroused about this matter, whether you are talking about old age pensions, mothers' allowance or this Bill in particular. It is a breach of trust, pure and simple, a breach of a moral obligation. That is why we oppose this Bill.

Members know the history of this legislation, Mr. Speaker. They know it has been some 50 years in development. They know it was Arnold Heeney who indicated clearly that there was an undertaking and obligation to serving public servants which ought to be met. When public servants of that day wanted to have pensions bargainable, the Government said no, that could be difficult. It could lead to all kinds of anomalies and problems. "Do not make it bargainable and we will make a deal with you; we will not change those things without consultation".

That is the history. The Government held to the bargain for a long period of time. In 1973 the Government finally took the 2 per cent cap off. I spoke for my Party in 1973 and said it was a good thing. Why? Because indexation does not put public servants marching ahead of the economy; it keeps them up to date. It just keeps them in line. Why is it a good thing that we keep those people in line? For the same reasons that we keep recipients of the Canada Pension Plan in line—because we have a special obligation to those who have gone ahead. This Bill is a denial of that obligation. I read in 1974 the directive of the Treasury Board that said it was the policy of the Government to keep everyone in line to ensure that no one would lag behind. That was the reason for indexation. I read what the Prime Minister said in a letter to the National President of the Defence Employees' Association. This is what the Prime Minister said on October 12, 1977:

> In our society, pensions provide a means of sharing risk so that we can retire in reasonable security and dignity, without fear of the future. Protecting pensions from inflation by indexing them to increases in the cost of living should be an integral part of our pension schemes.

It was, it is, and if this Bill fails, it will still be. He goes on:

> Indexing does not give pensioners an increasingly larger claim on our economy's production—

Remember that, my friends in the Liberal Party; that is what your Prime Minister said. He continued:

> —that is, more money to buy things they could not earlier afford. Rather indexing merely enables pensioners to maintain, roughly, their same standard of living.

I do not normally quote the Prime Minister, but it may be only the Prime Minister whose words will have some influence on those over in that party who can change the course of this legislation if they want to. The Prime Minister went on to say this:

> Even a modest rate of inflation destroys, at a devastating rate, the buying power of people on fixed incomes. Pensioners are out of the workforce and cannot bargain or strike for larger incomes. They are not the cause of inflation; they are its victim. We have an obligation to help protect them.

That is what the Prime Minister of Canada said in 1977 when the problems facing pensioners then were not as serious as they are now. If that was the truth in 1977, why has it suddenly become the anti-truth in 1982? Why has the situation suddenly changed? When he said that, the need for protection was not as great and the disparity was not as great as it is now. Yet today, when we have all those problems, and with increasing uncertainty, suddenly the Liberal Party, the Liberal Government, changes course and puts all pensioners in the front line of the fight against inflation.

In 1981, the then President of the Treasury Board said it was the position of the Government that public servants would be protected from inflation. At the Committee on Miscellaneous Estimates not too long ago he said, in answer to a question of mine, that it was not the intention of the Government to bring in legislation to deal in isolation and individually with Public Service pensions.

Mr. Nielsen: He is listening to you now.

Mr. Baker (Nepean-Carleton): But that it would be considered as part of an over-all program of pension reform. That is fair ball, but this is discriminatory. When you move a Minister from one portfolio to another, does it mean that what

was the truth before can become a lie today? I suggest not, and no one in the country will believe it.

You will never convince, Mr. Speaker, the serving public servant that the money we are talking about does not belong to him, that he did not contribute, that there is not a contract or an obligation, because the argument is irrefutable.

• (1550)

As best I can, I have given the history and this will be examined in committee if the Bill goes through. The Bill will never get to committee, of course, if some Members of the Liberal Party do their job.

I am told the legislation would rob the average pensioner of about $1,200 over the next two years, would impoverish them and drastically lower their standard of living. Some people think that Public Service pensions and the pensions paid to widows are huge and that these people walk around with their pockets heavy with coinage from the pension to which they have contributed through an arrangement made by the Government. That is not so, Mr. Speaker. Former public sector workers and their survivors currently receive an average pension of only $6,900. That is better than nothing, but it is not a large pension. These are the people who will be affected by the Bill.

I think that the public should know that the Senate of Canada maintains that a two-person family earning less than $11,030 in 1980 was said to live in abject poverty. The Government would like to weave a fantasy of wealthy public servants with both feet in the public trough. But that is not so, Mr. Speaker. Even if it were partially true, any Government would have to think twice before it attacked those who cannot protect themselves; but that is what the Government is doing through this Bill.

I want to speak to my friends in the House who have spoken out about this legislation, Mr. Speaker. The discussion first started in the warm days of July, 1982 when the breezes that flowed over the Ottawa River had a remarkable effect on some Members. The Ottawa *Citizen* of July 9, 1982 quoted the Hon. Member for Ottawa West (Mr. Francis) as follows:

> I personally find it unacceptable that the government plans to limit pension indexation. The government is a trustee of the indexation fund but the money belongs to the pensioners.

No doubt the Hon. Member will be speaking in this debate and will develop what I think is a fairly reasonable theory about where payments can be made. If he speaks, he will condemn the President of the Treasury Board for the line of reasoning he has brought forward. I certainly expect him to enter this debate and to oppose the Bill.

Then the Hon. Member for Hull (Mr. Isabelle), who is in the House listening to the debate today, spoke on the matter when the proposal to limit indexation was included in one of the MacEachen budgets. The same Ottawa *Citizen* article reported him as saying:

> —they should leave the pensions at full indexation. Eighty per cent of retired civil servants are not getting very big pensions and most are out of the workforce so they can't increase their incomes.

I agree with him; he is right. Some time during the course of this debate I want him to stand up and say this. When the time comes, I want him to put his vote where I believe his mouth is—that is, to oppose the Bill.

The Hon. Member for Ottawa Centre (Mr. Evans), who is my good friend, is also in the House today. That Ottawa *Citizen* article quoted him as saying:

> I have not seen any evidence that the contributions paid to the supplementary fund are inadequate and that the fund is not solvent.
>
> I want to take a good hard look at the government proposals.

I assume he has taken a good hard look, Mr. Speaker. I shared a platform with him at the RA Centre the other night when he made what I call a courageous speech, indicating that he opposed the Government's proposal to reduce indexation to six and five. I presume he will not be purchased or bought by 6.5 and 5.5.

Then there is the Hon. Member for Ottawa-Vanier (Mr. Gauthier), the Chairman of the Standing Committee on Miscellaneous Estimates on which I have the honour to serve and which will deal with this Bill. According to that Ottawa *Citizen* article he said that the pension indexation fund:

> —is similar to investing your money at a trust company. There is now $889 million in the indexation fund and it is paying a 14.9 per cent return on investments.

That is not bad, Mr. Speaker. He went on to say:

> Suddenly one day the trust company phones up to announce that arbitrarily and unilaterally it will only pay six per cent because the customer is expected to set an example.

He was also at the public meeting at the RA Centre. He and I had the privilege of sharing the platform. At that time he gave us a trust company analogy in both official languages and he said he was going to stand against this measure. There was not a public servant of the some 800 in the hall who did not understand that and left the meeting with content in his heart that the Hon. Member for Ottawa-Vanier (Mr. Gauthier) was on his side.

At that great meeting at the RA Association there was also the Hon. Member for Vaudreuil (Mr. Herbert). He had been denied a pension. He said he was opposed to this, that he supported indexation, that this was not the Government's money but it belonged to public servants. He pointed to the audience of public servants and superannuates who agreed that it was their money and who cheered him to the rafters. They even tolerated him when he said that, on the other hand, he was a Liberal and would not want to vote against the Party. He gave the clear impression, however, that his heart was in the right place but that his vote might be in the wrong place. It was marvellous that night. There was an ecumenical euphoria in the hall when Liberal after Liberal stood up and said: "We are opposed. We will vote against it.". One said, "We do not want the Tories in office again; we don't want to risk it." I will help them out with suggestions about how we can get around that in a few minutes, Mr. Speaker.

I want to talk now about something that has worried me. I go to church from time to time and every now and again my minister warns me against backsliding. The Hon. Member for

Provencher (Mr. Epp) understands what I am coming to. I suspect the person who spiritually ministers to the Hon. Member for Ottawa-Vanier has warned him against backsliding from time to time as well. That is why I was shocked to read the headline in the Ottawa *Citizen* of November 25, 1982: "Grit MPs back off from revolt over PS pensions".

As I have said, as the Hon. Member for Provencher has said, as the Hon. Member for Yukon (Mr. Nielsen) has said, as the Hon. Member for Victoria (Mr. McKinnon) has said, as the Hon. Member for St. Catharines (Mr. Reid) has said and as the Hon. Member for Bow River (Mr. Taylor) has said, they could hardly believe what they read, in view of the courage that had been exhibited at the Recreation Centre in front of 800 public servants. The Member for Ottawa-Vanier said they were worried about bringing down the Government; that it was a matter of confidence in the Government if they voted against the Bill.

• (1600)

I agree that it is a serious vote, given that the President of the Treasury Board characterized it as an absolutely essential part of the six and five program. I just do not believe the President of the Treasury Board when he says that it is essential, but that is his view. In any event, these Liberals have indicated that it would be a blow and that they were worried about bringing down the Government.

I will help them out because I believe the fate of the Bill does not lie with the New Democratic Party or with the Progressive Conservative Party. Its fate lies with the backbenchers of the Liberal Party. The question of retired public servants lies with those Members of the Liberal Party who are prepared to put their votes where their mouths are. There may be more. The rate of this Bill also lies with those who believe in simple justice and wonder whether it is right to deny a moral obligation which has stood the test of time, which has been backed by the Prime Minister and by former Presidents of the Treasury Board, and which has been relied upon by people who made their retirement plans on the basis of these things, those who are no longer in the work force. It lies just as much with Members of Parliament outside the National Capital as it does with Members of Parliament within the National Capital, but it lies very heavily on the latter because they represent the largest single group.

I want my friends opposite to remember that there are federal public servants in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec and the Maritime Provinces. There are federal public servants who serve with our troops in Lahr and Baden. There are federal public servants in the Middle East. There are federal public servants all over the world. Their eyes are on Parliament today. I know it is difficult for some of my friends in the Liberal Party to rise and vote against their Party. It is tough. It is not in the Canadian tradition.

When we dealt with Bill C-131, I said that I would give them an opportunity, that I would plead with them and that I would try to help them. I want to tell them how. It should be a blow to the Government for sure, but it would be a blow to the Government worth sustaining. I put it to my friends that it would not bring down the Government. Is there anyone in his right mind who believes that the federal Government or the Liberal Party would want to go to the country riding on the backs of old age pensioners, retired public servants and those in receipt of Family Allowances? Is there anyone who believes that they really want to go to the country? Nobody does. They know in their heart of hearts that, although it would be a blow to the Government, it would be the best message the Government ever received. They would be saying: "Send back the Bill, redo the Bill, rethink our attitude". Then the very next day the Government House Leader, aided and abetted by his Parliamentary Secretary who sits in the House today, would have a motion in which the House would be asked again to vote confidence in the Government.

Do Hon. Members remember Lester Bowles Pearson who did exactly that? I did not like it any more than anyone else. It was a dilution of the things we knew about the British parliamentary system, but there it stands as a precedent.

Mr. Evans: Why didn't you do it?

Mr. Baker (Nepean-Carleton): Because we were dealing with a budget. I have never held that a budget as such or a budget motion is anything other than a matter of confidence. This is not. This is a Bill arising out of the budget, the budget already having been approved by the majority of the Members of the House of Commons. There is quite a difference. I tell the Hon. Member for Ottawa Centre that he should think about it overnight. I say to him, "Give the Government a message". They should rise on their hind legs, defeat the Bill and send it back.

If they do not do so, people will wonder ever again whether or not the word of the Government or those who say they are opposed to a measure can be accepted. They will wonder ever again, if there is a public meeting a little later about indexed pensions or anything else, whether or not those who speak and take positions can be believed and relied on.

I tell my dear friends that it is absolutely important for everyone to understand that the eyes of a great number of Canadians, 300,000 public servants and other people who care about reasonable equity and justice, have been and will be on the House of Commons as we deal with Bill C-131, Bill C-132 and Bill C-133. I want to give the Government a chance. I want to give backbenchers a chance to think about it. I want to give their caucus a chance to think about it. It is for that purpose that I will move an amendment which I hope will be supported by my friends in the Liberal Party, on whom the fate of this legislation rests when the matter comes to a vote. Therefore I move, seconded by the Hon. Member for Provencher (Mr. Epp):

That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:

"Bill C-133, an Act to amend the Supplementary Retirement Benefits Act (No. 2), be not now read a second time but that it be read a second time this day six months hence."

Supplementary Retirement Benefits Act (No. 2)

The Hon. Member for Provencher, a Member from western Canada, is prepared to support this amendment. The purpose of it is to indicate that there can be time for those opposed to inequity, to injustice, to the breach of moral obligation and to the breach of contract by the Government with its employees, to prevail upon the leaders and the Treasury Board to breathe some life in 1982 into the statements made by the Prime Minister in 1977.

Some Hon. Members: Hear, hear!

Mr. Sid Parker (Kootenay East-Revelstoke): Mr. Speaker, I noted with interest the comments of the Hon. Member for Nepean-Carleton (Mr. Baker). In his closing remarks he stated that this was a breach of contract. He should realize that when the six and five program was brought in under Bill C-124, which his Party supported, it was also a breach of contract with many Canadians across the country. He and his Party supported it. In fact, his Leader stated that they had not gone far enough. Now the President of the Treasury Board (Mr. Gray) is starting to go a bit further.

It is a sad day for me that I have to rise in the House to speak on Bill C-133. It is difficult to discuss the Bill before the House of Commons because so much of the language which we need to describe the Bill is unparliamentary. For example, it removes pension protections for which public servants have already paid. What do we call a person who takes something that belongs to another person without that person's consent? This is what I want to ask. The Bill also provides a pension level less than that promised to public servants. What do we call it when a person sells something to another person and delivers much less than he promised?

• (1610)

Then there are the Conservatives. The Conservatives say they oppose this Bill. They say they oppose it in the same way they oppose the Bill to reduce indexing on Old Age Security. But what are the Conservatives going to do with that opposition? They are not going to do very much. Even last November 18, when the subject of Bill C-133 came up in the House, the Conservative House Leader asked the Government House Leader whether he would bring the Bill forward the following day so they could deal with it expeditiously.

There is also a word for a person who claims to oppose something but then does nothing to back it up. We cannot use any of those words in the House of Commons. If we cannot use the words describing what this Bill really does in Parliament, we can at least describe the effect it will have.

First and most important, this Bill will permanently reduce by 10 per cent the real incomes of over 150,000 retired federal public servants. Thousands more widows or retired public servants will see their incomes cut as well.

Once again, the Government has tried to say that this Bill will only affect people who can afford to be affected. The average pension of people retiring in 1982 is $8,100. The average pension of all retirees from the federal Public Service is $6,900. The average pension going to widows of public servants is $3,200.

Let us put these figures into perspective. A couple living in one of Canada's largest cities requires an income of nearly $12,000 annually to keep above the poverty line. If inflation for 1983 and 1984 remains in the area of 10 per cent, which seems likely, people retiring this year will see their real pension income decreased in purchasing power by about $1,400. People receiving survivors' pensions will see their purchasing power drop by over $500. While this is happening, there are no guarantees about prices. What happens when housing costs and rents go up, energy and heating costs go up, food costs go up, medical costs go up, a factor very important to senior citizens?

Pensioners are not just facing a temporary loss of income. When our economy recovers and our workers return to their jobs, they may be able to catch up with some of the losses they have incurred. They may do this through productivity or bargaining. But pensioners will never catch up because they will never have that opportunity.

This Bill and Bill C-131 impose pension cutbacks which will reduce the incomes of retirees for the rest of their lives by making their pension base lower. That is a fact that must be understood.

One idea that must be put to rest in the House today is that the pensions attacked by Bill C-133 are some sort of Government charity. They are not. They are pensions which have been bought and paid for by working public servants.

Since 1924 public servants have had sums deducted from their wages to pay for retirement pensions. Like many employers in the private sector, the Government also makes contributions to the pension funds and interest on those funds is added. The difference is in the amount paid by public servants. Public servants pay a base rate of 6.5 per cent of their salaries into pension contributions, which include the Canada Pension Plan. Over and above that amount, and this must be understood, public servants pay a further 1 per cent of their salaries into an indexing fund to cover the costs of indexed pensions. In fact, public servants pay one of the highest pension contribution rates of any employer-sponsored pension plan in Canada. The Government is also aware that there is enough money in the pension funds to pay the pensions of retired public servants, even though the Government has paid a very low rate of return on the money it has held for pension purposes.

Public servants have chosen to pay a larger portion of their incomes into pension plans than other people, and for a very good reason. They know that pension plan contributions are a form of deferred income. They are putting off a portion of their income today for their future needs. Public servants chose to put off a larger than usual portion of their incomes in order to guarantee themselves a secure retirement, protected from the ravages of inflation. Throughout their working lives public servants paid a portion of their pay cheque to give themselves a safe future. On the basis of that indexed pension, which they had paid for, many public servants have taken an early retirement.

That secure future, paid for during their working lives, is now being threatened by this Bill, which will reduce their standard of living by 10 per cent. In essence, we know that pensions are nothing more than a way of putting off earnings until retirement. The Government, through this Bill, is, in effect, confiscating a part of those previously earned wages. For working public servants, wage controls will affect their present and their future wages. Retired public servants, through this Bill, are actually having their wages reduced retroactively. The pension indexing which is being stolen from these retired public servants has been acknowledged as a vital part of their pensions. Let me quote one important commentator on this subject as follows:

—Put simply, people must be protected in their retirement years. The Canadian Government has pledged that they will be better protected in the future than they are now—

Pensions which are not protected against inflation naturally tend to dwindle over the years. People who thought they had purchased protection for the rest of their lives find that they have more serious financial problems the older they become. The unfairness of that situation, particularly when the savings pool to which they have contributed may have been reaping inflationary interest premiums, is not tolerable in a nation which believes in social justice—

The Prime Minister (Mr. Trudeau) said that at the 1981 National Pension Conference. For the President of the Treasury Board to bring in this Bill now on behalf of the Government of Canada is a disgrace and a shame.

However, the then President of the Treasury Board made similar comments to those of the Prime Minister last year concerning public service pensions. He agreed that our pensions were indeed simply deferred wages and said:

The federal Government remains dedicated to the principle that public servants' pensions are to be protected from inflation.

I see the former President of the Treasury Board is sitting in his place and laughing. He will not be standing up with some of his backbenchers who have indicated that they may vote against this Bill. No doubt they will be properly told to get back in line.

● (1620)

The action being taken by the Government is so morally wrong that it has even forbidden companies in the private sector to do the same thing. Pension plans, registered under the Canada Income Tax Act, are prohibited by law from reducing either benefits or any right to benefits of a supplementary pension. What is illegally and morally wrong for insurance companies is now before the House as Government policy.

When collective bargaining was being introduced to the federal public sector many years ago, the Government approached the associations which existed at that time. The Government proposed to exclude superannuation from collective bargaining. In return, the Government said there would be unilateral changes in the program. That was a gentleman's agreement. It is now pretty clear just how much a gentleman's agreement with a Liberal Government is worth. It is something like the iron-clad guarantee made by the former Minister of Energy, Mines and Resources when we were dealing with the Alaska pipeline. I imagine there are some retired public servants who are now wondering just how much the word of any Liberal Government is worth.

Mr. Murphy: Less than 6 per cent.

Mr. Parker: I think they must also take into consideration the fact that when they elect these members, it is the policies of the Liberal Party and of the Conservative Party for which they are voting, not the individual. It is evident that the individual cannot carry the load for the electorate and cannot entice the Government to carry out programs for the protection of the people.

Just a couple of weeks ago, the Public Service unions in this community held a public meeting for retired public servants. Nearly 1,000 people came. Many were turned away, as was mentioned by the Hon. Member for Nepean-Carleton (Mr. Baker) during his speech. However, before that audience of 1,000 people, the Hon. Member for Ottawa-Vanier (Mr. Gauthier) and the Hon. Member for Vaudreuil (Mr. Herbert) promised that they would fight the Bill and vote against it. Those were pretty tough fighting words.

Unfortunately, those tough fighting words lasted only until the audience had gone home. Within days, those two Hon. Members changed their minds and said they would vote for the Bill. At this time, I would like Hon. Members to know that when we were at that meeting here in Ottawa, which I attended, we were told by the chairman of the committee that there was a vote in the House and that we must return to the House. That is how the meeting dispersed that night. In fact, when I returned to the House I found that there was no vote being held in the House.

Mr. Murphy: Cowardly behaviour.

Mr. Parker: I do not know where that information originated. A disservice was done to the Public Service of Canada because that fact was not admitted while the audience was still there. That would have been more courageous and honourable. At least the Minister of Transport (Mr. Pepin), who could not break Cabinet solidarity, had the decency to make his position clear by refusing to attend.

The Official Opposition has also been playing fast and loose with its stand on the Bill. The Hon. Member for Nepean-Carleton told those at that same meeting that his party would do everything in its power to prevent the passage of the Bill.

Mr. Baker (Nepean-Carleton): That is why we moved the motion today.

Mr. Parker: He conveniently forgot to mention the promise of his House leader that if the Government would bring the Bill forward, the Conservatives would deal with it expeditiously.

Mr. Baker (Nepean-Carleton): We cut its throat.

Mr. Parker: That does not come as any surprise, either. When the Government brought forward its six and five budget

last summer, the Leader of the Opposition (Mr. Clark) had only one complaint. The Leader of the Conservative Party said that the idea did not go far enough. The Bill must go far enough even for the Leader of the Opposition now. We think the Bill goes too far. We think it is an outright theft of wages put away by public servants in the past toward their old age. We think it is nothing more than a raid by the Government on the pension account which will end up with retirees losing $100 million. We think it is a move which will drive thousands of retired public servants below the poverty line in their standard of living. Perhaps most of all, we think it is a betrayal of the Government's own employees. Never again will a Government employee be able to trust the word of the Government as to how its pension funds are handled. They will always know that at any point in the future the Government may unilaterally reduce their pensions or raid their pension account for its own purposes. That betrayal of the trust and confidence of public servants will have longer-term consequences than those of which the Government may be aware.

In closing, I can do no better than to quote the words of our own House Leader when he was speaking on Bill C-131, the Old Age Security Act. At that time he said: "We are not only opposed to the point where we want to vote against this Bill, but we are opposed to the point where we will not facilitate its passage in any way". That quote stands on the record.

We have raised a number of issues. I would urge the Government to reconsider what it is doing, to withdraw the Bill at the present time and look for other sources of money than taking it on the backs of civil servants and from the indexing of their pensions.

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, no doubt some will find it strange that I should be speaking this afternoon; first, that I should have chosen to speak and, second, that the Government should be allowing me to speak this afternoon on this Bill in view of the remarks that I have made publicly and which I will be repeating this afternoon.

The reason I have chosen to speak is that I have heard so much rhetoric from Hon. Members of the Opposition in the last several days on Bill C-131 and C-132 that I felt that for my own constituents, at least public servants and retired public servants in my riding, it would be a good thing for me to put my position on the record in totality, so that there is no misunderstanding about the position I have taken on this Bill.

I have just listened to the remarks of the Hon. Member for Kootenay East-Revelstoke (Mr. Parker), which remarks do not surprise me. It is same socialist line we have been hearing in the last several days. I will allow only one thing: it is consistent with what I expected to hear from him. In fact, he only said one thing that surprised me. He said he found it difficult to discuss the Bill. I would have thought he would find it very easy to discuss the Bill. Certainly I will not have any difficulty in discussing the Bill. However, I will particularly address my remarks this afternoon toward the Tory Party, because it is the hypocrisy which I have heard from that Party in the last several days which makes me angry enough to want to speak this afternoon.

First, I have publicly said that I do not like Bill C-133, and I repeat it. It is simple. I do not like it simply because we are reducing the expectations of retirees from the Public Service. We are cutting down the amount that they were expecting to receive in 1983 and 1984. That is a fact and no one can deny it. However, it should be abundantly apparent that if we succeed in reducing the rate of inflation in 1983 to 6 per cent, the amount they will receive next year, 6 per cent, will compensate them for the increase in the cost of living.

Which, of course, brings us to the Government's efforts to reduce inflation and to do it across the board. I must ask myself, first of all, whether it is fair to apply these reductions to the superannuation payments of public servants. Certainly I have publicly said that I believe that public servants have, with their own money, purchased something. I will come to the definition of "something" in a minute. They believe that they have purchased full indexing of their pensions. However, with what did they pay for full indexing? Those who retired previous to the imposition of the charge for indexation paid nothing whatsoever. Those who have retired since, those who retired before 1975, have paid one-half per cent. Those who have retired since 1975 have paid 1 per cent.

• (1630)

Quite apparently, even with a person who has recently retired in the last year and has contributed to indexing since the 1975 change to 1 per cent, or the one-half per cent prior to that, the amount of that contribution is certainly inadequate to cover the amount of indexation for all the years ahead. Thus one could argue that if the amount is inadequate maybe the Government should have approached it in a different fashion, that it should have increased the levy on public servants. That is one approach that one can take.

I have also argued that the Government, and I hope this will happen fairly soon, should put together the amount that is in the fund to cover indexation with the amount that is in the original fund to cover pensions, and that these two together should be enough to cover indexing in future years. It should be abundantly apparent that even the amount that is presently in the fund to cover indexation is more than enough if we can reduce the rate of inflation to a low level of, say, 3 per cent, 4 per cent, or 5 per cent.

I did indicate at the meeting which was held on Monday evening, November 22, at the Recreation Centre in Ottawa, that I did not like Bill C-133. At the same meeting I was asked the direct question: "Will you vote against Bill C-133?" I said: "No, I will not". I want to explain that in full right here and now.

First of all, I was elected as a Liberal to support Government policy.

Mr. Nickerson: Even if you do not agree with it.

Mr. Herbert: Government policy at the present time is the full program of six and five.

An Hon. Member: Hear, hear!

Mr. Herbert: I support that in its entirety. The Tories, I had thought, also supported it in its entirety. I must admit that when six and five was originally introduced I did not think all the way down the line. I did not think down to the level of the old age pensions and to the level of Family Allowances.

Mr. Nickerson: You did not think at all.

Mr. Herbert: I am on the record already as stating that, in the case of Family Allowances, we should start economizing. In fact, I have even suggested freezing Family Allowances entirely, not even increasing them by 6 per cent. I suggested that we put some sort of a freeze on the basic old age pension and that we index only those receiving the GIS, indexing the total, of course, of the GIS and the OAS together. The reason I suggested this is that I believe that when the Government is short of funds, when there is an obvious need to direct our moneys to those most in need, we should make every effort possible to redirect our funding to those who are likely to suffer the most from the present high rates of inflation.

I find the arguments that are based on universality frankly hypocritical. I admit that that is a plank of my Party and I have no hesitation in supporting the principle of universality. I also point out that, as long as we have the OAS universal and the GIS revenue-tested, as long as we have Family Allowances universal and the Child Tax Credit means-tested, and so on and so forth, we only go as universal in our programs as we can afford.

In principle one can support universality, but I have bluntly asked the Members of the Socialist Party on several occasions, if there is a shortage of funds to whom do we give the money? Do we share it among everybody? Do we share it among my constituents who are well above average in income, or do we try to direct that funding at those who need it most?

I find it quite incredible that the Members who have spoken in the last few days on behalf of the Tory Party should so work on the emotions of people in this country. I have heard all kinds of things said by the Tory Party but we know for a fact that if they ever were to form a Government in this country they would crucify the social programs that presently exist. If you look at the total spending on social programs, the only way they can achieve their end result of a balanced budget is either to increase taxation, or decrease social programs, and in either case the poor will have to pay. So let us discard this rhetoric that we hear from the Tory Party.

Mr. Blenkarn: How are you going to vote? What is wrong with the amendment? You could vote on that one.

Mr. Herbert: We can talk as much as we want about reducing spending, but another thing is important. Will no Member of the Tory Party who supported the principle of six and five, stand up and admit that if all programs continue to be fully indexed, then we will carry into 1983 the rate of inflation which exists in 1982?

Mr. Baker (Nepean-Carleton): That is nonsense.

Mr. Herbert: Since the objective is to cut the rate of inflation in 1983, then we have to anticipate what the rate is likely to be and reduce the carry-forward to that level. Since our objective is to have a 6 per cent inflation rate in 1983, then we have to carry forward in our social programs that same rate of inflation, 6 per cent. That is why, much as I detest Bill C-133—I say so publicly and I have said so before—and much as I do not like the fact that the pensioner is not going to receive as much as he or she anticipated he or she would receive, if we are going to stick with our principle of six and five, which is to reduce inflation by not carrying it forward into the following year, then we have to do it right across the board.

I suggest to the retirees, the public servants who are now on pension, that the amount that they are going to contribute is no more or no less than the amount that everyone in this country is being asked to contribute. Everyone is being asked to take just a little bit less, which will cause a little more hardship, a little more difficulty and a few more problems.

As I have said to many public servants who have come to me, employees working in my constituency who have complained about six and five, when you look at the number of persons who are unemployed today, they should thank God they have not only a good job with security but are going to get a 6 per cent increase next year. I say to retirees that their contribution, difficult though it may be, is going to help us to achieve the objective of a 6 per cent inflation rate next year. I feel that if we make an exception for the retiree, we have to make an exception for the old age pensioner. If we make an exception for the old age pensioner, then we have to make an exception for the mother who receives Family Allowances.

Mr. Taylor: They have already made exceptions.

Mr. Herbert: If we make an exception for those people, then we make an exception right across the board and forget entirely the program to try to reduce inflation.

Mr. Baker (Nepean-Carleton): You have already made exceptions.

Mr. Herbert: There is an exception, a noted exception, and I have not heard the Tories talk about it.

Mr. Baker (Nepean-Carleton): I did.

Mr. Herbert: The Canada Pension Plan will go ahead with full indexing. The reason is that in order to change that Plan we have to have agreement with the Provinces. Most of those Provinces have Tory Governments and those Tory Governments will not go ahead—

Mr. Taylor: They do not break contracts.

Mr. Herbert: —with an agreement whereby we could control the CPP and increase the amount next year by only 6 per cent.

Mr. Baker (Nepean-Carleton): Thank God for that.

Mr. Taylor: They do not break contracts, that is why.

Mr. Herbert: That is despite the fact that the Canada Pension Plan is probably under-funded, unless we can bring down the rate of inflation.

I find my position relatively easy inasmuch as I do not like cutting old age pensions, I do not like cutting Family Allowances and I certainly do not like cutting the pension of a retiree. I do not like having my own salary cut either, and I do not like cutting the salaries of the employees in my office. I have been in business since the last war and this is the first time I have seen one of my employees have to suffer a cut in salary. Many times I have not given an increase, but never before a cut; but I have had to do it. We have had to do it because we are facing a crisis. That must be obvious to everyone. Unless we can get down the rate of inflation so that we can remain competitive with the United States, with which we do most of our business, we might as well throw in the sponge entirely. We do not have any choice.

• (1640)

I said on that evening at the Recreation Centre in Ottawa that I did not like Bill C-133 and I would work, if I could, to get changes.

Mr. Blenkarn: What changes have you got?

Mr. Herbert: I have a suggestion to make that has not been discussed. I have not even discussed it with the Minister. For example, we might think along the lines of taking the money we are taking away from the retirees and putting it back into the fund since it is supposed to belong to them. The fund, which many people will maintain, certainly the actuaries, is inadequate, will be boosted somewhat. Thus we defeat the purpose we talk about of taking it away from individuals. In effect, we would return it to them. That is the suggestion I will discuss with the Minister.

The Minister came up with a suggestion today which in part solves this problem of what belongs to whom. In all fairness to the retirees, they have a pretty good deal. We talk about the word of Government. I want to deal with this because it was referred to in the closing remarks of the Hon. Member for Kootenay East-Revelstoke. I will stand up in this House today and say one thing. I have no hesitation in saying that maybe next week I am going to say something different. I am not ashamed of changing my mind when the circumstances change.

An Hon. Member: Typical Liberal.

Mr. Herbert: I do not mind what they say about typical Liberal. I look upon it as being honest. I see a situation where, if it is necessary for me to change my mind, I will change my mind.

On this particular Bill, I have not changed my mind. I do not like the Bill and I said so. I will vote for the Bill. I said so. I intend to vote for the Bill because it is a Government measure.

Mr. Taylor: Because the Government told you to.

Mr. Herbert: I heard a remark from the Tory backbench that the Government told me to. Let me get that on the record. Not one Minister, in fact not one single Member, has approached me and asked me to change my position on this Bill.

Mr. Taylor: Vote against it and see how many Ministers you get.

Mr. Herbert: Those Ministers have asked for suggestions. They have asked for a resolution of a problem which we all face. I can say in all honesty that no one on this side likes what we are doing with Bill C-133. I am darned sure the Minister does not like what we are doing in Bill C-133. However, if we cut the old age pension and the Family Allowance—and I am talking about the cut in the increase, not in the basic dollars—how can we be consistent if we do not cut this pension as well?

It is far easier to be a Member of the Opposition. In those short two months when I was sitting on the other side, I had a lot of fun. I could stand up and criticize willy-nilly. I could pick what I wanted to say. It was an easy couple of months. I must admist I was a little sad and it was the only reason I was sad when that Government was defeated, because I was going to lose some of my freedom to do what the Opposition does, just use one piece of the package in an argument.

Mr. Baker (Nepean-Carleton): You will soon be free in Vaudreuil.

Mr. Herbert: We will see. It is far more difficult when one forms the Government to form a fairly consistent policy. That at least is what we are doing now. If the Government is imposing on me the undesirable choice of voting for a Bill that I do not like, I accept it because of the principle behind which it is being presented. The total package is an effort to bring down inflation next year to a 6 per cent level. Everyone, including Members of Parliament, when they get a 6 per cent increase, will receive an increase that covers the true cost of living.

If we bring inflation down next year to 6 per cent as we hope, the old age pensioner who only gets a 6 per cent increase will get enough to cover the increase in the cost of living. The mother who only gets a 6 per cent increase in Family Allowance will also get enough to cover the increase in the cost of living. If we achieve that, then surely the retiree, the person only getting a 6 per cent increase in pension, will have very little to complain about.

Mr. Parker: What happens if you don't?

Mr. Herbert: If we don't, it is because of one reason only, and the NDP should realize that. It is because we have tried to set an example. We have taken the federal Government, federal public servants, federal Members of Parliament and those who the federal Government can control, and put them legally, by Bill C-124, within the six and five package.

We have asked for the voluntary co-operation of the Provinces. That initially was refused. It has now been given to us in

part. At the present time the private sector has had mixed reaction. I am pleased that most of the major associations in the private sector are doing their best to co-operate with the federal Government in its efforts to cut inflation to 6 per cent. If the Members of the NDP, who are so quick to jump on the Government for attempting to put a cap on the increase for next year, were honest, they would criticize the various union leaders who are still looking for increases of 10, 12 and up to 18 per cent.

On Friday last I talked to a gentleman in a municipal office. He said when the municipal employees asked for 18 per cent, the municipality said: "Thank you, federal Government, for setting us an example", and then said to the employees: "You take 6 per cent". And they have taken it. If the NDP were to look at the pensioners they talk about and use their good offices to exert an influence on the private sector, which has gone haywire in its increases, and as a result achieve an inflation rate in 1983 of 6 per cent, the retiree receiving a 6 per cent increase would not lose one nickel.

That is my explanation of why, despite the fact that I do not like to see Bill C-133 and wish that I did not have to go through this process, as I said two weeks ago and as I repeat, I will vote for the Bill. It is because I support the principle of six and five.

Mr. Blenkarn: Mr. Speaker, I wonder if the Hon. Member would permit a question?

Mr. Herbert: Yes, Mr. Speaker.

Mr. Blenkarn: The Hon. Member said that he was dissatisfied with the Bill. He offered some suggestions with respect to negotiations that might help restore some of the money to the public servants' trust fund with respect to the indexation part of that fund. Would the Hon. Member take kindly to the hoist of the Bill for six months to allow him to use his good offices to make that negotiation and bring some fairness to it, as suggested by the Hon. Member for Nepean-Carleton (Mr. Baker)?

Mr. Herbert: Mr. Speaker, if it was that simple, I would give a simple answer and the simple answer would be yes. However, the Hon. Member knows, as everyone in this House knows, that if this Bill is not passed by January 1, an 11 per cent increase goes into effect.

Mr. Baker (Nepean-Carleton): Eleven and a half.

Mr. Herbert: Approximately 11 per cent, if the Hon. Member wants to be precise. The point is that unless this Bill is passed before January 1, the increase according to the present legislation will go into effect at that time. I will give him my word on one thing. I do not give up on an issue. Even if this Bill goes through, I am not giving up. I want to see a change made in this legislation so that we will not again be in the position where we have to go through this particular exercise.

Mr. Joe Reid (St. Catharines): Mr. Speaker, as I rise to address Bill C-133, I want to refer an old biblical adage to my friends to the left, paraphrased somewhat. It goes something like this: Let he without sin cast the first stone.

• (1650)

I wonder how many times my friends on the left have wondered in their hearts and minds about the craftiness of the resolution which brought down the 1979 Government. I wonder how many times they have felt that they are reaping the whirlwind because they, with the majority of Canadians, are having to suffer the frustrations and the desperations of this Government.

It is the second time in a very short period that I rise, with other Members in this House, to address a pensions Bill. The short period of time is made shorter because of closure by this Government on Bill C-131. That is an act to limit the time for discussion and debate, an act to prevent the public from realizing the length and extent to which this Government is going to pin the problems of Government on the pensioner. The pensioner should not be the one to bear responsibility for the over-expending of this Government or the inflation which has struck us. In our wildest moments, as I said in respect to Bill C-131, we did not think that the pensioner would be in the front line of the restraint attack, the six and five attack. But that is what has happened and our Party is deadly opposed to Bill C-133, as we were with respect to Bill C-131.

The President of the Treasury Board (Mr. Gray), in the last minutes of his comments this afternoon, proposed to make an amendment. I suppose, true to the tradition of that Party, that amendment will be drafted more to bring his players into line than by what is in the best interests of pensioners. It will be a further variation of the six and five working together.

The Minister went on to say he would have to wait for the green paper before introducing equity and justice. We are told that the Government's green paper on pensions will be tabled within this next two weeks. That paper should have been the meaningful reform legislation upon which Acts such as this might be based, amended or related thereto, instead of bringing forward Bills C-131, C-132 and C-133, one after the other, to put legislation in place so that the reform paper will have no meaningful effect on pension reform.

How can a Government claim to be serious about pension reform when such a Government deals with pensioners as callously as this one does? How can a Government be serious about pension reform when it is prepared to destroy one of the bulwarks of any strong pension plan—the protection of pensions against the ravages of inflation? How can a Government point an accusing finger at the private sector for offering little more as protection against inflation when that Government is moving in the same direction? Finally, how can any Government hope to maintain credibility, trust and faith with its Public Service when it unilaterally goes back on its word, a signed agreement, in an exercise of political huckstering? And how else, Mr. Speaker, could one describe the Bill which was

presented this afternoon other than as an exercise in political huckstering?

Bill C-133 proposes to limit increases in Public Service pensions to 6 per cent in 1983 and 5 per cent in 1984, regardless of the inflation rate in either of those two years. This is done to save the Government an estimated $100 million over these two years. We on this side have grown to respect the sum of $100 million, unlike the big spenders sitting on the Government benches. However, we have to respect something else as well, the fact that some items of expenditure have greater priority than others. But how can one justify cutting Public Service pensions by $100 million when the waste, extravagance and mismanagement of our economy continues unabated? Anyone can pick up a newspaper at any time and read a tale of squander and waste. One can read where hundreds of millions of dollars are being spent in foreign shipyards because Canada lacks a shipbuilding policy. One can read where thousands of jobs are being lost because we lack a Canadian content agreement with respect to Japanese imports. One can read where another oil rig has left this country for the United States because of this Government's National Energy Program. One can read of a 70 per cent increase in the travel expenses of Ministers this year over last year, while they talk in terms of a six and five program. Against a background like this, Mr. Speaker, cutting a Public Service pensioner's cheque is not restraint; it is just simply being mean and misguided.

Last week a bright young fellow decided all Members of Parliament needed copies of all news releases which might be related to the six and five program. More than that, he decided that Members of Parliament needed that material indexed, prepared on high quality paper and enclosed in binders emblazoned with the "six and five" logo. This binder sums up better than any words possibly could the utter hypocrisy of both the six and five program and the Government's approach to the most serious depression we have faced since the 1930s. If restraint is to have any meaning, the Government must distinguish between governing in the best interest of all Canadians and governing in the best interest of the Liberal Party.

It is all right for me or for any other Member of Parliament to illustrate the 1,001 ways in which the $100 million could be saved other than by cutting Public Service pensions. But when we talk in terms of $100 milion, we tend to forget the real meaning of this Bill, the real meaning for those who will be affected by it. As of last month there were 90,000 former public servants receiving pensions. In addition, there were another 32,500 persons receiving survivor benefits. One reads about fat cat public servants and those huge, fully-indexed pensions which they are going to receive, and Michael Pitfield might just be in that category.

It might interest Hon. Members on both sides of the House to note that the average pension being received is $6,900. This, Mr. Speaker, is the "fat cat" which the Government wants to rein in or limit to six and five deindexing by way of Bill C-133. The Government says: "Oh well, the impact of the six and five program is not nearly as great as one would imagine". First of all, when your pension income is $6,900, every dollar counts. Second, we are not talking about a meaningless amount of money which will be lost to those pensioners. Assuming inflation next year will be 11.5 per cent, and 10.5 per cent in 1984, the average pensioner will lose $1,409 over those two years, and the average survivor will have lost $557 from their "fat cat" meagre pensions. Once again, when we consider the average 1982 starting ground is $6,900, a loss of this order is anything but meaningless or "not so great".

The second reason for my opposition to this Bill is the very significant hardship being inflicted on individual pensioners. But there is a third point I want to make as well. We in the opposition are often critical of the Government's non-stop printing presses. Day after day, night after night, those presses are turning out what the Government calls information briefs or brochures. Some of us would prefer to call them propaganda brochures. One such product was the pamphlet prepared to let public servants know about their pension plan. Another was a much larger publication issued after the last National Pensions Conference. The first publication stated clearly:

• (1700)

> All pensions are adjusted annually to cover cost of living increases.

That does not say, Mr. Speaker, adjusted to cover "some" increases; it says Public Service pensions are adjusted to cover cost of living increases. My mathematics may not be perfect, but I fail to see how a 6 per cent increase will cover 10 per cent inflation.

The National Pensions Conference held here in Ottawa in 1981, which I was pleased to attend, provided a forum for the Prime Minister (Mr. Trudeau) to adopt a holier-than-thou attitude with respect to the private sector. I have to wonder if he is not wincing just a bit, trying to square this Bill C-133, and Bill C-131 with what he said at that conference. Put simply, he said people must be protected in their retirement years:

> The Canadian Government has pledged that they will be better protected in the future than they are now.

Once again, perhaps a Government Member could explain how 6 per cent is better than 10 per cent. Or is it simply that a pledge is only a pledge when it suits the political fortunes of a Government bankrupt of ideas? Where is the fulfilment of trust when pensioners are being deprived of something they paid for? However, Mr. Speaker, our Prime Minister could not leave well enough alone. He had to go on to say:

> Pensions which are not protected against inflation naturally tend to dwindle over the years.

I certainly do not argue with that statement of fact, Mr. Speaker. Nor do I argue with his conclusion:

> The unfairness of that situation is not tolerable in a nation which believes in social justice.

Where is the social justice in Bill C-133 or Bill C-131? Does social justice take a back seat to the re-election hopes of the Liberal Party, which we heard about at length from the previous speaker? This Bill in no way, shape or form lives up to the Prime Minister's remarks at that conference, nor does it offer a legitimate reason why it should supersede what he said. As I have already pointed out, the $100 million saved could

have been and still can be saved elsewhere, but this Bill hurts those who cannot afford to be hurt in difficult or even in good economic times. I have shown that these phrases, uttered in the sanctimonious tones of many Government speakers at that pension conference, fly in the face of the obvious.

There is a final point which needs to be emphasized. The pensioners in question believed and still believe that they have a formal agreement with the federal Government on the question of indexing pensions. In return for paying 1 per cent of their salary into a supplementary retirement benefits account, public servants were to receive full indexation of their pensions. That, in essence, is what the Government stated it would do. Even more importantly, that is the spirit of the agreement and that is what public servants had been told to expect. To announce 12 years after the fact that the fine print allows the Government to weasel out of the agreement is a breach of faith and political opportunism at its worst. For three nights running the Prime Minister spoke to the nation about trust, confidence and belief in our political leaders. Who would ever trust a Government which would attack pensioners while leaving the JetStar engines idling while the Government waits for the next six and five binge?

I am appalled at the persistence of this Government in bringing this Bill forward. In 1979 a Conservative Government found over $500 million worth of fat to be cut without too much difficulty. The same could be done today if there was an effort put into that task. That money is five times the amount being saved by this legislation, yet the Government refuses to cut waste because it is easier to ram a Bill through this House by closure and enforced voting than it is to pore over departmental budgets and estimates. Well, if the Government has lost the will to control its own spending, call an election so that the Canadian people can determine where expenditure cuts can be made and decide whether the Government will have the will and determination to get spending under control.

While I am unalterably opposed to this Bill, Mr. Speaker, some weeks ago, as has been mentioned earlier today, several Government Members were just as equally opposed to that legislation. Now they feel the winds of non-confidence blowing in their faces and we hear an about-face and a very different story today than that told on an earlier occasion. I suggest to you, Mr. Speaker, that it will be a sad day for Canada indeed if Government Members opposite vote for opportunism, self-preservation and self-protection rather than for responsible government, good government and the people they represent in Parliament. The Just Society of 1968 is most certainly dead, thanks to today's Liberal Party of Canada. Will they not just take six months more to reconsider their position?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Blaker): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie)—Labour Conditions—Air Canada lay-offs—Application of early retirement policy to machinists. (b) Request that mediator be appointed; the Hon. Member for Richmond-South Delta (Mr. Siddon)—Mines and Mining—Union recommendations on stockpiling. (b) Restoration of competitive advantage; the Hon. Member for Halifax West (Mr. Crosby)—Atomic Energy of Canada Limited—Future of Nova Scotia heavy water plants. (b) Policy on sales to India.

GOVERNMENT ORDERS

[*Translation*]

SUPPLEMENTARY RETIREMENT BENEFITS ACT (N. 2)

MEASURE TO MODIFY BENEFIT INDEX

The House resumed consideration of the motion of Mr. Gray that Bill C-133, an Act to amend the Supplementary Retirement Benefits Act (No. 2), be read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Mr. Gaston Isabelle (Hull): Mr. Speaker, I believe it is important that Members for the various ridings concerned should make a contribution to the debate on Bill C-133 which is about to affect the indexation of Federal Public Service pensions. Mr. Speaker, I listened to the previous speakers and I also heard what the Member for Nepean-Carleton (Mr. Baker) had to say. I believe that in some parts of his speech he was right, while in others he was wrong. In any case, I am not going to try and analyze all the speeches made in the debate on Bill C-133. I think, in fact I am certain, that the Members opposite are electioneering on this subject. I also think that my friends in the New Democratic Party at least during the last election campaign totally ignored Section 32 of the Public Service Employment Act which precludes political activity by certain public servants. I am sure that to them, Section 32 applies only to Liberals and Progressive Conservatives. But quite honestly, Mr. Speaker, I must say that I, too, have had grave reservations and have given careful consideration to the implications of Bill C-133. I can honestly say that I am opposed to Bill C-133 in its present form. The reasons, Mr.

Speaker, are simple. There is a matter of equity involved here, and if there was a mistake on the part of the Government that drafted the Act or the regulations or on the part of the bureaucrats who drafted this legislation when indexation was approved in 1970, we should certainly not try to correct the initial blunder by perpetrating a second one. Since we are on the subject of indexation of Public Service pensions, I think we should have had studies made, as suggested in 1976 when a report was tabled in the House concerning the entire question of Public Service pensions. However, it was not done, Mr. Speaker. The question came up again in 1978, when it was suggested that the procedure for indexing Public Service pensions should be changed not abolished altogether by linking indexation directly to the interest generated by the funds provided by employees, interest that could be redistributed to Public Service pensioners according to a given scale. The point was, Mr. Speaker, that in the case of galloping inflation, the interest generated would have been higher and the resulting funds would have been redistributed from year to year to retired public servants and would also have provided a basic scale for indexing wages. That would have been eminently logical, Mr. Speaker. We would not have been obliged to take this corrective action which I would qualify as grossly unfair via-à-vis this group in society which is no longer on the labour market.

• (1710)

Obviously, when legislation is introduced, there are exceptions for which provision must be made, and I think that the officials who prepared this legislation should and could have made an exception for retired public servants. Mr. Speaker, blunders are made. The other day, I noticed that a senior official who was Deputy Minister at Health and Welfare was transferred to Paris for a year, on the same salary he was getting before, while during that time his position was to remain vacant. The position in Paris calls for a salary that is $20,000 less than what the official was earning before. So he is getting the same pay he would be getting if he had stayed here in Canada, which is certainly a lot more than 6 and 5, Mr. Speaker and there are many other examples. In fact, the newspapers are full of them. So I hope these are not the same senior officials who drafted the 6 and 5 measures that apply to retired public servants, because we know what goes on in the upper echelons of the public service, Mr. Speaker. No one who has an important job is going to be affected by 6 and 5. They just change the category and the salary with it, and the 6 per cent will apply, as they say, over and above, so I think there is something here that we as legislators should do, but unfortunately, the system has not reached that stage yet.

When I see the Progressive Conservatives making modest attack on the system, and I said just now they were doing some electioneering, including my good friend from Nepean-Carleton (Mr. Baker) who is not above adding an extra quaver to his voice to sound more convincing, I think the people listening should remember that when the Progressive Conservatives formed the Government in 1980, they said without hesitation that they were going to eliminate 55,000 public servants. I do not want to indulge in electioneering, and I just want to—

Mr. Baker (Nepean-Carleton): That is no excuse!

An Hon. Member: 60,000 public servants.

Mr. Isabelle: . . . 60,000, I apologize, I forgot 5,000. In any case, I do not want to do any electioneering, and I just want to defend the rights of the majority of my constituents who are public servants and retired public servants. I agree with the 6 and 5 program as a general government policy, and I congratulate the Government for having adopted this measure, but I also think that this bill should allow for exceptions, and Mr. Speaker, retired public servants are an exception. Where pensions are concerned, there is a big different between 6 per cent of $4,000 and 6 per cent of $30,000, because someone who is drawing a pension of $30,000 will get nearly $2,000 that is easy to figure out while 6 per cent of $4,000 is only $240. People on low incomes need every cent to make ends meet, while to someone who is getting a pension of $30,000, whether he gets an extra $2,000 or $1,800 does not make such difference, it is not vital, so that is why I am saying that this bill is unfair, because if we look at the principle underlying indexation, the whole point was to maintain the purchasing power of pensions so that retired public servants would continue to have access to the same market basket and the same services, and this is the principle the Government committed itself to. Mr. Speaker, this was said in this very House in 1978 by one of our colleagues, who unfortunately is no longer with us today, and who has served this country well, and I am referring to Bob Andras, an exceptional President of the Treasury Board, who wanted to change the system in 1978, and who unfortunately was unable to have this plan implemented. Mr. Speaker, we are forcing retired Canadians to submit to the 6 and 5 restrictions, while in most provinces—I am not referring to the Federal Government here, although I may later on—public utilities including gas, hydro and telephone services, all of which are essential services that no one can do without, let alone pensioners, are increasing at a stupendous rate every year. Take hydro, for instance. We have a surplus of electric power, but nevertheless, prices are still increasing at an astonishing rate in la belle province, although it is against all the principles of political economics, and the same applies to natural gas.

• (1720)

So why are we saddling our pensioners with this reduction in indexation? No one is going to get rich with a cost-of-living indexation, especially—but this is of course hypothetical—if we expect that in one or two years, indexing may be 7 or 8 or 9 per cent. If we were sure that indexation would go down, why not maintain cost-of-living indexation for the 85 per cent, that is, the vast majority of retired public servants who are getting not more than $4,000 or $6,000?

Mr. Speaker, I feel that these people have served their country well as public servants, and this includes the Armed Forces, the RCMP, and all those who have served their

country in the course of duty and when they were in a position to do so. I remember when I was growing up in the Ottawa-Hull area, that the Public Service had trouble recruiting employees. Mr. Speaker, that was because the pay was not good. Today, pay levels may be somewhat higher than they are in the private sector, but the fact remains that to get people the pay has to be good. If it is not, they will not come. Maybe we have gone to the other extreme, and perhaps a review would be in order. In fact, a study was made in 1978 or 1976.

There is a mass of data, and when senior officials talk about the subject, they reel off a whole series of figures which do not mean a thing to the average person. No matter how many speeches are made and no matter how many reasons are given, retired public servants will never understand, and they certainly have no reason to, why the Government is taking away what they paid for. That is what is happening. Never mind the figures, never mind that this is going to mean a savings of $50 million and that if we do not cap indexation it will mean an increase of $100 million. We all know how governments conduct their finances. They make budgets and they always have budget deficits. Why? Because there are contingencies, of course, but there are other things that also happen to a budget. The individual person, the retired public servant, however, was first asked to pay 1 per cent extra to cover indexation, and this point was made over and over again. Now all of a sudden they are saying: Listen, drop everything, the country is almost bankrupt and now you have to help us get it out of this mess. Well, I do not think that is the way things work. They do not see it that way, and I think they are right. I hope that during the debate it will be possible to make some changes—and I see the President of the Treasury Board (Mr. Gray)—to put as it were a more humane face on this question by making a special exception for retired public servants. Once more, we are in favor of 6 and 5, and personally, I would have said more about this question, because to the people, 6 and 5 means a reduction. A lot of speeches have been made and of lot of figures have been produced, but we forget to tell people that what was involved was a salary increase that was being capped at 6 and 5 per cent. We get people writing us who think it is a reduction. Some people say: If you do not vote against the bill, we will not vote for you in the next election. We always have voted for you but will not this time. But if they vote against the Liberals for introducing this legislation, they will vote against me in any case. When all is said and done, I think they are doing a bit of innocent blackmail, because they are good people. However, I am not doing this for political reasons and I am not trying to do the Public Service Alliance a favour. In fact, I have had it up to here with the PSAC. So I am not particularly keen on doing them a favour, I am doing this for the pensioners, because I realized that we were really hurting a sector of the population that is particularly vulnerable because it is no longer part of the labour market.

My contribution to this debate has been to the point and will, I think, be understood by everyone, even if I did not quote any figures. I was very reluctant to parade vast numbers of statistics in order to impress or depress people with all the data we are able to produce. In any case I am sure that the President of the Treasury Board (Mr. Gray), with his natural intelligence, his sensitivity to the plight of the autoworkers in his constituency, his broad political experience, his great wisdom and his understanding of the human condition, will realize that perhaps it would be advisable to introduce amendments that will go somewhat further than the bill he introduced this afternoon.

Mr. Speaker, this was my humble contribution on the debate on Bill C-133, a bill which I hope will be amended for the benefit of retired public servants who have served their country well and continue to do so.

[*English*]

Mr. Murphy: Mr. Speaker, I rise on a point of order. I wonder whether the Hon. Member would agree to a short question.

Mr. Isabelle: With pleasure.

Mr. Murphy: I agree with much of what the Hon. Member said in his speech, but I want to ask him a question just to make it perfectly clear. If there are no further amendments to Bill C-133 other than the amendments suggested by the Minister responsible earlier this afternoon, will he definitely be here to vote against the Bill at second reading?

Some Hon. Members: That is an improper question.

Mr. Isabelle: Mr. Speaker, it is a hypothetical question because it might be the end of the world tomorrow and then no one would be able to vote. I do not know what will come, but if the Bill remains as is, I will do what I have to do.

Some Hon. Members: Hear, hear!

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, I compliment the Hon. Member for Hull (Mr. Isabelle) for his wonderful last line, that he will do what he has to do. Of course, the next question is: What will he have to do? I admire his ability. I have seen people riding bicycles on tightwires before but never two bicycles at the same time! He has been doing this for the last half hour; it is quite a stunt.

Mr. Baker (Nepean-Carleton): It is hard on the seat of the pants.

Mr. McKinnon: Yes, but he said that he was opposed to Bill C-133. I am afraid that I have to wait until tonight, a week from now or some time in the near future when the Speaker says, "All those opposed will please rise" to find out what he has to do.

Also I heard the Hon. Member for Vaudreuil (Mr. Herbert) indicate that he did not like Bill C-133. It is rather startling how many sympathetic people on the other side are filled with kindness and good heart in this regard, but also stick pretty closely to the President of the Treasury Board (Mr. Gray) in bringing in this terrible Bill. Actually, it is the first one I have seen brought into the House which deliberately upsets a

contract and a piece of legislation that has been in effect for some time.

I thought the Hon. Member for Nepean-Carleton (Mr. Baker) made a particularly good speech this afternoon. I believe he represented the situation in this locality very well.

I am sure the heart of the Hon. Member for Kootenay East-Revelstoke (Mr. Parker) is in the right place, but I wish he would manage to quit confusing Bill C-124 and Bill C-133.

• (1730)

We voted against—

Some Hon. Members: Oh, oh!

Mr. McKinnon: Let me try again. Bill C-124 provided a small cut in the pay of Members of Parliament. The New Democratic Party opposed that Bill. That is the Bill we voted in favour of. It had nothing to do with the capping of indexation. Indexation capping is contained in Bill C-131 and in Bill C-133, depending upon which pension is involved. But to try to say continually that because somebody voted for or against Bill C-124 means that they vote for or against Bill C-133 is carrying things a little far.

After the budget was brought down, in the debates on the budget I raised the question on July 15 and again on August 2 that we were going to have to look at legislation, presumably in the fall, if we were going to carry out what the budget had indicated we would. I am particularly interested in pensions of servicemen and retired servicemen.

There are not too many Members in the Chamber who have a close interest in the Canadian Forces superannuation account or the Supplementary Retirement Benefits Act as it applies to the Canadian Forces superannuation account. I have a great deal of concern about this matter partly because it is so complicated. When the Hon. Member for Winnipeg is not here, there is hardly anyone who can give you a logical explanation as to why the Government keeps putting money from one account into another. It seems these accounts are overflowing with money, but in fact there is no money there. I feel that a contract has been broken with the servicemen who paid their contributions faithfully. They now find they will not get the pension they expected.

It is difficult to understand the attitude of some of our friends on the benches opposite. They are well known. I believe the Hon. Member for Nepean-Carleton referred to them this afternoon. First, there is the Hon. Member for Ottawa West (Mr. Francis) who finds it unacceptable that the Government plans to limit pension indexation. The Hon. Member for Ottawa Vanier (Mr. Gauthier) said that the pension indexation fund "is similar to investing your money in a trust company" which then decides not to pay out on the agreed terms. Any trust company doing that would have its charter removed. The Hon. Member for Hull, who has just finished speaking, said that they should leave the pensions at full indexation. He has now decided that he will do what he has to do.

Mr. Baker (Nepean-Carleton): Whatever that is.

Mr. McKinnon: Whatever the Hon. Member for Hull does, he is not too specific about it. However, we will watch him with a great deal of interest when the vote comes. Then we have the vocal Member for Ottawa Centre (Mr. Evans). He said:

> I have not seen any evidence that the contributions paid to the supplementary fund are inadequate and that the fund is not solvent.

I look at the funds quite often, and I have a great deal of difficulty finding that they are not solvent. I have tried to find out.

The last Member whom I shall refer to is the Hon. Member for Gatineau. He said:

> I wonder if we can legislate on this matter since the money belongs to the pensioners.

What worries me is that a group of Liberal Members of Parliament can get together before 800 voters out there. These Members say something outside of the Chamber but say something quite different inside. We are witnessing that today, and it is not a nice thing to see, quite frankly. Members opposite go out and try to buy votes. They hope nobody will notice what they said. Then they come in here and hope that nobody will notice how they vote. One is opposite to the other, and it is embarrassing.

We have the prime example set by the Prime Minister (Mr. Trudeau). He sent out his famous telegram saying that he indeed was very aware of all of this and that he had noted the concern about indexation of Government pensions, that is should be maintained.

The Prime Minister philosophizes in a letter in which he wrote:

> In our society, pensions provide a means of sharing risk so that we can retire in reasonable security and dignity, without fear of the future.

It is sickening for the Prime Minister to write that and have it sent to pensioners. They depend upon Members of Parliament to look after their interests. It is a joke when we hear that things are ironclad agreements. An ironclad agreement is a joke because it means that you do not intend to keep the agreement. The Prime Minister of the country put the pensioners at ease. He said the Government had no intention of removing indexation from pensions, but here we have a Bill that is going to do exactly that. The sad part is that this is the time when pensioners need indexation the most. I will have a few more words to say about that in a minute or so.

I just wanted to point out that five Members of Parliament and the Prime Minister are as sanctimonious as can be about the plight of the pensioners when they say that their plight is right next to their hearts, except that many other things come in between when it comes to legislation.

Let me come back to the matter of the servicemen. There seems to be a consistent effort to meld the servicemen's pension funds with the civil service pension funds. There are some good reasons why servicemen prefer that this not happen. It is particularly noticeable when we hear the Canadian Forces

Superannuation Act and the Supplementary Retirement Benefits Act treated as if the beneficiaries were exactly the same. However, if one looks at the figures, it is quite alarming to servicemen and ex-servicemen because the Forces fund is in a much sounder condition than the supplementary benefits fund.

According to the report on the administration of the Public Service Superannuation Act, there was a balance on 31 March 1981 of $12.7 billion, with 308,000 public servants contributing to it. The Canadian Forces Superannuation Fund stood at $9.327 billion, with only 80,000 contributors. It is obvious from the number of contributors that the servicemen have a much larger vested interest in the superannuation account than the civil servants have. Both accounts seem to be running into difficulty as a result of what the President of the Treasury Board (Mr. Gray) is doing today. The Government is treating the Supplementary Retirement Benefits Act as if it were the same as the other fund. There is now approximately $25 billion in the two funds. By doing a little bit of arithmetic you will see that the interest on $25 billion would more than pay the entire pensions for both the servicemen and the civil servants.

I have another grievance. I have a letter dated March, 1982, addressed to me which mentions interest. It is from the Minister of National Defence (Mr. Lamontagne). I understand that interest is never paid on these funds. Instead, a paper transaction is made. In 1980 to 1981, the last year for which we have records, the Government in the first quarter "paid" 2.05 per cent on this money. In the second quarter, it "paid" 2.09 per cent; in the third quarter, the amount was 2.01 per cent, and in the fourth quarter, the Government "paid" 2.15 per cent for the money that in theory was in the account. That comes to an annual rate of 8.6 per cent. Everyone knows that the interest rates in 1980 to 1981 were much greater than that.

If we take a look at the amount of interest that was credited to the Canadian Forces Superannuation Fund during that fiscal year, we see that on March 31 the amount credited was $131 million. In the actuarial liability account there is another $348 million, which comes to a total of $479 million. The payments made by Canadian Forces personnel amounted to $80 million. The payments out of the fund were only $280 million in 1980-1981 out of the total amount received of payments of $559 million. Yet we are told the fund is in desperate straits, that it is likely to go broke, and everyone is worried about it. I will tell Hon. Members who is worried about it. The servicemen are worried about it because they are the only ones who seem to be able to see money actually going into it. It goes right out of their pay and into the fund and then it goest off in strange directions. Some of it goes to the Canadian Forces superannuation account and some to the actuarial liability account. Servicemen certainly do not know what that is, but in their opinion they do not seem to be getting credit for the money that is in there.

• (1740)

I was rather surprised when the President of the Treasury Board suggested that he would do a couple of things because of the pressure which had been put on him by some MPs. First, he would raise the cap from 6 per cent to 6.5 per cent and then, the following year, it would rise from 5 per cent to 5.5 per cent. Anyway, it was very strange to hear his remark that anyone drawing the Guaranteed Income Supplement would not be severely capped. I am a bit puzzled as to just how this relates to the pay of servicemen or public servants, because I am sure the President of the Treasury Board realizes full well that if one is receiving any kind of pension amounting to $250 a month, except for a disability pension, one cannot qualify for the Guaranteed Income Supplement. One cannot receive anything from that fund. I thought that dragging in that red herring was a little bit beneath the President of the Treasury Board, as only a very few civil servants would ever draw the Guaranteed Income Supplement, I would hope.

The other matter is that this afternoon the President of the Treasury Board announced that those whose pensions were being paid from the Consolidated Revenue Fund would not be eligible for the increased cap, as I understood it. I realize that it is a little difficult to follow all these different terms, but if that is so, that would mean that the President of the Treasury Board is penalizing those people who drew pensions before indexation came about. There will be a slight penalty. That is the way it seemed to me. If I am wrong, and if someone from the Government has the gumption to speak in this debate besides the Minister, I will be pleased to hear about it, but that is the way it sounded to me. I see the Minister and his Parliamentary Secretary nodding their heads, so I will look forward to hearing how that will be corrected.

References to the pension index make interesting reading. If we consider the Supplementary Retirement Benefits Act, one finds that this was a promise, really a contract reached with servicemen and public servants, when they were told in 1974 that they would receive their indexed pension. It states:

> "Pension Index", with respect to any year, means the average for that year of the Consumer Price Index for Canada, as published by Statistics Canada under the authority of the *Statistics Act*, for each month in the twelve-month period ending on the thirtieth day of September in the immediately preceding year;

That is a contract, it seems to me, that the pension will be indexed, and the amount by which the pension will be increased. That was the agreement. At that time, servicemen were paying half of one per cent of their pay to cover the cost of indexation. It was found at that time that they needed more money, and it was determined that from then on they would pay a full percentage point. Therefore, servicemen are now paying 7.5 per cent, 6.5 per cent going toward the Force's Superannuation Fund, and 1.5 per cent, I believe, for participation in the Canada Pension Plan or the Quebec Pension Plan, and then 1 per cent for the supplementary retirement benefit.

I might point out that because the cost of living and the consumer price index were increasing each year, pensioners were always behind because the pension contribution was

determined from September to September. If the rates rose 7 per cent, for example, five years ago and 10 per cent four years ago, there was a 3 per cent difference which the pensioner had to pick up because he was paying the charges for that particular year.

I can briefly indicate some of the figures. If we consider the figures for 1971, one finds that the benefit index was 104 per cent. In 1972 it was 106.5 per cent. That amounted to a 2.5 per cent raise. Therefore, in 1972-73, pensioners would receive an extra 2.5 per cent. However, in 1973, the cost of living rose by 5 per cent. In 1974 it rose by 7 per cent and in 1975 it rose by 12 per cent. Every year the increase given to pensioners was only based on the previous year's increase in the cost of living. Consequently, they were robbed a little bit each year. However, that does not seem to have bothered the Government. Now, strangely enough, when the rate of inflation is beginning to come down, the Government wants to tell them what the benefit index will be in advance. When it was rising, they were paid according to the last year's increase. Now the Government will decide what it will be ahead of time. Next year it will be 6 per cent and the following year it will be 5 per cent, so the Government will get them going both ways.

These figures are spelled out right on the back page of Bill C-133. If one considers the benefit index under column II, one can take the amount of $1,000, one month's pension, and compute what the benefit would be in 1984. One can divide 275.69 by 262.56 and multiply by $1,000 and arrive at an amount of $1,050, which is a 5 per cent increase. If inflation is more than that percentage, it is just too bad. One is only a pensioner, anyway, according to the hard-line attitude of the Government. The Government says, "We are sorry we made an awful mess out of running the country, but you have to pick up the cost". It is easy for Hon. Members opposite to say, but it is very hard for them to look people in the eye and tell them that they are doing it to them.

I have in my hand the eleventh annual report on the administration of the Supplementary Retirement Benefits Act. It was submitted to His Excellency, the Right Hon. Edward Schreyer, Governor General and Commander-in-Chief of Canada, by the President of the Treasury Board. I would simply like to point out how this has been arranged according to the Treasury Board which supervised. The Act, if this Bill is approved, will apply to some 26 different acts and groups of people, including the Canadian Forces Superannuation Act as well as the Defence Services Pension Continuation Act which, to my understanding, is now almost non-existent because people have gradually faded out of it.

At page 2 of the report, it states:

> The amount of this increase in any January is equal to the percentage increase in the average of the Consumer Price Indices for the twelve months ending on the preceding September 30 over the average for the twelve months ending a year earlier.

In reference to financial provisions, it states:

> Between April 1, 1970 and December 31, 1976 employees contributed ½ of 1 per cent of salary. Effective January 1, 1977 this rate was increased to 1 per cent.

This puzzles me. The Government is attempting to claim that the pension fund, amounting to $25 billion; is not sufficient to pay pensions. I suppose that would be hard to prove to a mortgage company. However, if that is not sufficient, I wonder if the Government has ever thought of asking the people if they are willing to contribute more. In the last couple of months I have spoken with many servicemen and retired and employed civil servants. Most of them would be quite willing to pay another half of one per cent if that were enough, or if it were important. However, they have said, "For God's sake, do not leave us high and dry so that we do not know what will happen in the way of inflation. It would appear that if the rate of inflation keeps on rising, we are the ones who will not become adjusted to it, and we would be willing to contribute". That thought occurred to people in 1977 and they did double their contributions at that time, but it has apparently not been considered at this time.

I would like to point out one other matter. The report continues:

> Prior to January 1, 1974, the Act also provided that all supplementary benefits would be charged to the Account. Since that date, however, those benefits paid in respect of a former contributor are charged to the Account only until their accumulated total equals the aggregate of all amounts credited to that Account in respect of that person. Supplementary benefits paid in excess of that aggregate are then charged to the Consolidated Revenue Fund.

This is quite true. These are almost identical words to those found in the Act in Section 8(2), which is of interest. However, Section 9 states:

• (1750)

> There shall be credited to the Supplementary Retirement Benefits Account in each fiscal year an amount representing interest on the balance from time to time to the credit of the said Account calculated at such rate as may be fixed by the Treasury Board.

We all know how miserly the Treasury Board has been with the interest they have paid on the alleged funds, that they allege are somewhere. I expect the President of the Treasury Board has that $25 billion earmarked for somewhere, but there might be people who are not quite as trusting as I am who might wonder if there is any part of it around. I believe the Government made a commitment during the collection and the putting together of those funds, so that the Government actually would consider that the pensioners had a vested interest and were entitled to be consulted and to get a fair deal.

The fund is growing so rapidly, and wording such as this, that the supplementary benefits paid in excess of the aggregate are then charged to the Consolidated Revenue Fund, is looked on by the pensioner as an effort by the Government to prove that it has paid them back everything they paid in and an indication that it has no further real responsibility, and it is just out of the generosity of the Government heart that it is paying them anything extra from then on. This is what worries the pensioner because he suspects this kind of legislation is really there to take away any rights that he has to the contract he thought he had with the Government.

I can never quite understand how the interest rates are worked out on this, but they seem to me to be much less than they should be.

In closing, Mr. Speaker, I would just like to point out that these funds have grown so enormously that the Government is neither going to write them out a cheque for it nor set up another fund of an equal size to be self-administered, or in any part administered, by the people who contribute to it, and the people who expect to benefit from it.

I suggested to a meeting of long service pensioners of the Canadian Forces, that perhaps they should try to get this on a sounder footing over a long period of time, say ten or 15 years. If the Government would guarantee to maintain the contract it has with the pensioners, paying them an indexation rate equal to the inflation rate, perhaps the pensioners would be willing to give up any real or imagined right to part of that $25 billion. They accepted that and indicated that if during that ten or 15 year period their contributions and the Government's contributions went into a fund, for instance in the form of Government bonds, which really are much more liquid than the imaginary kind of money being dealt with now, in about ten or 15 years they then would be able to have a funded fund, which is really what the civil servants want and what the Armed Forces want.

In closing, I simply say this is a Bill that I never thought I would see presented in Parliament; that the Government would try to balance its books—which is almost unheard of for this Government—and it would, first of all, pick out old age pensioners and, secondly, those people who thought they had a Government pension. Most of the people who are now retired are people who served their country in the Armed Forces. When they came back from overseas they decided they would stay on in the Forces partly, and to quite a degree, because there was a pension. Nobody ever dreamed of the inflation this Government has brought on in the last 20 years. Pensions had a lot to do with decisions being made by people to stay in Government service. The pay was not as good and the conditions were at times terrible. There were many other disadvantages to being in the Armed Forces, such as being posted at a moment's notice, and the necessity of having one's family educated in a variety of locations. The decision to stay in Government service was made because of the security that Government employment was supposed to offer.

It is shocking to think that the Government would have misled servicemen over the years and then simply, because of its mismanagement of the economy, put their contributions into the Consolidated Revenue Fund, and now acts as if they were just a drain on the taxpayer that should not be there at all, when in fact it gives no credence to these figures, figures that are quoted quite frequently by Ministers of the Crown.

A letter from the Minister of National Defence (Mr. Lamontagne) to me on February 25, 1982 said:

> The balance in the account—

That is the superannuation account.

> —as of 30 September 1981 was $9.89 billion.

He says that it is in there. Who does it belong to? The President of the Treasury Board thinks it belongs to him. There are quite a few people who think it belongs to the serving servicemen and the retired servicemen.

I would hope that the Liberals, particularly those who represent their constituents in this area, and in other areas as well, might see what a shabby deal they are pulling here. They take a contributory pension, on which a recipient has no say either as to how much he contributes or how often he has to contribute to it, or how often it may be raised without his permission, and summarily decide that they will not give them the payout that had been promised. I can simply say that if any organization other than this Government did it there would be a class action lawsuit about it. In fact, I would not think that would be too bad an idea for the veterans to do so right now. When I say veterans, I mean the long service pensioners, I do not mean the disability pensioners that the Minister of Veterans Affairs (Mr. Campbell) might talk about.

I am sorry that the Minister of National Defence is not here at the present time. I had expected he would take part in this debate to support the 80,000 servicemen who are involved and the 33,000, 34,000 or 35,000 annuitants who are retired from the services and drawing these pensions to which they contributed. Perhaps he will take part in the debate this evening or tomorrow, if he has something to say in defence of those people who are contributing to the safety and security of this country.

Some Hon. Members: Six o'clock.

The Acting Speaker (Mr. Blaker): Is the House agreed therefore that the Chair call it 6 o'clock? There may be some difficulty, because it will be a matter of whom the Chair recognizes at eight o'clock. Normally I would recognize the Hon. Parliamentary Secretary to the Minister of Consumer and Corporate Affairs. Is that agreed?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): It being six o'clock, I do now leave the Chair until eight o'clock this evening.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Deputy Speaker: Order. When the House rose at six o'clock, the Parliamentary Secretary to the Minister of Consumer and Corporate Affairs (Mr. Berger) had been given the floor.

[*Translation*]

Mr. David Berger (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, the purpose of the Bill before us this evening is to limit to 6 and 5 per cent

any increase in Public Service pensions. Were it not for this Bill, this increase would come to 11.5 per cent, based on the last year's increase in the consumer price index.

[*English*]

It is important to understand that this is not a Bill on pensions, but a Bill which is part of an economic plan designed to bring down the rate of inflation from the 10 or 11 per cent we have known over the past couple of years to, hopefully, six and five per cent in the coming years. It is extremely important to remember this fundamental fact.

When I hear the criticisms of this Bill by Members opposite, I scratch my head and wonder what it is that they would propose. Do they prefer 10 or 11 per cent inflation? What is their plan of action? How do they propose to get inflation down to a lower level? What ideas do they have? Unless they have some ideas on how to reduce inflation in the manner that we are doing, I say their arguments have no force.

In trying to bring down inflation, there are a number of options the Government could have considered, one of which was mandatory wage and price controls. I have not heard any Members opposite come out in favour of that. Last winter, prior to the introduction of this program by the Government, a number of groups submitted briefs strongly urging that mandatory wage and price controls not be considered.

One brief was submitted by the Business Council on National Issues which represents a number of major employers in this country. It strongly urged the Government not to impose such a system, which we knew in 1974, 1975 on to 1978, because of the constraints that were involved, the administrative difficulties and the bureaucracy required to administer it.

They made a submission to the previous minister of finance during the series of consultations which he undertook in the spring and early summer, suggesting a system of voluntary wage and price controls, which the Government subsequently embarked upon. They included a premise in their suggestion. They felt that by and large Canadians are intelligent people who will respond to reason if presented with a reasonable argument. They felt Canadians would respond to the kind of appeal that would be made to them by the Government setting the example and asking industry to comply with the program voluntarily.

What does the Opposition have to say about that? Do they feel that some other approach would be better? A number of people from industry have supported this program. Members are aware of the industry committee established under the chairmanship of Mr. Sinclair. Since then a great number of companies have adhered to this program.

I want to bring to the attention of the House an article which appeared in yesterday's *New York Times*. Felix Rohatyn, a prominent investment banker and chairman of the Municipal Assistance Corporation in New York, which engineered New York City's federal aid package in 1975, speaks of the alternatives to Reaganomics. In an extremely thought-provoking article he talks about the necessity of guarding against a renewal of inflation in the United States caused by wage settlements in excess of productivity improvement. The article reads in part:

> Wage and price controls in an advanced industrial society cannot work for long, and a formal, legislative policy, such as a tax-based incomes policy, is probably neither practical nor fair. However, a change in our labour cost structure has to be examined if low inflation is to co-exist with high growth. The most practical way to approach this would be for all major labour contracts to expire simultaneously every year, with wage increases related to existing economic conditions and current inflation; significant elements of profit-sharing should reward real productivity improvements. We should take a cue from Japan and Germany and have an annual, national wage negotiation involving business, labour and often the government. The result should be keyed to the performance of the economy. This is the practical equivalent of an incomes policy for most of the economy.

• (2010)

He looks at the matter of wage and price controls and he says they cannot work for an extended period of time. He looks at tax based incomes policy, and he says that is impractical as well. He argues for some form of an incomes policy which, I believe, our six and five program will ultimately lead to, where wage increases and salaries will be tied to the increase in productivity of the country or to the increase in the gross national product.

Mr. Rohatyn is not the first to advocate such a policy. Lester Thurow, who is, I believe, the favourite economist of my colleague, the Hon. Member for Lincoln (Mr. Mackasey) has written extensively about such a program. I do not hear the Opposition, though, Mr. Speaker, raising such matters. I do not hear them saying, "Well, yes, this is the kind of policy which should be considered in Canada." I do not hear them discussing the pros and cons of it. They just continue to harp about the so-called injustices in our particular program, and these injustices may very well be more perceived than real. I have to conclude that much of their criticism is, as the Hon. Member for Hull, (Mr. Isabelle), I believe, earlier today said, just pure electioneering. They are just playing to the public and trying to score points. They are criticizing the Government for the sake of criticism and trying to appeal, basically, to the fear of Canadians, rather than trying to arrive at a solution to our problems in a constructive manner.

What has seemed to have escaped the attention of both Opposition Parties is that prices as well have been controlled in this program. We are very well aware of the Government's restrictions as they have applied to companies within federal jurisdiction. They must come before federal regulatory agencies like the Canadian Transport Commission or the CRTC. We are also aware of the example of Bell Canada and the fact that their increase in rates was limited to 6 per cent. Indeed, Mr. Speaker, increases in prices throughout the third quarter, for the three-month period, August, September and October, slowed considerably from 3 per cent to 1.7 per cent in May, June and July. On a monthly basis, inflation in October was 0.6 per cent, and when taken with the 0.5 per cent recorded in each of July, August and September, it is solid evidence that inflation is stabilizing at targeted levels. On an annual basis, inflation in October dropped to 10 per cent from 10.4 per cent in September. This decrease continues the steady downward

movement from levels which were above 11 per cent prior to July. We have, therefore, dramatic evidence that our policy is beginning to take hold.

I do not claim, and I do not think anyone in our Government has claimed, that our policy is solely responsible for this decrease in the rate of inflation. It is undoubtedly true that a number of companies, and many thousands of small firms, have been restricting their wage and price increases throughout the recent recession, going back about a year or a year and a half. I have met countless shop owners and small businessmen in my constituency and elsewhere who have said to me they have not taken a raise in the past several years. In light of this kind of situation, it certainly would be unconscionable for the Public Service, which is not subject to the same kinds of competitive forces as the private sector, and which does not have to depend on the bottom line or the amount of cash which is in the till at the end of the week or month, to continue to have increases at the rate of 10 per cent or 11 per cent when other sectors of the economy cannot take the same kinds of increases and when many are suffering. Indeed, it really is only logical—the kind of logic, perhaps, which escapes the Members of the Opposition—that the Government impose the same restrictions upon its employees as do many companies in the private sector.

On the other hand, Mr. Speaker, it is true to say also that our program has had an effect on the private sector. I have spoken to a number of businessmen who have told me that when faced by their employees in the course of the past four or five months who perhaps asked for 12 per cent or 9 per cent or whatever, these companies said, "No, the Government has a policy which we intend to follow. It will be 6 per cent over the course of the coming year."

Finally, Mr. Speaker, I would like to mention briefly that what we are really asking pensioners to do under this Bill, which has been described as a great hardship for them by Members of the Opposition, is not as great a hardship when you look at the cold, hard facts.

[*Translation*]

Naturally, Mr. Speaker, no one readily wants to limit increases, but the difference between the amount which the pensioners will get as a result of this 6 and 5 per cent limitation and the 11 per cent they would have received otherwise is practically nil. I figured it out. It amounts to perhaps the price of a pack or half a pack of cigarettes a day. The difference will come to $37 a month in 1983. I am not a cigarette smoker, but as far as I know a pack of cigarettes these days costs about $2. So half a pack of cigarettes costs $1, which is the equivalent of the $37-odd loss incurred by the pensioners under this Bill. In my opinion, half a pack less a day is definitely not something which will create undue hardships for pensioners. It can hardly be labelled a loss since pensioners will in fact get an increase. It will be limited to 6 per cent instead of 11 per cent but, as I pointed out earlier, the rate of inflation has already begun to drop sharply. If we manage to bring it down to 7 or 6 per cent in the coming year, it is obvious that there will be no loss. Quite the contrary, the Canadian economy as a whole will be stronger so that pensioners and all Canadians alike stand to benefit from the upturn.

I am grateful to have had this opportunity to take part in the debate, Mr. Speaker. I hope Hon. Members opposite will take the floor and make more constructive contributions to this important debate.

• (2020)

[*English*]

Mr. Howard Crosby (Halifax West): Mr. Speaker, Bill C-133, which amends the Supplementary Retirement Benefits Act, is simple in form and substance but its effect is shattering to more than 200,000 retired public servants and Armed Forces personnel across this land. The case for the senior citizens should be established and explained to fair-minded legislators and the Canadian electorate who, after all, will judge our performance in this House of Commons on measures such as this Bill.

Let me deal first with a specific provision of Bill C-133. It applies the Government's six and five policy to retirement allowances of those persons subject to the Public Service Superannuation Act so that regardless of the increase in the cost of living, those people are limited to a 6 per cent increase in 1983 and a 5 per cent increase in 1984. It should be made clear, Mr. Speaker, that the designation of the six and five is arbitrary, even imaginary, and not based on fact or even on an economic forecast. In fact, the economic forecast would indicate that the proper increase for the year 1983 would have been, but for the introduction of Bill C-133, something in the area of an 11.5 per cent increase in pensions payable to retired public servants and members of the Armed Forces. If we were to act on the basis of the prediction made by the Minister of Finance (Mr. Lalonde), who indicated that even he does not expect inflation to be reduced below 8 per cent, we would have that as a standard. But there is no basis for assuming that the inflation rate in 1983 will be 6 per cent or 5 per cent in 1984. It is not even anticipated that this is an achievable goal. So what the Government is doing with this restraint policy is simply acting on an arbitrary figure it sought to impose in order to save the public purse. We have to ask ourselves, Mr. Speaker, whether that is fair in the circumstances.

I want to deal with the matter of inflation in Canada and how this economic evil may be attacked, but first let me consider the justification given by the president of the Treasury Board (Mr. Gray) when he presented this Bill to us. In explaining the Bill he said that it implements the Government's six and five policy which he claimed has a double-track effect of restraining Government spending while providing additional funds for job creation. Mr. Speaker, if that statement were made in the context of a business or social environment instead of a political context, the Minister would at best be condemned for violating business and social ethics. It is well within the realm of possibility that such an extravagant and misleading claim would be considered fraudulent, but unfortunately of a kind and character that would not be subject to a court of criminal law. Nonetheless, it should and does incense fair-minded people. The fact that the Minister

would have the Canadian people believe him when he says he wants to restrain public spending and at the same time spend taxpayers' dollars to create jobs means that his fraud is of a public character. That is what I want to accuse the Minister and the Government of Canada tonight of doing, perpetrating a fraud on the Canadian public. It consists of the fact that the Government is restraining Government expenditure and at the same time it is spending more funds for things which the Government thinks will bring it political credit. I can say without fear of contradiction that the Goverment's six and five program constitutes a public fraud.

Let me review the program. You remember the night of June 28 when the then minister of finance introduced his budget in the House of Commons. In describing the world of six and five, he said that Canadians have been suffering from a double digit inflation rate and, unless it was brought into line, Canadians would continue to suffer. So what he proposed to do was to start a restraint program, and he would start it with the Government's own employees, the federal public servants. The Minister knew, when he rose in this House on June 28, that there was abroad in this country the idea that federal public servants were overpaid and underworked. Well, Mr. Speaker, there may be those in the Public Service whose jobs attract a salary beyond the salary they could achieve in the private sector, and there may be those in the Public Service who do not work as hard as they ought to, but to characterize the Public Service of Canada as overpaid and underworked is grossly unfair. In fact, the statistics indicate otherwise. Statistics indicate that in the last five years, between 1977 and 1982, the Public Service increases have been marginally behind the private sector increases. I think any person knowledgeable about salary ranges in the Public Service could establish very easily that in specific areas like engineering the salaries are substantially behind those paid in the private sector. In fact, for a medium range engineer, the salary would be something in the order of $3,000 to $6,000 less in the Public Service than in the private sector.

So one has to ask what basis the Government has for restraining the Public Service in the name of helping the economy of Canada. Even restraint of Public Service salaries and related expenditures would be justified if the Government practised and over-all policy of restraint, but we have reason to believe that Government spending programs have gone onwards and upwards since June 28 when this program was announced. We have seen the Post Office pile up ever larger deficits to the extent of $500 million a year. Canadian National Railways come and tell the House of Commons that their deficit is increasing to a similar extent. The Mirabel Airport continues to pile up huge deficits, week after week, to the extent of over $1 million per week or over $50 million per year. We have write-offs for our national ports to the extent of close to $500 million. The list goes on and on. I will not mention, as I have several times in the House already, the $24 million thrown away on the purchase of jets, the $5 million to buy firecrackers to celebrate Canada's birthday, or the amount of money paid to public servants like Michael Pitfield who received a quarter of a million dollars in a settlement deal.

• (2030)

There is no evidence before us that the Government is serious about restraint. The only evidence is Bill C-133, in which the Government attacks retired public servants by taking from them the benefits built up, in many cases, over a lifetime of service. The Government is trying to tell the public that this is its restraint program; that it is so concerned about the amount of money being spent, it is going to cut back on the money it contracted to pay to public servants, in order to demonstrate how serious the situation is.

In a recent speech at a fund-raising event for the Liberal Party, the Prime Minister (Mr. Trudeau) referred to the bad times we are having in Canada and said that it is the worst time since the depression but that we are not to worry, because the worst time can be the best time. What he meant was that in times of adversity Canadians come together, look at themselves, and decide what to do about the problem. That may be true in the federal constituency of Mount Royal with its multimillion dollar homes and its $100,000 and $200,000 plus incomes, but it is not true in many parts of Canada. The worst times are not the best times.

It is a shame and a crime that the Prime Minister of Canada, viewing the situation with which so many Canadians are faced, could make the statement that the worst times are the best times. That is his assessment of the situation. In times of adversity you can see good things in the situation, according to the Prime Minister. I wonder if he would think that if he went to the coal mining town of Glace Bay with his colleague, the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall), to see the devastation being effected in that area by this period of recession and if he saw people not only losing their jobs but the hope and expectation of employment in the future. I wonder if he would say then that the worst times are the best times.

If he went to the Strait of Canso with his colleague, the former minister of finance, now the Secretary of State for External Affairs (Mr. MacEachen), and saw the devastation there, as a result of the economic recession, would he still say the worst times are the best? I should like to see him in the town of Canso or Port Hawkesbury where they are about to close down the major source of employment, the heavy water plant, telling those people that the worst times are the best times.

What we have to conclude is that the Prime Minister and the Government and, I am afraid, all his colleagues in the Liberal Party, deal entirely in perceptions. They think they can sell deals to the people of Canada and that they do not have to worry about the facts of the situation and do not have to deal with the real people who are suffering, the pensioned off public servants. They think they can just deal with the perception that they are attacking the economic problem in Canada, that the businessmen will cheer and the chambers of commerce

across the land will join with them in their restraint policy without examining it.

That is why I stand in this House time and time again to tell the people of Canada that there is no restraint policy. The Government is not restraining spending. It has gone up and up and up, to $79 billion while revenues stay at $55 billion, leaving a $26 billion deficit. That is what is wrong with Canada. It is not the public servants nor the retired pensioners. They are not creating inflation in Canada. It is the Governemnt that continues to spend and spend and to borrow money to finance that spending that is causing inflation. It will have to do a lot more than pretend, at the expense of public servants and retired public servants, that it is doing something about it.

What is the Government doing to the public servants of Canada who, many Canadians think, are overpaid and underworked? The average pension paid to more than 200,000 retired public servants and members of the Armed Forces, is $6,900. Michael Pitfield and his buddies retire on a much larger pension. In the length and breadth of the Public Service the average pension is $6,900. This, together with the old age pension, which is under $3,000 per year and is going down as a result of another measure that is before the House, gives an income of $9,000 per year for a retired public servant.

If these public servants received the increase they would normally be entitled to of 11.5 per cent, the increase in their pension would be something in the area of $763, whereas with a cap of 6 per cent they will only receive something in the order of $473. What this Bill will do is take $310 away from 200,000 public servants whose total income, including Old Age Security, is $9,000.

If I thought this measure was going to correct all the economic wrongs in Canada, if I thought it was going to change the course of our economic history, if I thought it was going to do anything for the people of Nova Scotia, British Columbia or the Northwest Territories, then I would support it. Even though we are calling upon retired public servants to make that kind of sacrifice, if it meant something for the greater good of Canada and all Canadians, then I think I would support it.

There is no way that anyone on the Treasury benches, the Minister of Finance (Mr. Lalonde) or the former minister of finance or 600 parliamentary assistants, can convince me that taking approximately $300 away from 200,000 retired public servants, is going to help Canada. How could that action possibly help Canada when the Government throws away $500 million on the post office, $100 million on this program and $100 million on that program and provides pension benefits to one public servant, the Clerk of the Executive Council, Michael Pitfield, of about a quarter of a million dollars?

There is no relationship between what the Government says it will do and what it does. That is beginning to bother not only Members of the Opposition but people all across Canada. They are beginning to realize that the Government talks not only from both sides of its mouth but, can I say, from several sides of its mouth. It always tells a different story and paints a different picture. What is most important, it creates perceptions. The Government of Canada never deals with facts. It never deals with the inflation rate nor with specific economic measures that are designed to reduce the inflation rate. It plays with the perception that if we cut back on public servants benefits, we will cut back on public expenditures. The truth is that payments in respect of Public Service salaries went up by 17 per cent in the year in which the Government announced its restraint program. The justification for that, given by the President of the Treasury Board was that Bill C-133 would implement the Government's six and five restraint program and that it was coupled with a job-creation program.

Unfortunately, when the former minister of finance, the Hon. Member for Cape Breton Highlands-Canso, announced this great restraint program, he did not mention job creation as being the other side of it. He picked that up later when the Government realized the problem in Canada was not really inflation or high interest rates but was unemployment. It did not find that out until a couple of months later when the unemployment rate went up a couple of points to 1.4 million people uenmployed. Then the Government began to realize that even though the Governor of the Bank of Canada and other high-priced economists did not like the rate of inflation or the interest rate, the real human problem in the country was unemployment. That is when it started to talk about job creation.

In the June 28 budget when the Minister of Finance announced measures the Government would take to cap salaries and incomes in the Public Service, he said that over a two-year period something in the area of $800 million would be saved. He immediately announced expenditures of $2 billion, most of which were directed at small business and some of which were directed at lowering interest rates. Now the Government has come forward with a job creation program in which it will spend $500 million to create 60,000 part-time jobs. It is trying to claim that that program is tied in with the caps on Public Service salaries and with increases in Public Service pensions.

• (2040)

There comes a time when even the Government has to give up trying to fool Members of the House and the people of Canada. If it does not know what it is doing, it can simply come to the Parliament of Canada and say, "We are sorry, ladies and gentlemen, we do not know what we are doing. We have made a number of mistakes in the past but now we want to co-operate with Members of Parliament and with people across Canada to remedy the situation." If the Government took that honest approach, I would have some sympathy for it. I would even be willing to explain to public servants and persons receiving Public Service pensions that they have to contribute in the same way as all Canadians. But that is not what the Government has done. It has simply redirected some of the funds without cutting back on expenditures at all.

Nonetheless, inflation will decrease in Canada. The interest rate will go down and is going down. The reason is that economic activity is grinding to a halt. The reason we will have

a lower inflation rate over the next months and years is not the Government's six and five program. The reason is that there is no economic activity in Canada. The reason interest rates will go down is that no one is expanding his or her business or borrowing funds for business purposes, so the demand for money simply goes down. It is the lack of economic activity in Canada which is bringing down the inflation rate and the interest rate, not the Government's six and five program. One does not have to be an economist to recognize that fact.

The real fact in Canada is that there are 1.4 million unemployed persons. There were 55,000 more unemployed people this month over the figure for last month. We have every reason to believe that there will be another 50,000 to 60,000 people unemployed next month. The 1.4 million listed by Statistics Canada does not include all unemployed persons in Canada. There are all the people who have given up looking for work, 250,000 or more. There are all the people who are employed at jobs in levels well below their qualifications, that is another 250,000 to 300,000. There are all the part-time workers, the 800,000 who are working part time, at least half of whom want to work full time. There are not just 1.4 million unemployed. There are over two million or almost 2.5 million persons in Canada with serious employment problems. They are unemployed, have given up looking for work, are working below their job levels or part time. This is the result of the Government's policy. It will not be cured by any six and five restraint program. It will not even be helped by any six and five restraint program. All it does is to give the Government opportunity to take money from one sector of the population and spend it in another sector.

With the Government's record over the past decade of reallocating wealth in the country, it is no wonder that Canadians, particularly Members of Parliament, are wary about giving the Government the right to reallocate any wealth in the country.

Let us look at some of the programs which the Government has created. There is the $3,000 grant to purchasers of new homes and to new home purchasers. On the face of it, it sounds like a reasonable program. It helps owners and it helps stimulate the housing industry. But in the hands of the Canada Mortgage and Housing Corporation the program becomes a complete shambles.

I will not complain about that in the House of Commons because if the Minister of Housing does not know then he should that every recipient, whether the person is a new home purchaser or the purchaser of a new home, is disgusted with the Government before he or she ever receives a cheque. Recipients are disgusted with the Government because of the rigmarole through which they have to go to get the grants, the bureaucracy they have to face, the forms they have to fill out, the actions they have to take and the insults they have to endure from CMHC to obtain $3,000 grants. If the Government expected to get any votes out of the program, I can tell it that it will not.

It is the same situation with the home improvement program under which the Government provided Canadians with non-repayable loans. Again we see the Government misleading the people. It cannot even call a grant a grant any more. It has to phrase it in some way that is hardly understandable to most Canadians. If Government Members think that is helping them politically, they are mistaken because everyone I have talked with who applied for home improvement grants is completely dissatisfied.

In the first place, I do not know of any contractors in Canada to whom one can go, certainly in my part of Canada, Nova Scotia, and expect them to do kitchen work in six months' time. It takes at least six or seven weeks to contact CMHC and arrange for an inspection of one's home, which is a prerequisite to the grant. It does not make any difference what one is doing in the home. If it is something which is clearly visible as home improvement work, a week, a month or six months later one has to have an inspection. Every CMHC office across the country cannot provide inspections for at least five, six or seven weeks. Again there is no connection between the Government's announced policy in the House of Commons and what is taking place out in the country.

It is interesting that I should have an opportunity to say this to Ministers of the Crown. They sit around Cabinet with their advisers in the bureaucracy and dream up these programs without any reference to what is going on in the cities and towns across the country. This time they made a disastrous and dreadful mistake. Whereas they promised to give elderly citizens an extra $35 a month during the election campaign—and I would be the first to admit that it might have brought them a few votes—whereas they promised to provide new home owners and purchasers of new homes with $3,000 grants, and whereas they promised to provide Canadian citizens who wanted to renovate their homes with interest-free loans, the plans have backfired because they are not administering them properly.

Time and time again as part of the Government's economic program to help get the economy moving again, we have heard of help for small businesses. One does not have to talk very long to any small-businessman across the country before finding out that in his or her opinion the Government is doing nothing to help small business. In fact, the complaint is still there that the Government is riding on the backs of small-businessmen. The Government places a burden of regulatory control or a burden of Government regulations which is actually swamping small business across the country. Small businesses which might have coped in good times with this myriad and morass of Government regulations now find the burden too onerous. They do not want to carry on with high interest rates and all other problems which arise from a recessionary period within the economy. Small-businessmen are giving up. When the Government comes forward in the House of Commons saying that it is taking $800 million from public servants to put in a program to help small-businessmen, I am sure business persons across the country are asking, "Where is the help?" How many are actually seeing this help? I have talked with a great many small-businessmen. None of

them have asked me to thank the Government for providing the help it claims it wants to provide.

I want to deal for a moment with the plight of pensioners across the country. As I have indicated, there is the idea that public servants have been overpaid for a long period of time, that they are not required to work as hard or their work is not as difficult as their equivalents in the private sector. It is very difficult to deal with that kind of subjective analysis. All you can do is to show people that in fact Public Service salaries are not as high as equivalent positions in the private sector, which has been proved time and time again by statistical analysis. You can show and demonstrate to person in the private sector that increases in that area have been higher for the last five years, though only marginally higher than increases in the Public Service. But you cannot deal effectively with the perception that really is the situation. You cannot always confront the perception with the facts because people are not willing to listen to facts once they have formed that idea.

• (2050)

I want to say to the Public Service pensioners across Canada that it is a shame the Government has created this perception and aids and abets it by saying in this House of Commons and elsewhere that we have to cut down on the Public Service both in relation to salaries and benefits to public servants who are now unemployed and in the superannuation payments made to retired public servants. We have to cut down on that expenditure.

At the same time, the Government does not point out the plight of the public servants. The Government does not point out that the average retired public servant receives an income of $6,500. The Government does not point out that in some cases public servants have taken early retirement because their jobs have been abolished. The Government talks about security in the public sector, but there is no security for a public servant in a recessionary period any more than in some aspects of the private sector. You have to be careful when making comparisons here, Mr. Speaker. One cannot compare an employee in the federal Public Service to an employee in some small regional industry that is totally dependent upon the economy of that region or on the state of the business in which the employer is engaged. But if one compares federal public servants to those employed in large organizations in the energy field, such as Imperial Oil, or if one compares federal public servants to employees working for large banks, such as the Royal Bank of Canada, then one can make a fair comparison. But, Mr. Speaker, I do not think that you will then find that job security is any different among employers at that level.

However, the Government has said, and the Minister of Finance has said in this House of Commons, that public servants should accept less because they have job security and because they have the assurance that they will continue to be employed, and they should share with fellow Canadians who are not employed the benefits of their employment. That makes sense. That is a rational approach to the situation.

I think that most Canadians, as the Prime Minister (Mr. Trudeau) said in one of his fireside chats, are willing to share. But Canadians want this sharing to be based on real facts. Canadians want this sharing to be based on truth. They want the sharing to be based on the fact that the public servants now employed do have job security. The President of the Treasury Board stood up last week and said that the Government will have to get rid of a lot of public servants, that it is going to have to cut down, because that is part of the program. What he forgot is that there may be 500,000 persons employed in the Public Service and he may be getting rid of only 10,000 or 20,000 but those public servants do not know who he means in that group. They do not know who of the 10,000 to 20,000 will lose his or her employment.

If you think that creates job security among people, Mr. Speaker, and if you think that one does not have to worry because he or she probably will not be the one in the small percentage of public servants who will lose his or her employment, if you think that gives public servants any sense of satisfaction or makes them happy at having spent most of their adult lives in the Public Service, then you are making an awful mistake, Mr. Speaker. One either has job security or one does not have job security. It is not a hit or a miss proposition to have job security. Job security is not based on percentages; it is based on the right to keep your employment against the wishes of your employer. If a person simply has a job at the whim or demand of one's employer, then a person does not have job security.

When you run down the whole list of assets that one gains by employment in the Public Service, and subsequent retirement, you find very quickly that the Government is taking most of the assets away. One has to ask what the Government is providing by way of compensation. What is it doing to make Canada a better place in which to live? What is the Government doing to contribute to economic security in the future? If there were a positive answer to that question, I think everybody in this House of Commons would say that the exercise was worthwhile. If this action that is being taken by the Government will help the economy of Canada and contribute to a better future for all Canadians, then I agree, and I am sure most Members would agree, that all Canadians ought to be called upon to share in this venture.

I have not seen any evidence that that will be the result of the Government's program. I cannot see any evidence that what the Government is taking from one sector and giving to another is going to produce anything substantial. I believe it is all a facade. I believe it is all phony. I think the Government is trying to fool Members of the House of Commons, the Parliament of Canada and the people of Canada. I think the Government has come to the end of the line. The Government realizes that it has mismanaged the affairs of Canada to the point where it cannot effectively administer the economy. This Government has overspent, as I have said, to the tune of $26 billion in the current fiscal year. This Government has run up a total debt of $132 billion. The Government has to use over $1 in every $4 in revenue to service that debt. Yet because of a

situation aggravated by a world-wide problem in trade and business activity, we find ourselves with a gross economic problem.

There is no economic activity in Canada. There is no business income to pay off this debt. There is no money to invest. There is no reason to invest in new activity. Therefore, the Government can no longer depend upon the private sector to bail us out of this situation. What does the Government do? The Government does not call in the private sector and deal with the problem in a realistic way. The Government does not really examine the total process by which it has dealt with the economy. It simply announces a program for which the claim is made that it will resolve the economic problem.

The problem is that the Government's fraud is starting to affect people in a real way. When the Government of Canada comes to the House of Commons for legislative authority to take $1.61 a month away from each child under 18 in Canada; when the Government of Canada comes to the House of Commons for legislative authority to take $300 a year away from retired public servants and thus reduce their income, which is actually only at the $6,000 or $5,000 level; when you find those kinds of measures—not to mention the Bill before the House to deprive persons receiving Old Age Assistance of $19 a year—and you add them up, the children, the senior citizens and the Public Service pensioners who are being asked to contribute millions of dollars to the Government of Canada only to be redirected in some of the ways that I have already pointed out to pay for the massive deficits on the railway system, and the postal service, then you know that we are in trouble.

Even *The Toronto Star* was forced to write an editorial condemning the Government for its policy with respect to this Bill, Bill C-133. Even *The Toronto Star* has to question the rightfulness of depriving retired federal public servants of a reasonable increase in their pensions.

• (2100)

I would like to direct the attention of the House to exactly what we are doing here and why we are doing it, because I do not think anyone can seriously justify the breach of a contract embedded in this statutory provision—with the condonation of statutory provisions—in the name of restraint when the real effect of the breach of that contract is simply to transfer Government funds from one group of Canadians to another. In more specific terms, I do not see how the Government of Canada could ever justify breaching its contract with retired public servants and taking dollars out of their pockets unless it is part of an over-all, complete program whereby all public expenditures are limited to the same amount.

However, I have said time and time again that we know public expenditures are not being limited in that way. We know that the Government has no intention of decreasing its payments to people, even those in the employ of the Public Service, and we have seen that time and time again.

Let me close by simply saying that we have before us a Bill which, in effect, is a breach of a sacred contract between the Government of Canada and its retired public servants. The breach of that contract could only be justified on the most extreme grounds, and those grounds simply do not exist in this case. The action of the Government is wrong and I do not see how anyone in the House can properly support it.

Some Hon. Members: Hear, hear!

Mr. Rod Murphy (Churchill): Mr. Speaker, I congratulate the Hon. Member for Halifax West (Mr. Crosby) for much of what he had to say in this House. It can truly be said of him that he is one of a few Conservatives who can stand up and attack the Government on this particular Bill, Bill C-133, because he, of course, is one of two Conservatives in the House who have joined with us in opposing the Government's Bill to limit the wages of people working in the Public Service. I congratulate him for his efforts in August and for the speech he just made in the House.

Mr. Berger: You are in good company.

Mr. Murphy: I hope that he has the ability to convince the rest of his colleagues to ensure that they are consistent in their position.

I would like to refer to the Hon. Member for Laurier (Mr. Berger) who spoke in the House. One of the things this Liberal Member discussed was the fact that there were groups in this country who supported the Government's six and five program. He mentioned one group in particular, the Business Council on National Issues, and pointed out that that group did not want mandatory controls and was very concerned that we have only voluntary controls. What he really did not mention was who was in the group and what was its representative nature. That group is composed of chief executive officers and presidents of the largest corporations in this country, and it is involved in a direct and obvious conflict of interest in giving the Government recommendations on this legislation.

Let me refer to some of those people. I do not have a complete list of the BCNI members, but I do have a list of some of the people who have supported the Government's program and I know of some of their wages. If I can refer to an article in *The Financial Post* dated May 15, it lists the salaries and other equivalent remunerations of various people supporting the Government's six and five program and belonging to the BCNI. C. F. Baird, the Chairman of Inco Limited, a company which supports six and five, receives $425,645 a year. D. M. Culver, President of Alcan Aluminum, receives $532,941 a year. Ian D. Sinclair, about whom we have all heard in this House, is almost "Mr. Six and Five" himself. How much does that poor man make for his work on behalf of CP? He receives $556,228 a year. Mr. A. G. de Grandpré, Chairman of Bell Canada, receives $626,000 a year, and J. A. Armstrong, Chairman of Imperial Oil, receives a meagre $736,741 a year.

An Hon. Member: And they are advising the Government.

Mr. Murphy: Therefore, I am not surprised that they gave the Government the advice for the mandatory six and five

program, as well as the program which will affect Civil Service pensioners in this country. They comprise a group which has the most to gain and the least to lose by imposing what are called voluntary controls but what, in fact, are mandatory controls on the Public Service, on those who receive Family Allowances, old age pensions and, through this particular Bill, on those who are retired and receiving Government pensions. The Government Member may wish to quote those people as being ones who support the Bill, and I am certainly glad he did because that is the type of people to whom the Government should not be listening when it comes to a direct conflict of interest.

Let me turn to the person who introduced the Bill in the House today, the President of the Treasury Board (Mr. Gray). He said that before any significant changes were made to the Superannuation Act in the future, there would be full consultation with the workers. However, that is a promise that this same Government has made in the past. Those employed in the Public Service and those who are retired from it were told that they cannot negotiate Public Service pensions. They were told that the Government would not allow them to negotiate outright. It was the Liberal Government, needless to say. However, they were told there would be full consultation with retired people before there were any changes actually relating to superannuation. Therefore, what good was the Liberal promise that there would be future consultations with regard to Public Service pensions in the future?

Mr. Blaikie: What good is any Liberal promise?

Mr. Murphy: My friend, my colleague, the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) just asked, "What good is any Liberal promise?" the Liberals have just reneged on a promise that they made to Civil Service pensioners. The President of the Treasury Board himself promised that he would resign if a Liberal Government could not bring down interest rates. Yet I see him sitting across from me tonight in a Cabinet seat. He, along with many so-called progressive Liberals, had promised that the Liberal Government, if re-elected in the 1980 election, would strengthen the Foreign Investment Review Agency, but, as was mentioned, with regard to the Bowater lay-offs earlier today, that very promise has again been broken by the Government. The Government has not imposed any strengthening of regulations as far as the Foreign Investment Review Agency is concerned. In fact, it is weakening the legislation existing in this country today. A Liberal promise is not worth anything. Today that same Minister rose in the House and announced it was his intention to introduce an amendment at the appropriate time which would somehow recognize the contribution to pension plans of those who have retired so that they would not be receiving a meagre 6 per cent and 5 per cent increases. He said that he would allow increases over the next two years, not amounting to 6 per cent or 5 per cent, but, rather, to 6.5 per cent next year and 5.5 per cent the following year. I do not know what the intent of that amendment is, I do not know if it is to try to buy off some of the Liberal Members who are concerned about the effect that this Bill may have on their electoral possibilities in the next election, but I can tell you that going from 6 per cent to 6.5 per cent, or going from 5 per cent to 5.5 per cent is not going to help many, many pensioners in this country. It is a farce and it is a shame.

• (2110)

I would like to quote, not from Government spokesmen, not from great philosophers or great economists, but from some of the people who are receiving Government pensions at this time. I am reading from the Federal Superannuates National Association, Nova Scotia, Central Branch, a publication of December 1982. Some of their arguments are as follows:

> Our pensions, including indexation, are a form of deferred remuneration and should not be altered at the whim of Government or without prior consultation.

It also said:

> Considering the statements made in the last three issues of the Treasury Board publication, "Your Superannuation Plan", any reduction of full indexation is an outright breach of faith with those already retired.

They go on to say:

> We understand that the Supplementary Retirement Benefits Fund is not sufficient in itself to pay for indexation of pensions, but we are entitled to a share of the excess earnings from the main fund, and if our share of excess earnings was credited to the S.R.B.A. there would be sufficient to pay full indexation.

That same group says:

> When the superannuation plan was introduced, the Government said it would be non-negotiable. However, no changes would be made without consultation. To date there has been no attempt at consultation.

An Hon. Member: The Government does not believe in that.

Mr. Murphy: Those are some of the concerns, some of the positions taken by the people who will be most directly affected by this legislation.

As the Minister knows, I have been trying for over a year now, through a question I placed on the Order Paper, Question No. 3,487, to get details of exactly what is in those plans, relating to money, exactly how that money is invested, exactly what rules the Government is imposing on itself with regards to those funds. I also question whether or not there are windfall profits to the Government by the division in the investment policies followed by the Government, with regard to the two superannuation funds.

To date, over a year later, the Government has not answered that series of questions. They answered the ten questions that were before mine on the Order Paper and the 13 questions that were after mine on the Order Paper; but that question is obviously politically embarassing to Members of the Government, and they are afraid to answer it. Yet that is the kind of information that the public service retirees, Members of Parliament and the public at large are entitled to have before we debate this particular legislation.

An Hon. Member: Right on.

Mr. Murphy: I can tell you that our Party will insist on that information before we let this Bill get through the Miscellaneous Estimates Committee, because that is the information we

and others need to debate this Bill with the intelligence and the knowledge that is necessary. If the Government wants co-operation it had better provide co-operation to Members of all Parties of this House.

Earlier today we heard a number of Conservative Members speak on this Bill. Conservative Members have made a big deal of the fact that they are now taking the same position we are in opposing the Government's six and five regime. However, in what might be called a re-think process or operation by the Conservatives, they keep referring to this as the third of three Bills, the third of a trilogy, with regard to the six and five program. They talk about Bill C-131 which will limit old age pensions; they talk about Bill C-132 which will limit Family Allowances; and they talk about the Bill before us, Bill C-133 which will affect pensions of retired civil servants. But the Conservatives seem to have forgotten that this is not the third of three Bills, this is the fourth of four Bills; and the first Bill in this series was Bill C-124—

An Hon. Member: Which set the stage.

Mr. Murphy: —that set the stage, that announced the Government's basic principle of limiting wages, old age pensions, Family Allowances and the pensions of retired civil servants, to six and five.

When the Conservative Member for Victoria (Mr. McKinnon) was asked about this very point, he said, "Oh, C-124, that was the Bill that controlled the wages of MPs". That is certainly true, but there are 700,000 other Canadians whose wages were limited by Bill C-124, and the Conservatives had better try not to forget that. They had better tell the truth when the rest of their Members speak in this debate, that on the primary Bill on six and five they, as usual, supported the Liberal Government. For them now to say that they are against six and five is pure hypocrisy. The Conservative Party in many ways is like a bunch of streetwalkers.

Some Hon. Members: Shame!

Mr. Murphy: They decide that the best way to increase their take is to work both sides of the street. That is exactly what they are trying to do. They supported six and five one day when Ian Sinclair was down here, but now that the pensioners are concerned, now that those who receive Family Allowances are concerned, now that those who are retired are concerned—oh, my gosh, we are opposed, they say, to this Liberal Bill.

If the Conservatives had opposed Bill C-124, and if they had joined us when we kept this House sitting through June, July and August, then we would not have this legislation in front of us today and the pensioners, those receiving Family Allowances, and those who are about to have their pensions through the superannuation fund de-indexed would not have to fear this legislation, they would have been protected. But the Conservatives stepped back and allowed it to happen.

I remind the Conservatives of some of the things their Leader said. He said, in reaction to the budget of June 28, 1982 which announced the particular six and five regime:

> We are relieved that it—
>
> It is the Government:
>
> —is beginning to accept that Government spending is a major cause of current economic problems . . . it is a step in the right direction.

We are in the fourth step, and now the Conservatives should recognize what is involved in those steps. They should recognize what is involved on the road that they have so gladly walked down.

Earlier today, the Minister referred to the so-called success of the six and five program. We debate that success. We debate whether a program can be called successful as unemployment increases drastically across this country. We wonder if a program can be called successful as layoffs are announced day after day. We wonder if success can be measured in the form of the Government issuing posters, stickers, pamphlets and speaker's notes, and that is all the semi-annual report on the six and five can be called. They are speakers' notes for an election campaign, the only time I ever see stickers, pamphlets, posters and speaker's notes.

• (2120)

What the Government is doing, often with the support of the Conservatives, is running an election campaign against workers, women and children who depend on Family Allowances, and pensioners. It is an election program which becomes very obvious when you consider that Senator Keith Davey is in charge of it. The literature was not prepared by a Cabinet Minister of the bureaucracy, but by the "Chief Electoral Officer" of the Liberal Party of Canada. Those who are being affected by this program had better remember that.

I wish to talk for a few minutes about the effect of this Bill. According to information I have received, as of last month the average annual pension paid to some 90,000 former contributors is about $8,100. In addition, 32,500 persons are paid about $3,200 in survivor benefits. Therefore, the average annual pension paid as of November 1982 was $6,900.

When the Prime Minister (Mr. Trudeau) talks about sacrifice over television, he does not talk about those earning $3,200 or $6,900 a year, nor does he talk about those who make the great amount of $8,000 per year. These are the people who are making the real sacrifice. It is not the Pitfields, Jack Horner and all the other Liberals and Conservatives who are making a bloody rip-off of the Government system. They are protected. Those who earn $3,200 after their spouses die are making the real sacrifice.

What is the effect of this legislation on those people? After two years, those earning $8,100 a year will have lost $1,409. Those who earn $3,200 in pensions would lose $557 a year. The average Public Service pension recipient will lose $1,200 over the next two years. One of the Liberal Members referred to that as a package of cigarettes a day.

An Hon. Member: Half a package.

Mr. Murphy: I do not smoke, but someone earning $8,000 a year on a Government pension will not enjoy hearing a rather rich Liberal Member of Parliament referring to it as just half a package of cigarettes. They used to say, let them eat cake.

I wish to quote another Liberal. Speaking at the 1981 National Pension Conference, the Prime Minister said in his opening remarks:

> Put simply, people must be protected in their retirement years. The Canadian Government has pledged that they will be better protected in the future than they are now . . . Pensions which are not protected against inflation naturally tend to dwindle over the years. People who thought they had purchased protection for the rest of their lives find that they have more serious financial problems the older they become. The unfairness of that situation, particularly when the savings pool to which they have contributed may have been reaping inflationary interest premiums, is not tolerable in a nation which believes in social justice.

The very information I have been trying to get from the Government, to quote the Prime Minister, is whether the Government has been reaping inflationary interest premiums. Is the Government making that kind of windfall profit which he is attacking almost as usury in this speech? If that is the case, how can the Prime Minister allow his Cabinet to introduce this type of legislation? In a letter which the Prime Minister wrote to civil servants a few years back, he said this:

> Indexing does not give pensioners an increasingly larger claim on our economy's production, that is, more money to buy things they could earlier afford. Rather, indexing merely enables pensioners to maintain, roughly, their same standard of living.

The Bill before us is one of many steps the Government is taking to limit the pensions of the very people that the Prime Minister a number of times has said should be protected against inflation. Under the existing pension regulations, those people should not be receiving 6 and 5 per cent increases but, according to the formula which the Government designed, an 11.5 per cent increase next year. They are being robbed of over 5 per cent of the increases they are entitled to under the regulations this Government set down. This is a plan which those workers paid for in the past. It is a plan they are entitled to now and in the future.

We will oppose this legislation. We hope that Liberals who promised to oppose this legislation when they talked to retired public servants in their riding will oppose this legislation in the House. We also hope that the Conservatives will show up in the House to oppose this Government program.

As I mentioned earlier today in the House of Commons, there have been at least five occasions in the last four months, two last Friday and one the Thursday before that, when more Conservative Members of Parliament have been absent for serious votes in this House than the margin by which the Government won. Last Friday 34 Tories stayed away and the Government won by only 28 votes. Those votes were on the Government's intention to limit Family Allowances to 6 and 5 per cent increases. The Tories, as they are doing on this present Bill, got up and spoke against that Bill. They ranted, raved and did all the usual things that Tories are fairly good at, but when it came down to the actual vote in the House of Commons 34 Members of Parliament were absent. With more than one-third of their total caucus absent, the legislation passed by 28 votes. That is ironic.

What is more ironic is that the Conservatives have done the same thing in the House today. The reason we had two votes on Friday is that the Conservatives moved a motion to postpone the vote on Bill C-132, an Act to limit Family Allowances to six and five. And on their own amendment to delay for over six months the vote on the imposition of that important legislation, which they ranted and raved over, the Conservatives did not show. Again, there were 34 Conservatives at home, at quilting bees, attacking their Leader, whatever they were doing, and the Government won that vote by 28 votes.

• (2130)

This legislation would not be before us now if the Conservatives had showed up. We could be in an election campaign. Therefore, let every Tory, from the Leader to those in the backbenches, remember that when it comes to the vote on Bill C-133, the Bill they have been speaking against today, the Bill which they made the same amendment to postpone today, that they had better show up. I do not want to see an attack on the various Liberal Members from Ottawa, from Thunder Bay or from Cape Breton, if the Conservative Members show, through their usual lack of attendance, their lack of concern about the progress of legislation in this House. It is the Tories and not the Liberals who keep the Government in power. That is your warning, Mr. Tory, to show up and finally show your courage to vote against the Liberal Government which is imposing this bloody, stupid legislation on the pensioners of Canada.

Mr. Berger: On a point of order, Mr. Speaker, I wonder if the Hon. Member would entertain a question?

Mr. Murphy: Yes, Mr. Speaker.

Mr. Berger: The Hon. Member referred to the members of the Business Council on National Issues, who, he argued, had a conflict of interest. I would ask him if it is not in the interest of all Canadians to lower the rate of inflation. I think he has addressed himself to that in his speech. Second, is it not true to say that inflation is the biggest redistributor of income to persons who have high incomes and substantial bank deposits?

Mr. Murphy: Mr. Speaker, first of all, there was a conflict of interest because one of the greatest promoters of the six and five program was Ian Sinclair, the head of CP, who, in turn, had this Government legislate the workers of CP into the six and five program. So there was a conflict of interest, and that is one of the problems of listening to that person and that group of people. Second, when we fight inflation, we must make sure that we pick on those who are best able to fight, that we pick on those thousands of Canadians who are paying no income tax at the present time, that we pick on the 700 Canadians who earned more than $100,000 and who paid not one cent in tax in 1979, because those people—

Mr. Sargeant: Make the rich pay.

Mr. Murphy: My colleague, the Hon. Member for Selkirk-Interlake (Mr. Sargeant), said, "Make the rich pay", and he is so right. Those are the people who can afford to pay for the Government's job-creation programs which we hear the Minister of Employment and Immigration (Mr. Axworthy) bragging about. Those are the people who are milking the cream of the profits from this society. Those are the people who should be making the sacrifices, not those whose husbands have died and who are only receiving $3,200.

We are all interested in the fight against inflation. We are all concerned about job creation. But I am sick and tired of Liberal MPs defending the rich, giving tax incentives, tax write-offs and tax reductions, as they did in the November budget, to those at the top, and then calling on the pensioners and those receiving Family Allowances, those who make low incomes in this country, to make the sacrifices. That is the hypocrisy we talked about earlier, and I thank the Hon. Member for his question.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am glad to have a chance to say a few words on Bill C-133. It is interesting to note that some of the Members across the way are making comments tonight that they see no reason to believe that inflation will come down during the next 12 months. Yet, if we look at the inflation rate since the six and five program was introduced on June 28, we would see that the inflation rate for each of the months, July, August and September, was in fact 0.5 per cent which, annually, comes out to exactly 6 per cent. In October it was 0.6 per cent. So it is hovering right around the 6 per cent annual rate which, I believe, is really encouraging and, I am sure, indicates the kind of support that there has been for this program.

I know that the Members in the Opposition do not like to see that much support for the six and five program. They are used to Gallup polls which go in another direction. But, clearly, the public support for the six and five program has been very encouraging, and the results, as far as inflation is concerned, are very encouraging. If we look at the Gallup poll taken I believe in September of this year, some 64 per cent of respondents said that they supported the program, some 67 per cent said they wanted to see the restraint program extended to provincial Governments, and 63 per cent felt the ceiling should also apply to the private sector. Another poll which was conducted by *The Toronto Star* of 200 Metropolitan Toronto residents in August found that 50 per cent of the full-time employed Torontonians were willing to accept a 6 per cent limit on their wage increases. Asked about the extension of federal guidelines to various employee groups, 83 per cent said they should apply to provincial and municipal employees, 75 per cent to employees of large corporations, 74 per cent to construction workers, 71 per cent to the medical profession, and 61 per cent said that they themselves should be governed by the 6 per cent guidelines. This program, of course, is at the federal level and is only compulsory for federal Government civil servants and Crown Corporations representing some 500,000 employees, but it is interesting that when the provincial Premiers came together this summer, although they were not really agreeable to it then, some seven out of the ten provincial Governments now have adopted some kind of restraint program.

Surely, Mr. Speaker, the voluntary approach of the private sector is more desirable than a compulsory approach, because it seems to me that many unions and many collective bargaining agreements which were reached, say, last summer or the previous summer, and are in effect for a period of two or three years, even though they were well beyond the six and five guidelines, the economic circumstances demand and have resulted in a much tighter, more efficient, more productive shop situation.

I have heard recently of a large industry where there have been quite heavy lay-offs, where the demand for their products is not very great, where they have had to bring in tremendous efficiencies, and where previously a shop would have maybe 20 people working in it, they have now honed it down to 12 or 13 workers. In fact, they are putting in place a very austere and restrained work situation even though they have a collective agreement which runs over a three-year period and which is far above the six and five guidelines.

• (2140)

A Member across the way complained that the problem, Mr. Speaker, was really high unemployment and lack of jobs, not inflation. Well, it is both. The six and five program is designed to address both, because not only does it try to reduce inflation to 6 per cent next year and 5 per cent the year after—and it is looking very encouraging in that regard—but the money saved, some $750 million, principally in wages, over that two-year period is being allocated to job creation.

In my own constituency we have been able to announce a number of Canada Community Development Projects, I believe about 40 or 50, resulting in several hundred jobs this coming winter at a cost of over $1 million. That is considerably more than we were able to provide last year, and for an area like mine in northern Ontario where we have high seasonal unemployment, those job creation funds are very much needed and will be very beneficial this coming winter. But that is only one part of the Canada Community Development Project. It has a special feature for native people and for young unemployed Canadians. I am really pleased about that because if you look at the unemployment statistics, they reflect a very high level of unemployment among young people. In addition, there is a fund of $18 million under this Program for native peoples.

Last Friday morning, Mr. Speaker, I had the opportunity to attend a signing ceremony with the Minister of Employment and Immigration (Mr. Axworthy), along with the Ontario Treasurer, Mr. Frank Miller, and the Ontario Minister of Labour, Mr. Russ Ramsay. The agreement signed will put in place some $200 million, the federal share of which, $100 million, is reallocated funds from other sectors of the federal Government. That shows that the over-all thrust of the six and five program is toward restraint in the federal Government, while at the same time reallocating Government funds to

create jobs. I would just point that out to the Hon. Member across the way who said that the concern must be for jobs. Surely, when we are implementing direct employment programs, they should ultimately result in jobs in the private sector. I have a project in my constituency which we have been trying to get going for the last six months or year. It is to create a new shipping terminal to ship aggregates and sand to the United States. The markets are not too great right now, but as we come out of the recession in the next year or so there will be tremendous markets in the U.S. It is those kinds of programs or ventures which we should be putting in place because, after all, it is the private sector which generates the taxes which pay for the social security system we have in this country. So I think it is important that as we go about creating jobs, we create an infrastructure within the private sector which will create long-term jobs. That is really important.

I think it is also important, Mr. Speaker, even though this program is compulsory for MPs and civil servants, that we give leadership. I think the rollback in MPs wages was a good signal to the private sector in that regard. Although it is voluntary in the private sector, the compulsory aspect for federal employees is seen as a clear signal. I think the private sector has been responding in a tremendously positive and creative way, labour as well as management, in an effort to make industry more competitive, more productive and efficient.

I spoke recently with the president of a large corporation who said that whenever they discussed with their employees the idea of more productivity or improving the quality of workmanship, or greater efficiency, their response was pretty negative and along the lines of, well, the company is making lots of money, why should we worry about productivity? Yet during these past six months, when we have really been under the gun for markets, for opportunities for our products, and when everything is so tremendously competitive, that attitude has changed. Labour is saying, yes, how can we make the industry more productive, how can we keep those markets overseas, how can we co-operate and work together? That is one of the benefits of this situation.

There is not a lot that we can do to create new markets overseas, which are so important to a resource-producing area like my own, but we can put in place a very efficient and lean industry, one able to face that kind of competition with wage settlements comparable to those in the U.S. and our other trading partners so that we can have products which will compete in the world market. This Bill before us tonight, Bill C-133, is one part of that effort.

• (2150)

It can be argued that these employees, whether they are former MPs or civil servants, have a contract under which they contributed 1 per cent of their salaries in order to have full indexation—and I understand the Government matched that—and that they should not be restrained in any way. If we look at the over-all picture in the country, old age pensioners and people receiving the Guaranteed Income Supplement who do not have much or perhaps not even any Canada Pension Plan benefit, are restrained to six and five. I was pleased that the President of the Treasury Board (Mr. Gray) indicated that those full contributions, that 1 per cent from the employee and 1 per cent from the employer, would be passed on and that the only thing that would be restrained, in effect, was that part of the indexation which comes directly from the Consolidated Revenue Fund.

Surely if we are successful in reducing inflation—and the first four months of the program are very encouraging in that regard in many sectors of the economy such as food, transportation, housing and so on—and if we get it down close to 6 or 7 per cent in 1983, then the pensioner who would be affected by the Bill would only be so affected to a minimum degree. We hope that the restraint on inflation will continue and that it will come down to 5 per cent in the following years.

The cost of energy has had the effect of pushing inflation up in the past few years. It is interesting that a couple of weeks ago the Minister of Energy, Mines and Resources (Mr. Chrétien) announced that next year's increase will be minimal, and that the compensation fund increases will be reduced. That will compensate for the increases coming as a result of the Canada-Alberta Agreement.

When the six and five program was announced in late June, many senior citizens receiving the Guaranteed Income Supplement and Old Age Security—not pensioners who would be affected by this Bill—spoke out and said they wanted to play their part. If we all play our part in trying to reduce inflation to 6 per cent next year, then people receiving 6 per cent or 6.5 per cent as indicated in the Bill, will suffer considerably less than they might have otherwise.

Those are a few thoughts that I think should be placed on the record, Mr. Speaker. The six and five program is designed to restrain benefits to federal civil servants and, as well, to create employment for this coming winter. It will probably be the worst winter since the 1930s as far as unemployment is concerned. Industries that are still operating and producing jobs have tended to tighten their belts and employ a minimum of staff.

I think we have to work together, the private sector, Government and industry, and use all the tools available to us. Whether it is the new program for employment and economic development to create jobs in the private sector or the program to create employment for forestry workers, there must be a coming together of all forces at all levels of Government.

During the past three or four months we have seen great co-operation between the private sector, municipal Governments and provincial Governments, not only to create jobs through the funds being made available by the six and five program, but to do worthwhile things in the community. The six and five program has been successful in giving people an objective to work toward rather than demanding high amounts of money at a time when the economy simply cannot afford it. I think there is an opportunity through the program to create jobs, to limit

our expectations and to prepare for the opportunities which will be there when we come out of this recession later in the decade.

I think we should support this program. The inflation rate is coming down, interest rates are coming down and there is the prospect for greater growth next year. At the same time, funds are being generated which can be used for job creation. After all, this is one of the main challenges we face in the coming year.

Mr. Gordon Taylor (Bow River): Mr. Speaker, I want to make it very clear from the beginning that I do not support this Bill. For a moment or two I want to deal with some of the comments of the Hon. Member for Churchill (Mr. Murphy). As long as he was speaking about Bill C-133, I thought his arguments were rational and good, but he spent a considerable portion of his time speaking on Bill C-124. During the course of his remarks he said that Members of the Progressive Conservative Party had supported the reduction of indexes for old age pensioners, for child welfare and for superannuates when they supported Bill C-124. That is what he said. I see the NDP Members nodding their heads.

An Hon. Member: Shaking their heads.

Mr. Taylor: I want to set the record straight. I have Bill C-124 in my hand, Mr. Speaker. It is entitled, an Act respecting compensation in the public sector of Canada. Nowhere does it mention Child Tax Credits; nowhere does it mention a reduction of indexes for old age pensioners; nowhere in the Bill does it mention a reduction of indexes for superannuates.

How could the Hon. Member for Churchill say what he did in the House today? How could he tell the people of Canada something that is not true? We did not support Bill C-133 when we voted for Bill C-124. We did not support Bill C-131 when we voted for Bill C-124. We did not support Bill C-132 when we voted for Bill C-124. What we did support was a reduction in our own salaries. We should set an example by taking a reduction. I would have supported a much greater reduction. The NDP opposed that. They voted against the Bill, and they should put that in their pipe and smoke it.

Bill C-124 states that it applies to employees of the various Departments, the staffs of Ministers, directors of corporations, to persons appointed by the Governor in Council, to Canadian Pacific and subsidiaries. Clause 9 of the Bill says that, "Every compensation plan for employees to whom this part applies shall be deemed to include a provision to the effect—".

• (2200)

Then we turn to the Schedule. I challenge Hon. Members of the New Democratic Party to show me where one of these Bills is in the Schedule. Schedule I refers to the Department of Agriculture and other various Departments. Schedule I deals with all Departments; in fact there are pages of them. Schedule II includes Air Canada, Canada Deposit Insurance Corporation, the Canadian Cultural Property Export Review Board, and these types of things.

May I call it ten o'clock, but before doing so I want to say that the NDP was completely wrong when it said that we supported these other three Bills. We did not.

Some Hon. Members: Hear, hear!

Mr. Taylor: We supported reduction for those who could afford reduction, not for those who could not afford it.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

LABOUR CONDITIONS—AIR CANADA LAY-OFFS—APPLICATION OF EARLY RETIREMENT POLICY TO MACHINISTS. (B) REQUEST THAT MEDIATOR BE APPOINTED

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, this afternoon I directed a question to the Minister of Transport (Mr. Pepin) regarding the International Association of Machinists and Aerospace Workers of Air Canada being informed that 585 employees of that group will be laid off. I asked whether the Minister would inquire as to why Air Canada is not willing to apply its voluntary separation program to the machinists and aerospace workers, as it is doing to management personnel and employees of other bargaining units in the Air Canada family.

The Minister of Transport answered by indicating that in the case of management people the separation was a permanent one, and that they were not subject to recall or the protection of collective agreements. He also indicated that in the case of machinists they were subject to recall and were protected by collective agreements in terms of pensions.

The Minister said that the cases of the management people and the machinists were quite different. Why then was Air Canada prepared at one time to offer machinists the same basic program, although not nearly as beneficial to machinists as the one it offered management?

I should also like to point out that under the presidency of Claude Taylor, Air Canada has become one of the most efficient and well-managed airlines in the world. But serious labour problems have arisen in Air Canada with the proposed lay-off of 585 machinists. I hope Mr. Taylor will personally intervene and work toward a satisfactory solution, as has been the case with other Air Canada groups.

Also, Air Canada could be violating Sections 7 and 10 of the Canadian Human Rights Act by not treating all employee groups in the same manner. I am prepared to file a claim with the Canadian Human Rights Commission if this situation is not corrected. I hope I do not have to take those steps.

The International Association of Machinists is distributing cards across Canada which read:

As an Air Canada worker, my wages are being controlled under the six and five program. That's for the good of the country, so I'm told.

Now, Air Canada is threatening me with lay-off if I don't concede some of my existing benefits. That's JOB BLACKMAIL.

At the same time, the Company is offering a $21 million "Golden Handshake" deal to its management personnel. That's downright discrimination.

The Air Canada voluntary separation program is an early retirement program designed selectively to trim management staff with a minimum of hardship for the employee. On August 30, 1982, Air Canada offered a voluntary separation program to its existing management staff levels due to economic conditions. This program will cost approximately $21 million, to be paid from the company's operating fund.

Meanwhile, on September 7, 1982, the union met with Air Canada to discuss the company's plan with regard to staff reductions of the International Association of Machinists across Canada. The company indicated that the total machinists group would be reduced by approximately 518 people. At that time the position taken by the union was to extend to the International Association of Machinists the voluntary separation program being offered to all management personnel. The company's reaction was that this was out of the question.

• (2205)

On September 24, 1982, Air Canada discussed with the union the possibility of the voluntary separation program for the International Association of Machinists but presented to them a substantially reduced program than the one being offered to management. The cost of including the IAM members in such a program would be approximately $3 million, and the union would have to make concessions for an equivalent $3 million to offset this program, which does not even compare to the benefits being offered to management. This could be a violation of Section 7 and Section 10 of the Canadian Human Rights Act. The company is voluntarily spending $21 million for management apparently, with no strings attached.

In a letter to the Minister of Labour (Mr. Caccia) dated September 24, 1982, from Air Canada, it was stated that layoffs from the International Association of Machinists would total 585 employees, not 518 as originally assumed. In the meantime, employees of other bargaining units in the Air Canada family have obtained the voluntary separation program.

On September 30, 1982, the company informed the union that if it is ready to accept certain concessions the company's committee would try to get approval for a voluntary separation program. On October 8, 1982, the union informed the company that it was willing to submit to its members the company's offer for ratification. The company replied that the offer no longer existed. On October 19, 1982, a letter was sent to the Minister of Transport requesting assistance. Just recently an acknowledgement has been received, but it was not a satisfactory one.

The International Association of Machinists feels that with a voluntary separation plan, similar to what management personnel is receiving, the number of machinists who will be laid off effective January 3, 1983, and April, 1983, could be substantially reduced from the 585 total, therefore easing the burden on unemployment insurance.

I hope the Parliamentary Secretary will inform us tonight that the Government will intervene and try to get the two parties together. Let us try to come up with the same voluntary plan and the same satisfactory solution for the machinists as Air Canada has been providing to management personnel and other groups within Air Canada.

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Mr. Speaker, one of the tasks I take very seriously in Parliament is my role as Chairman of the Helsinki Parliamentary Group on Human Rights. If an individual Canadian or a certain group of Canadians were being discriminated against, as the Hon. Member charges, I would be the first Member in this House to fight for the protection of their rights.

Let us look at some of the facts surrounding the charges against Air Canada made by the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie).

Air Canada is using almost 15 per cent more manpower today to accomplish the same workload it performed five years ago. To remain competitive, it must reduce its scale of operations to match the traffic available. Faced with the prospect of lay-offs, Air Canada has examined and proposed various alternative ways of achieving the necessary cost reductions. For example, Air Canada pilots were offered, and overwhelmingly accepted, a five per cent reduction in flying time, which roughly corresponds to a 5 per cent cut in pay. I congratulate the pilots on their wisdom and co-operation in helping to solve a real problem.

The International Association of Machinists and aerospace workers, to which the Hon. Member referred, were offered the comprehensive package which included worksharing, leaves of absence and a voluntary separation settlement. I emphasize that the machinists were offered a form of voluntary separation settlement. Granted, it was not the same as that offered to management, and rightly so, because the union is protected by the security of the collective agreement, whereas a laid-off management employee is permanently separated from the company. The International Association of Machinists rejected the comprehensive package. This is regretted by Air Canada and by the Government as this package would have allowed Air Canada to retain many, if not all, of the employees without seniority which it is now being forced to lay off. However, those lay-offs are entirely within the terms of the collective agreement.

• (2210)

Laid off employees and contract groups generally remain employees of the company, retain certain rights and are guaranteed return to their jobs when work becomes available.

In my view, this can hardly be described as discrimination against a certain group of employees, as unfairly charged by the Hon. Member for Winnipeg-Assiniboine.

Mr. McKenzie: I will file a complaint with the Commissioner against you.

MINES AND MINING—UNION RECOMMENDATIONS ON STOCKPILING. (B) RESTORATION OF COMPETITIVE ADVANTAGE

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, on November 1, as reported at page 20232 of *Hansard,* I raised questions of the Minister of State for Mines (Mrs. Erola) and the Minister of State for International Trade (Mr. Regan) with regard to the very seriously deteriorated state of Canada's mineral industry.

Canada's mining industry produces some $10 billion of net benefits to Canada's gross national product and balance of payments because a large proportion of our minerals produced is exported, in excess of 80 per cent. As we have seen in the past year, most of Canada's major mining companies have had to exercise substantial lay-offs amounting to lost employment for thousands of mine workers across Canada, and in resource communities in particular, which depend heavily on mining operations as the mainstay of their economies. I am thinking of the asbestos mining industry of Quebec, the iron ore industry of Labrador, Northern Ontario and Quebec, the nickel industry in the Sudbury area, the uranium industry, the potash industry and the lead and zinc industries, as well as the mining activities in the Yukon, the Northwest Territories and British Columbia.

The questions really focused on determining whether or not the Ministers responsible had come to recognize the tragic deterioration of Canada's competitive position in international markets. To consider the nickel industry alone, for a moment, it is now known that there are some 25 other competing nations producing nickel, while in 1950 Canada was one of the world's three leading nickel producers. We have now developed a major industry in Sudbury, primarily represented by Inco and Falconbridge, which employ in excess of 15,000 workers, but that industry is only active to the extent of 38 per cent of its capacity. In fact, the world nickel industry is only performing at 57 per cent of total capacity.

The question I asked the Ministers was whether or not they had addressed this serious problem and had some solutions to offer. It has been recognized for some time that this problem did not just occur during the last 12 months. As pointed out in a brief to the Government earlier this year from the British Columbia and Yukon Chamber of Mines, Canada's share of metal mining markets has been in a state of decline for the past ten to 15 years. In fact, statistically speaking, we have seen our share of the world nickel market, for example, reduced from 75.7 per cent in 1950 to only 25 per cent in 1980. The Chamber of Mines, in identifying this problem, singled out the Minister of State for Mines and her policy discussion paper released last March, which totally failed to address this problem of Canada's deteriorating competitiveness and the world market situation. The brief states:

> Ignoring the decline in Canadian mineral production and independent studies that are critical of past federal policies has reduced the credibility of the Mineral Policy Discussion Paper. This deficiency must be corrected at once before it affects discussions with the provincial governments.

I would like to state some of the reasons Canada's competitive position has failed so miserably.

• (2215)

First of all, one of our most important customers for mineral resources is the United States of America which purchased more than 50 per cent of Canada's non-fuel mineral exports in 1980. The anti-American policies of this Government, both in terms of defence and security, but more particularly as represented by the National Energy Program, and our anti-investment policies with respect to foreign and American investment, have had a very detrimental impact on our potential for sales of minerals to the American market.

I want to point out, in case the Parliamentary Secretary is concerned, that the B.C. and Yukon Chamber of Mines say that it is not the current slump in the international marketplace that is at fault, but the vicious and deteriorating problem that has been developing over many years which cannot be ascribed to the current economic downturn.

In addition to the anti-American policies have been the anti-investment policies and the tendency to protectionism of the present Government which has driven away many Japanese purchasers of minerals. If we do not want to purchase cars built in Japan, they have less desire to buy our coal. They have therefore cut back on their coal imports by 30 per cent in the past year. They are buying less lead and zinc, therefore Cyprus Anvil and the northern mines are going down. They are buying less iron ore, and therefore the iron ore industry of northern Quebec is in trouble.

What I am saying in a nutshell is that the anti-investment policies, the discriminatory and volatile tax policies of this Government, the high energy taxation and the lack of regard for our important trading partners are at the heart of this serious dilemma. I would be pleased to see what response the Government members have to offer to this very serious problem which is affecting thousands and thousands of mine workers across Canada.

Mr. Dave Dingwall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, in response to the Hon. Member's concern, I must say that we on this side of the House are also very concerned about the situation.

The Hon. Member raises the question of stockpiling nickel, as did the Steelworkers Union in Sudbury last week when they met with the Leader of the Conservative Party of Canada. The Right Hon. Leader of the Opposition (Mr. Clark) described the proposition of stockpiling as "intriguing" and that his Party will "seriously examine it." He said, and I quote, "it makes sense". Serious examination will show that nickel is only one of our metals experiencing a world slump in prices; so

also is copper, zinc, lead, silver and iron ore, just to name a few.

With the exception of cement, Canada exports the major portion of its mining output, and must accept world market prices. Stockpiling not only upsets this world market even more, it is outrageously expensive. When markets recover it is very difficult to dispose of stockpiles.

Estimates have been made on a case-by-case basis of the costs of bringing operations that are temporarily closed back into production, but time does not allow a detailed examination of those here. Let it suffice to say that for a nickel stockpiling program alone, which would stockpile the difference between the amount of nickel produced in Canada in 1982, and 1981, which were not banner years for that industry, it would cost the Canadian taxpayers about half a billion dollars, using a nickel price which would only cover the producer's operating costs. This does not include those mines still open, but operating at a loss, who might also want assistance, particularly as their losses would be aggravated by the depressing effect of increased inventories. That is not to say that this Government does not care about the people in the Sudbury basin.

The Hon. Minister of Energy, Mines and Resources (Mr. Chrétien) has been meeting regularly with all levels of Governments, with the unions and the companies, to come up with some creative solutions to this very disturbing unemployment situation. It ought to be mentioned that the Minister of State for Mines (Mrs. Erola) has been actively pursuing creative solutions to rectify a very, very difficult situation caused primarily by a world economic recession.

• (2220)

ATOMIC ENERGY OF CANADA LIMITED FUTURE OF NOVA SCOTIA HEAVY WATER PLANTS. (B) POLICY ON SALES TO INDIA

Mr. Howard Crosby (Halifax West): Mr. Speaker, let me begin my remarks by pointing out to the House that Atomic Energy of Canada Limited operates in the Province of Nova Scotia two heavy water plants respectively located at Glace Bay and at Port Hswkesbury in the Strait of Canso. These two heavy water plants have been in operation for several years and employ jointly over 700 persons directly, and probably another 2,000 persons indirectly. Therefore, any cessation of the operation of these heavy water plants would result in a loss of jobs in the area of 3,000 persons in the Cape Breton area of Nova Scotia.

I would point out that that area of Cape Breton now has an unemployment rate of approximately 19.5 per cent. There is no question that if the operation of these heavy water plants in Cape Breton was endangered and if they were to cease operation, there would be a very serious problem created on top of the existing serious unemployment problem in the Island of Cape Breton which would affect the economy of the whole of Nova Scotia.

With that in mind, on November 3, 1982 I rose in the House of Commons and asked the Minister of Energy, Mines and Resources (Mr. Chrétien), and subsequently the Prime Minister (Mr. Trudeau), what action might be taken to ensure the continued operation of these heavy water plants by Atomic Energy of Canada Limited. On that day I was not successful in obtaining a clear and careful answer to my inquiry. Although the Minister of Energy, Mines and Resources did indicate there was a serious problem with the marketing of the Candu reactor both in domestic and international terms and the failure to sell Candu reactors domestically and internationally would mean there was no market for the heavy water to fuel these plants.

Given the problem with the Candu reactor program, in that it has been unsuccessful, I still want to ask the Government what it proposes to do in the face of this horrendous problem in Cape Breton Island and across the Province of Nova Scotia. What in a word is the solution?

I do not believe, and I am sure my colleague from Cape Breton-East Richmond (Mr. Dingwall) does not believe the economy of Cape Breton and Nova Scotia can withstand this tremendous amount of unemployment which, beyond the persons immediately affected, would have a disastrous effect on the operation of the power plants that are related to the operation of the heavy water plants at Glace Bay and Port Hawkesbury. In addition, there is a vast amount of coal produced in connection with these operations that would be left without a market, as well as the effect on the miners who engage in that operation.

In search of a solution the employees of the heavy water plants have made the suggestion that the Government should consider the construction of three 600-megawatt Candu reactors in Canada to be related to other energy projects. They point out in graphic terms that this could be of great assistance to the energy industry across Canada because the reactors could be used to fuel and assist broader energy projects.

Those employees of the heavy water plants pointed out in very clear terms that the economic activity generated by the operation of the heavy water plants is a very serious concern because they pump a vast amount of money into the economy. In fact, it was indicated by Atomic Energy of Canada that the cost to that organization of operating the heavy water plants is in excess of $120 million per year.

One wonders what the obligation is of the Government of Canada in this situation. Let me refer to a remark by the Prime Minister made in June of this year when the unemployment rate had risen to 10.8 per cent. He said it is scaring hell out of the people. We now have an unemployment rate two points higher and the Prime Minister is saying that the worst times can be the best. That is the word from the Prime Minister of Canada to the working people of Glace Bay and of the Strait of Canso, that the worst times can be the best. We want more than words of that kind from the Prime Minister of Canada. The people need action, concrete proposals to meet those problems.

• (2225)

The Government ought to consider the suggestion made by the workers in heavy water plants, and determine whether the

construction of reactors cannot be accomplished across Canada and elsewhere in the world. The Government must review its plans and its programs and ensure the sale of these reactors to provide for the continuation of these heavy water plants, because if it does not, not only will the workers involved come upon economic disaster, but probably the whole Island of Cape Breton will experience an economic disaster, if it is not already in that situation at present.

I hope the Minister of Energy, Mines and Resources will give a little more thought and consideration to this problem than he has in the past, that he will not content himself with the indication he gave to the parliamentary committee on November 23 when he simply said he had a proposal to close the heavy water plant and unless something happened, which he did not indicate he intended to make happen, he would have to abide by the recommendation of Atomic Energy and close the heavy water plant.

Mr. Dave Dingwall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, in response to the concerns raised by the Hon. Member, I wish to inform him that we, on this side, do not need to take any direction from him, or his Party, about how we should be sensitive to those workers in Glace Bay and Port Hawkesbury. I should point out to the Hon. Member that the Minister of Energy, Mines and Resources (Mr. Chrétien), as well as the Deputy Prime Minister and Secretary of State for External Affairs (Mr. MacEachen), met with the unions involved at both Glace Bay and Port Hawkesbury and explained the situation to them. The problem we have to focus our attention on is twofold, both domestic and international. There are no foreseeable sales for Candu reactors within Canada or, indeed, on the international market.

What is more appalling, Mr. Speaker, is the hypocrisy of the Conservative Party of Canada. We have the Conservative Member for Halifax West (Mr. Crosby), a "Crosby", unlike his colleague, the Hon. Member for St. John's West (Mr. Crosbie), or his colleague, the Hon. Member for Vancouver Quadra (Mr. Clarke), or his colleague, the Hon. Member for Saskatoon West (Mr. Hnatyshyn), who each want those two heavy water plants closed.

Of course, the New Democratic Party is no better, including the Hon. Member for Winnipeg North (Mr. Orlikow). The NDP Convention of 1980 passed a resolution which in effect said, "close both those heavy water plants." Therefore, I find it somewhat despicable that the Hon. Member would come to this Chamber and put forward the case, if you will, that somehow he is concerned about the workers in those areas. It does not add up. On the one hand you have the Conservative Party arguing that the plants ought to be closed. On the other hand you have a member from Halifax, who is probably a leadership candidate provincially, trying to say to the workers in that area that he is very concerned about them.

I assure the Hon. Member that everything possible is being done to maintain the existence of the two heavy water plants in Glace Bay and Port Hawkesbury, both internationally and domestically. But he ought to know and appreciate that we are in a worldwide economic recession and individuals are not buying the Candu reactor. Therefore, I suggest very politely and respectfully that the Hon. Member's hypocrisy is second to none, other than that, of course, of the Leader of the Opposition (Mr. Clark) and those three Conservative Members who have said time and time again that the heavy water plants ought to close. We don't need that kind of debate in the House of Commons by the Hon. Member from Halifax. Thank you.

The Acting Speaker (Mr. Blaker): The Chair will reserve the right of Hon. Members present or absent to invoke their rights tomorrow as they may see fit with respect to the word "hypocrisy".

It being 10.30 p.m. I do now leave the chair until two o'clock tomorrow afternoon.

At 10.30 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, December 7, 1982

The House met at 2 p.m.

• (1405)

[*Translation*]

AUDITOR GENERAL'S REPORT

TABLING OF REPORT FOR FISCAL YEAR ENDED MARCH 31, 1982

Madam Speaker: I have the honour to lay upon the table the Report of the Auditor General of Canada to the House of Commons for the fiscal year ended March 31, 1982.

I would remind Hon. Members that, pursuant to Standing Order 65(1)(q), this report is deemed permanently referred to the Standing Committee on Public Accounts.

MOTIONS UNDER S.O. 43

[*English*]

ENVIRONMENTAL AFFAIRS

CHEMICAL POLLUTION OF NIAGARA RIVER-LAKE ONTARIO BASIN

Mr. Joe Reid (St. Catharines): Madam Speaker, I rise on a matter of urgent and pressing necessity. Recent reports indicate that the flow of chemical contaminants into the Niagara River-Lake Ontario basin is now such that municipalities using these waters are urged to consider the development of emergency alternative sources of water supply. I therefore move, seconded by the Hon. Member for Parry Sound-Muskoka (Mr. Darling):

That the Government of Canada, through its Department of the Environment, directly intervene in the present court proceedings already initiated and requiring immediate remedial measures to be taken with respect to the S-Area dump, the major source of this contamination.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

SEARCH AND RESCUE

SATELLITE COVERAGE OF WEST COAST AND FAR NORTH

Mr. Dave Nickerson (Western Arctic): Madam Speaker, whereas the SARSAT emergency location system, which uses satellite pinpointing of ELT equipped aircraft or vessels, has already been credited with the saving of several lives, besides reducing search and rescue costs, I move, seconded by the Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen):

That the Department of National Defence be mandated to extend SARSAT coverage to the West Coast and the Far North by establishing additional ground receiving stations.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

TRADE

OBSERVANCE OF ANTI-BOYCOTT POLICY BY GOVERNMENT AGENCIES

Mr. David Orlikow (Winnipeg North): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. It was recently revealed that the Canadian Dairy Commission wilfully broke Government rules forbidding Government agencies to support the Arab boycott of Israeli goods and services. The Canadian Dairy Commission admits having entered into agreements that clearly accepted the principle of the Arab blacklist against Israel, in order to get contracts from Libya. Inasmuch as the action of the Canadian Dairy Commission violates both the letter and spirit of the Government's own guidelines, declared first in 1976 and put into regulations in 1977, and inasmuch as the move by CDC is even more deceitful by its attempt to use an intermediary business, I move, seconded by the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie):

That this House urges the Government to take action to ensure that its anti-boycott policy is respected by all Government agencies, Departments and Crown corporations.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

S.O. 43

STATUS OF WOMEN

SUPREME COURT RULING ON NON-FAMILY ASSETS

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, I rise under Standing Order 43 to move the following motion. On December 6, 1982, the Supreme Court of Canada ruled that, in the event of marriage breakdown, a woman who has worked outside the home during some, or all of the period of the marriage, is entitled to a share of non-family assets, but that a woman whose work has been solely in the home can receive no such benefits. Therefore I move, seconded by the Hon. Member for Parry Sound-Muskoka (Mr. Darling):

That this House urge that all legislatures and courts develop, administer or interpret family law in such a way that the woman who works in the home is not discriminated against, as she is in this most recent ruling of the Supreme Court of Canada with regard to non-family assets.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

SHIPBUILDING

DEMAND FOR INTRODUCTION OF GOVERNMENT POLICY

Hon. J. Robert Howie (York-Sunbury): Madam Speaker, I rise under the provisions of Standing Order 43. Whereas the Canadian shipbuilding industry in a period of decreased world demand is faced with increased competition from subsidized foreign shipyards, with resulting widespread unemployment in the shipbuilding and marine communities in Canada, I move, seconded by the Hon. Member for Fundy-Royal (Mr. Corbett):

That the Government be directed to bring in its shipbuilding policy now, and that such policy contain tax incentives for building, buying and leasing Canadian built and registered ships to enable Canadian shipyards and ship operators to compete in world markets, and further be directed to bring in a policy that requires that vessels for resource exploration and transportation in the Canadian Arctic be built in Canada.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

• (1410)

ADMINISTRATION OF JUSTICE

SUPPORT FOR ADEQUATE MANPOWER RESOURCES

Mr. Gordon Towers (Red Deer): Madam Speaker, I rise under Standing Order 43 to bring to the attention of this House of Commons the alarming rise in the rate of criminal activity related to break-ins, robberies, and other crimes of violence, as a result of the severe economic recession into which Canada has drifted. I therefore move, seconded by the Hon. Member for Fundy-Royal (Mr. Corbett):

That the Government give police forces the required manpower and support staff to control criminal activity adequately and that the highest priority be granted to staving off lay-offs and cutbacks in positions involved with public safety by the wise use of job creation of job-retention funding programs.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

MUNICIPAL AFFAIRS

FUNDING FOR CAPITAL WORKS

Mr. Bill Yurko (Edmonton East): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Yesterday the Minister of Finance (Mr. Lalonde) stated that municipalities across Canada should initiate and undertake capital works programs by borrowing on the capital market. To encourage such action without imposing any immediate revenue requirements on the federal Government, I move, seconded by the Hon. Member for Red Deer (Mr. Towers):

That the Government bring forth legislation immediately to permit municipalities to issue tax-free bonds to raise capital for needed municipal capital works projects and thus generate jobs.

Such a policy would use tomorrow's potential federal Government tax dollars to create jobs today.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

POLITICAL PARTIES

NEW DEMOCRATIC PARTY POSITION ON PROSTITUTION

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, in view of the fact that yesterday the Justice critic of the New Democratic Party, the Hon. Member for Burnaby (Mr. Robinson), stated on the "Jack Webster Show" that the official position of his Party is to legalize prostitution and license brothels in certain areas of the city, and in view of the fact that the NDP have only recently acquired an interest in the endeavours of the small business person, I move, seconded by the Hon. Member for Cariboo-Chilcotin (Mr. Greenaway):

That when the Member for Burnaby returns from his wanderings in Washington, D.C., this House call upon him to explain whether his Party also favours government grants and loans to assist those wishing to open businesses in human flesh; whether subsidies will be made available to those of less fortunate means who would like to but cannot afford to ensure the viability of the businesses, and whether his Party proposes to amend the Income Tax Act to make such business transactions tax-deductible expenses.

Some Hon. Members: Oh, oh!

* * *

STATUS OF WOMEN

SUPREME COURT DECISION IN LEATHERDALE CASE

Ms. Lynn McDonald (Broadview-Greenwood): Madam Speaker, I rise under the provisions of Standing Order 43. Whereas the highest court in the land yesterday announced its decision in the Leatherdale case, to the effect that the only value a woman brings to her marriage is the monetary value of her wages or salary earned, I move, seconded by the Hon. Member for Beaches (Mr. Young):

That this House express its profound regret for this decision, especially for its failure to recognize the contribution of Canadian women to the family in raising children.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

SUPPLEMENTARY RETIREMENT BENEFITS ACT

POSITION OF CERTAIN LIBERAL PARTY BACKBENCHERS

Mr. Sid Parker (Kootenay East-Revelstoke): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that several backbench Liberals recently said they would vote against Bill C-133 because it would cut the pensions of retired Public Servants, and in view of the fact that several of those Members changed their minds when the Government offered to reduce that pension cut by a chintzy one-half of 1 per cent, I move, seconded by the Hon. Member for Prince Albert (Mr. Hovdebo):

That this House express its disappointment that these backbench Liberals, in changing their minds and accepting the half a per cent solution, have betrayed thousands of retired Public Servants and condemned many of them to lives below the poverty line.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

• (1415)

THE ADMINISTRATION

EXECUTIVE REMUNERATION

Mr. Howard Crosby (Halifax West): Madam Speaker, the Government's six and five program creates a law for the rich and a law for the poor in that public servants and pensioners, children and senior citizens, are deprived of statutory benefits granted by Parliament, while an executive like Michael Pitfield is given a substantial retroactive pay increase and unearned pension benefits which could cost over $1 million. Other Government executives are given similar benefits. I move, seconded by the Hon. Member for Dartmouth-Halifax East (Mr. Forrestall):

That this House condemn the Prime Minister of Canada and his Government for robbing poor Canadians to reward rich friends like Michael Pitfield, Joel Bell, Pierre Juneau, Maurice Strong, Jack Horner, Donald Macdonald, and on, and on and on.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

EUROPEAN MANAGEMENT FORUM REPORT

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is directed to the Minister of Finance, who must have noticed the report coming from the European Management Forum which reviewed the records of 22 countries and found that Canada, in terms of business confidence within Canada, ranked 12 out of 22, compared to other nations. In terms of innovative forward orientation, Canada ranked 16. In terms of outward orientation with the rest of the world, Canada ranked 17. Would the Minister of Finance indicate, bearing in mind that his Party has been in power in Canada for 19 of the past 20 years, what has gone wrong in this country?

[*And the Hon. Member for Nunatsiaq having taken his seat:*]

Some Hon. Members: Hear, hear!

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I apologize for the interruption in the answer to the Hon. Member, but it was a worth-while interruption since we are welcoming, on the Government side, the presence of the Hon. Member for Nunatsiaq (Mr. Ittinuar). I would say that if there are Members as good on the Opposition side, we would

be happy to consider their candidacy, not the Hon. Member from Edmonton who is smiling over there, but some others.

Some Hon. Members: Oh, oh!

Mr. Lalonde: Madam Speaker, the study to which the Hon. Member refers is one that includes a number of very subjective criteria. The ones he has indicated, for instance, are indeed in that category of very suggestive criteria which are very difficult for anyone to evaluate in a scientific way. I would like to remind the Hon. Member, however, that, over all, that agency has come to the conclusion that, of all the countries analysed, Canada ranks number six in the world. It is not a bad performance, I would suggest to the Hon. Member, taking into account that we are in competition with all the other industrialized countries in the world, that Canada could stand up in that regard compared to other industrialized countries.

If the Hon. Member wishes to have supplementaries, I could go into some of the points he has mentioned and draw to his attention that this Government in the last year has taken a number of steps, for instance, having to do with research and development, which indicate quite clearly that we are attaching a lot more importance to this whole issue of innovation, and we look forward to making sure that the Canadian economy is going to be one of the most progressive in the world. We are determined to make sure that the Canadian economy is going to remain in the vanguard of industrial progress in the world.

INDUSTRIAL TRENDS

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my supplementary is directed to the Minister of Finance. To be specific, in *The Globe and Mail* this morning it was reported that:

> Manufacturers reported lower orders and further cutbacks in both production and jobs in November. The Conference Board of Canada states that production was down again in the third quarter. Canadian farm prices are reported to be dropping still. The slump in the steel industry has prompted the Dominion Bond Rating Service to lower the rating of two steel companies in Canada, and Canadian pulp producers continue to take a beating.

• (1420)

In view of this continuing industrial slump, has the Minister given any consideration to reversing the move made in the November, 1981, budget which called for a lower depreciation allowance for industry, a move which has cost, this year and last, Canadian industry $2 billion in money grabbed by Ottawa?

Hon. Marc Lalonde (Minister of Finance): First of all, Madam Speaker, I would dispute some of the statements made by the Hon. Member. Indeed, the situation is serious, the recession is quite serious, but as the Conference Board report to which he alludes indicates, there are also some encouraging signs. For instance, the Conference Board is estimating that there will be 156,000 housing starts next year. They also note a significant decline in the inflation rate, and forecast a moderate recovery in the U.S. as well as Canada. That will have a significant impact on all the industries that the Hon. Member has referred to, particularly the steel and forest industries, to mention only two of them.

The specific measure that he is referring to is one that has been carefully examined and studied. We have come to the conclusion that the depreciation rate in Canada compares favourably with that found in most of our competitors, and that the solution is to try to create an environment for general economic recovery, rather than making small adjustments here and there on specific items having to do with the tax system. We have made a number of adjustments but, as far as the capital cost allowance is concerned, I have indicated that the decision has been to keep the proposal in the November budget.

SMALL BUSINESS BOND PROGRAM

Hon. Sinclair Stevens (York-Peel): Madam Speaker, let me try the same Minister again, who apparently has no wish to help business in Canada create needed jobs.

In the November, 1981 budget, the small business bonds were changed so that they would only be available to small businesses in financial difficulty. In view of the fact that small businesses have now been caught in a Catch 22 situation where they apply to a bank and the bank says, "Are you in financial difficulty?" If they say yes, the bank says, "We do not want to make a loan to you." In short, there is no further sizeable activity in small-business bonds at the bank level.

Will the Minister change this, bearing in mind we have lost almost 600,000 jobs in this country in the past year, a rate of job loss running at 1,900 Canadians per day thrown out of work because of the misdirected policies of the Government?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I would have to point out to the Hon. Member that the business community in general has not passed the same judgment as he has about the measures we have announced in this House since last October. As a matter of fact there has been quite a lot of support for the decisions announced by the Government since that time, and particularly since the six and five program contained in the budget of last June.

• (1425)

As far as the small business sector is concerned, I would remind the Hon. Member that we have made a change, for instance to the 12.5 per cent tax on dividend provision whereby that tax is not going to apply to past dividends but will apply only in the future. This is going to be of significant benefit to the small business sector.

We have decided not to proceed at the present time with the wholesale tax. This is going to be of great benefit to the small business sector which was very concerned about the implementation of this proposal at this particular time.

Finally, the significant interest rate reduction program that we have for small business is still in operation, and a large

number of small businesses are benefiting from these measures.

I should like to point out, Madam Speaker, that over the last few months we have succeeded, through the co-operation of all sectors, in reducing inflation. This has also allowed us to reduce interest rates by over 5 per cent for the entire business sector. That is what is important in the sense of creating a favourable environment for further investment. Everyone is now able to borrow at a much cheaper cost than they were able to a few months ago.

* * *

SHIPBUILDING

DECLINE IN EMPLOYMENT—PRODUCTION OF GOVERNMENT REVIEW POLICY

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, my question is for the Minister of Industry, Trade and Commerce. The Minister will know that at the end of last March there were 18,000 shipbuilding jobs in the country, and at the end of October there were less than 12,000 jobs, and that this is a serious problem. The contracts are drying up fast and the bottom of the well is in sight.

While the Minister's Department has been lollygagging over releasing the shipbuilding review policy, and while the Minister has been doing the same thing for the past two and a half years, $1.1 billion worth of domestic shipbuilding has gone to foreign markets.

My question is the same one that I put to the Minister of State for Economic Development last week, to which he was unable to give an answer. When is that policy coming forward and what encouragement will it contain for unemployed shipbuilding workers?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, as I indicated in the House the other day in answer to a question from a colleague of the Hon. Member, we spent a great deal of time last summer and fall on the shipbuilding policy and we hope to make an announcement shortly. Even while that policy was being discussed, several contracts were landed by Canadian firms with the assistance of the Government of Canada. As I think I indicated to the Hon. Member several weeks ago, the Saint John shipyard landed a $100 million plus contract for a semi-submersible drilling rig. The company was assisted in that, to a large degree, by the Government of Canada.

CONSTRUCTION OF FISHING TRAWLERS

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, my supplementary question is for the same Minister who apparently did not hear my original question too well. I asked him what is going to be included in that shipbuilding review. I will give him a little help. Will it contain provisions that will alter, for instance, current policies of the Department of Fisheries and Oceans regarding the purchase of trawlers offshore in foreign markets for use in the fishing industry in the Atlantic provinces? Or, on the other hand, will it espouse policies such as those recommended by the Hon. Member for Saint John, that the private sector must start stockpiling unusable vessels like so many sticks in the lumberyard, before the Government is prepared to step in and take an interest in the plight of unemployed shipyard workers?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, when the policy is announced by the Government of Canada the Hon. Member will be one of the first to see what it will encompass in the shipbuilding industry.

* * *

AUDITOR GENERAL'S REPORT

REFLECTION OF GOVERNMENT LIABILITIES

Mr. Doug Anguish (The Battlefords-Meadow Lake): Madam Speaker, my questions relate to the Auditor General's Report, tabled today. My first question to the Minister of Finance is one that I put to him on October 29 regarding the Public Accounts of Canada.

The Auditor General again points out the very serious situation that has arisen because of the Government not having its books in order. Some $14.5 billion in statutory appropriations are not recorded, international development assistance loans have been overvalued by $3.9 billion, and the total understated liability of the Government of Canada is shown as $17.9 billion. If any business or individual submitted an income tax return on the basis of books kept as the Government of Canada keeps its books, they would be nailed for income tax evasion.

I would like to know what the Government is going to do to put the books of the country in order so that they will fairly reflect our financial situation.

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I answered this question some time ago, and my answer still stands. It is a complex issue on which there is a division of opinion. Different accountants have different points of view on the matter. Perhaps the Hon. Member would care to note that not all the assets belonging to the Government of Canada are calculated either. For instance, what value would he put on our national parks such as Banff or Jasper or to go even further, how would he calculate the value of the Yukon and Northwest Territories, which belong to the Government of Canada? What value would he put on offshore resources? There is no evaluation being done of these assets, and it is something the books do not show either. So once again, it is a technical and a complex issue which is still being debated by the accounting profession.

• (1430)

[*English*]

Mr. Anguish: Madam Speaker, I was hoping the Minister would have answered the question.

ACCOUNTABILITY OF CROWN CORPORATIONS

Mr. Doug Anguish (The Battlefords-Meadow Lake): Madam Speaker, my supplementary question is directed to the President of the Treasury Board. One of the main thrusts of the Auditor General's report concerned Crown corporations and their lack of accountability. Earlier some $25 million was advanced to CN Marine for the purchase of a new ferry. This money was put in a trust account in the name of the shipbuilding company, and some $163,000 has been withdrawn from the account for the shipbuilding company. Is this a practice which would be condoned by Treasury Board?

Hon. Herb Gray (President of the Treasury Board): Madam Speaker, I have not yet had a chance to study the report in depth. I will be consulting with my colleague, the Minister of Transport, about it. With respect to the Hon. Member's question regarding Crown corporations, as he knows, the Government presented a Bill to the House designed to create a stronger accountability and responsibility framework respecting Crown corporations. Certainly I hope that before too long we will be able to make progress in considering this matter. It is certainly my desire and that of the Government to have an improved and stronger framework of responsibility and accountability with respect to Crown corporations.

DEPARTMENTS' PEAK SPENDING MONTH

Mr. Doug Anguish (The Battlefords-Meadow Lake): Madam Speaker, again my question is directed to the President of the Treasury Board. Something which the Auditor General also pointed out in his report was that the peak spending month for every year in Government was the month of March. In fact some months it doubles other months in which the Government makes expenditures. It is certainly a time when many Government Departments spend off the fat within their Departments or their agencies. Would the Minister take a very serious look at this? Instead of robbing old age pensioners, would he take a look at carving some of the fat from departmental budgets which is very obvious by the peak spending in the month of March?

Hon. Herb Gray (President of the Treasury Board): Madam Speaker, I reject completely the premise of the Hon. Member's question with respect to robbing pensioners. There is nothing of the kind in anything we are doing. At the same time I will certainly study the views of the Auditor General with respect to peak spending, as the Hon. Member alleges, in the month of March. I hope when we have examined it that my hon. friend will not rise and complain that any spending we are reducing is for programs he is seeking.

NATIONAL SECURITY

CASE OF CANADIAN PROFESSOR—CLAIM OF IMMUNITY FROM PROSECUTION

Mr. Chris Speyer (Cambridge): Madam Speaker, my question is directed to the Solicitor General. This morning in the Old Bailey the spy, Hugh Hambleton, was convicted and sentenced to ten years' imprisonment. In making representations as to sentence his counsel stipulated that full disclosures of his activity had been made to the RCMP and that he had been granted immunity from prosecution. This was not disputed by the prosecutor, and it was taken into consideration by the trial judge.

In addition, his defence counsel brandished a letter to the court, said that it contained the promise of immunity from prosecution, and said that he had been requested not to file the letter as an exhibit at the trial. Who was the author of that letter? What information did it contain? How does the Minister reconcile any of this with his statement in the House that, "I can assure this House that no deal was made with Hambleton"?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, I have no personal knowledge of the existence of such a letter or of its contents.

Some Hon. Members: Oh, oh!

Mr. Kaplan: I can assure the Hon. Member that no letter was sent by me or any official on my behalf, offering immunity. I explained to the House exactly what the circumstances were under which the RCMP informed Mr. Hambleton that there would be no prosecution, the basis of confidence that was established, the information that was obtained on the basis of that confidence, and what was done with it. I have verified with the Security Service Officials that they would have been prepared to go back to the Department of Justice and put a case to them again, if at any time subsequently evidence was developed which would have supported the laying of charges against Hambleton in Canada.

I remind the Hon. Member that when evidence is taken from an individual, without any caution being given to him, after he has been informed that no charges will be laid against him, it would be very difficult for that evidence alone to be brought forward in a court, and that the opinion of the experienced investigators of the Security Service was that some independent other evidence would have been required before they could go back to Justice and present a case again.

Mr. Speyer: I say through you, Madam Speaker, to the Minister that the reality is that a parking meter violator or a shoplifter is treated in a far harsher fashion than our spies.

Some Hon. Members: Hear, hear!

[*Editor's Note: At 2.35 p.m. the lighting in the Chamber failed.*]

Madam Speaker: Order, please. If I may have the indulgence of the House, perhaps we could wait a while so that I can find out what is the cause of the problem.

An Hon. Member: We are in the dark anyway.

Mr. McKnight: Stick around, Pierre, and you will see the light.

Madam Speaker: I am just finding out whether the lights can be activated right away. Otherwise we shall probably have to suspend the sitting for a while.

[*At 2.40 p.m. the lighting resumed in the Chamber.*]

AVAILABILITY OF INFORMATION

Mr. Chris Speyer (Cambridge): Madam Speaker, it is impossible for anyone to believe that some type of deal, that some type of immunity, would not be granted for this spy to tell everything concerning the information he had. In light of catching Hambleton red-handed in November, 1979, with the most sophisticated type of Soviet-made espionage equipment, and in light of the fact that we knew he had been a spy for 30 years, did the Minister or the Security Service know that documents which were important to NATO were being passed to the Soviet Union or whether we were aware prior to the prosecution in Great Britain that the highest grade of intelligence, namely "Cosmic" classified documents, were passed to the prosecution? What information did we not have that the British had in order to enable them to prosecute Hambleton?

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, this question appears to be directed at the information which was in the hands of the Attorney General at the time the decision was made on April 25, 1980, not to prosecute. Perhaps I might draw to the attention of the House that the first count in the trial just completed in London, on which Mr. Hambleton was convicted, was one of communicating to a Russian agent top secret, secret, and confidential material belonging to the North Atlantic Treaty Organization. I can inform the House that at the time the decision was made by the Attorney General there was no information of this kind concerning Mr. Hambleton's passing information of this type.

• (1440)

Mr. Speyer: What about the second count?

ACTIVITIES IN CANADA AFTER 1961

Hon. Erik Nielsen (Yukon): Madam Speaker, my supplementary question is directed to the Minister of Justice. The first count concerned offences which were committed between 1956 and 1961. I am sure that the Minister has informed himself as to the elements of the second count which was withdrawn.

Can the Minister say whether his Department is considering recommending the laying of charges with respect to offences committed subsequent to 1961, and especially within Canada?

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, in case my previous words were not sufficiently clear, I can confirm that there was no evidence before us of transmission of NATO secrets at any time.

With respect to other evidence which may have been revealed at the trial in London, one of our senior Justice prosecutorial officials has been at the trial and I am looking forward to consulting with him on his return as to whether the interest of Canada is further involved in any way in this matter.

POSSIBLE LAYING OF CHARGES

Hon. Erik Nielsen (Yukon): Madam Speaker, with respect to the possibility of offences having been committed subsequent to 1961, will the Minister be discussing with his representative, upon his return from Great Britain, the possibility that those offences were committed, quite apart from supplying NATO secrets, but offences of any kind, against the Official Secrets Act? If found to exist, will his Department be considering the laying of charges against Mr. Hambleton?

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, I would not want to prejudge the result of our inquiries, so I think that it is best to say that we do not know the evidence at this point which was presented in the United Kingdom. In fact some of it was presented in secret and may not be available to us. I certainly will consult with my official on his return to attempt to ascertain whether the interest of Canada is further involved.

* * *

AUTOMOTIVE INDUSTRY

IMPORTATION OF VEHICLES MANUFACTURED IN JAPAN

Mr. Derek Blackburn (Brant): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce. In view of the fact that Statistics Canada reported today that both exports and imports in the automotive industry are at an all-time low, in view of the fact that an Ontario report states that the automobile industry is in dire straits and that the auto pact is no longer effective and may, indeed, be obsolete, and in view of the fact that Japan now has 27 per cent of the automobile sales market in Canada, which makes us the third largest consuming nation of Japanese cars, what will the Minister do to force the Japanese to come to a quota, to cut back on imports, or to ensure that Japanese cars are sourced in Canada because of the thousands of Canadian workers who are unemployed and the many thousands who will never go back to work?

Hon. Gerald Regan (Minister of State (International Trade)): Madam Speaker, of course the Hon. Member touches on a very difficult subject. It is the question of the incursion of Japanese motor cars into what had been considered the traditional Canadian market. I believe the Hon. Member will

recognize that sales of all types of motor cars have fallen off as a consequence of the downturn in the economy and as a consequence of energy costs as well.

However, the question of the number of vehicles being imported into this country from Japan is a matter of discussion between Japanese officials and our officials. As well, representations in relation to the utilization of parts from Canadian parts manufacturers in Japanese cars is another very topical and, in my view, important subject.

* * *

MINES AND MINING

REQUEST THAT GOVERNMENT CONSIDER STOCKPILING PROGRAM

Mr. Dan Heap (Spadina): Madam Speaker, my question is directed to the Minister of State for Mines. As the Hon. Minister already knows, the city of Sudbury, which already has 28.5 per cent of its work force unemployed, learned today that another 1,050 workers who were scheduled to go back to work in April will never be recalled.

In an international struggle to secure larger shares of the world market, Canadian workers are the primary victims as their jobs disappear with Canada's declining share of the market. In order to halt this devastation of the Canadian industry and the lives of workers in communities like Sudbury, if the Minister will not consider taking Inco and Falconbridge into public ownership, will she consider a proposal to provide price support or stockpiling incentives to Canadian producers until world prices begin to recover, in the long-term interest of securing our markets in the world and jobs for our workers in Canada?

Hon. Judy Erola (Minister of State (Mines)): Madam Speaker, the answer is no. I would suggest to the Hon. Member that he consult with the Leader of the New Democratic Party, because it was the Leader of the New Democratic Party who said he would have to consider very carefully all proposals, and was leery of endorsing a stockpiling program.

* * *

AUDITOR GENERAL'S REPORT

ACCOUNTABILITY OF CROWN CORPORATIONS—NECESSITY FOR LEGISLATION

Mr. Bill Clarke (Vancouver Quadra): Madam Speaker, my question is directed to the President of the Treasury Board. The Auditor General's Report, which was tabled today, complains of a lack of accountability in the more than 300 Crown Corporations. He refers to them as a sub-government which employs 263,000 people and spends $33 billion. Six years after the Auditor General reported weak and ineffective financial management and control, and in spite of recommendations by the Public Accounts Committee, which is an all-party committee controlled by Government Members, the Auditor General now reports that, "The legislative framework urgently required is still not in place."

Where is the proper Crown Corporation legislation, and when will it be debated? I hope the Minister will not use Bill C-123 as an example, because that Bill was introduced over five months ago. It is an omnibus bill and has not had one word of debate in the House.

Hon. Herb Gray (President of the Treasury Board): Madam Speaker, Bill C-123 does contain an important section which is designed to address concerns on both sides of the House over the need for a stronger framework of accountability with respect to Crown Corporations. I am informed by my colleague, the House Leader, that he has been holding discussions with House Leaders of Opposition Parties about the possibility of dividing Bill C-123 so that the portion with respect to Government reorganization and the portion with respect to Crown Corporations could be debated separately. I hope that the Government House Leader and his colleagues will soon reach a mutually acceptable understanding on proceeding with this matter at an early date.

Mr. Clarke: The Minister's predecessor and the Auditor General know very well that even that part of Bill C-123 does not address the problems described by the Auditor General.

DEBATE ON LEGISLATIVE MEASURES

Mr. Bill Clarke (Vancouver Quadra): Madam Speaker, what we need is legislation that will deal correctly and properly with classification, the comprehensive audit, the appointment of auditors, and the duties and reporting abilities of auditors of Crown Corporations. When will we get those measures?

Hon. Herb Gray (President of the Treasury Board): Madam Speaker, I do not necessarily agree with my hon. friend that Bill C-123 does not address these issues, particularly when one looks also at the accompanying policy directive. At the same time, we can certainly consider the very useful recommendations of the Auditor General further and in depth when we are ready to proceed with discussion of the Crown Corporation section of Bill C-123. I hope that there will be an early mutually satisfactory conclusion to the discussions between House Leaders on this matter so that we can soon turn our attention to it.

* * *

ENVIRONMENTAL AFFAIRS

CHEMICAL POLLUTION OF LAKE ONTARIO-NIAGARA RIVER BASIN

Mr. Joe Reid (St. Catharines): Madam Speaker, my question is directed to the Minister of the Environment. The Minister will know that there was a very recent discouraging report issued by the New York State Department of Health, stating that contamination by toxic chemicals in the Lake

Ontario-Niagara River basin is increasing rather than decreasing. The Minister's own departmental officials say that more is escaping now than was anticipated. Dr. Becking of the Department of National Health and Welfare stated, "Canadian water treatment plants are not equipped to remove toxic chemicals from drinking water". Some of those toxic chemicals are deadly.

• (1450)

My question, and that of the four million Canadians who are using this as a source of water supply is: has the time not yet come for an emergency summit meeting and the establishment of an international task force, rather than leaving it to the Province of Ontario to fight the battles of this international waterway?

Hon. John Roberts (Minister of the Environment): Madam Speaker, the Hon. Member is mistaken if he thinks we are simply leaving this question to the Province of Ontario. This is a matter of very grave concern to us, although the information I received from my officials is that there is no danger to water supply in the situation.

We have raised this matter on a variety of occasions, as the Hon. Member knows. I think there are court actions under way. We have been of great assistance to those who wish to intervene in the court cases to present their concerns. We are undertaking extensive studies and making great efforts in conjunction with the Department of National Health and Welfare to monitor and assess the situation. It is a matter of very great concern to us and we are pursuing every possible method in our attempt to ensure that the situation is properly assessed and remedied.

REPRESENTATIONS MADE TO UNITED STATES AUTHORITIES

Mr. Joe Reid (St. Catharines): Madam Speaker, my supplementary question is directed to the same Minister. We know that what the departmental officials have done has been helpful, but it has had little impact. I would ask the Minister, is it not better to stop those chemicals from reaching the water supply we are now discussing? The Minister's officials know there has been a contamination of the bedrock structure along the Niagara River. He also knows that, since 1978, the faulty Niagara Falls, New York, system has been discharging contaminated water, raw sewage containing chemicals, into the Niagara River. Since the Minister has been saying that the federal Government is taking some action, will he table the representations which have been made in writing by either himself or the Department of External Affairs? If nothing more can be done, then what is the purpose and the effect of the 1978 Great Lakes Water Quality Treatment Agreement?

Hon. John Roberts (Minister of the Environment): Madam Speaker, the Hon. Member is correct. We would very much like to have those contaminated wastes removed by digging them up and having them destroyed. However, they are within the jurisdiction of the Government of the United States, as he has indicated. Therefore, we have been making continual representations of the most vigorous sort to have that situation remedied in the direction which he has described.

The Hon. Member has also raised a question involving the Niagara Falls sewage treatment plant, and our extremely vigorous representations have been very effective in leading the U.S. administration to unfreeze funds to be directed toward placing the Niagara Falls, New York, sewage treatment plant into a proper remedial state. There has been action flowing as a result of the kinds of representations we have made to the American authorities.

I would be quite happy to make available to the Hon. Member all the representations that I can. It may very well be a case that, in terms of the diplomatic exchanges between our two governments on this matter, those are matters of a confidential nature which cannot be treated in the way which he has described. However, it is certainly my interest to ensure that he is as aware as I hope Hon. Members are generally of the very strong representations that we have made in the past and will continue to make to American authorities with regard to this matter.

* * *

FINANCE

ENERGY TAXES PAID BY FARMERS

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, in the absence of the Minister of Agriculture my question is directed to the Minister of Finance. The Minister will know that net farm income is projected to be down 15 per cent in 1982 and that farm bankruptcies are up by 65 per cent this year. Since the Liberal Government took office in 1980, farmers have been required to pay $300 million in additional revenue to the federal Government due to increased energy taxes, particularly on gas and diesel fuels. Is the Minister aware of the impact of these additional charges? Is he aware that the Minister of Agriculture made an election promise of an energy tax rebate and, if so, what is he prepared to do about it?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I am aware of the impact of energy price increases, not only on farmers but on all Canadian citizens. I would remind the Hon. Member, who I know is aware of the situation, that the price we are paying for oil in Canada is cheaper than in any other industrialized country in the world. We had to adjust gradually to higher prices, in order to get closer to the world price. My hon. colleague will recall that his own party wanted to impose the full world price on farmers. Thanks to the agreement we were able to negotiate with the Province of Alberta, we are now paying only 75 per cent of the world price for oil discovered before 1981. So the present price of oil provides protection for all consumers, including farmers.

[*English*]

Mr. Gurbin: I think that what is at issue here, regardless of all the rhetoric about the difference in pricing regimes, involves Liberal promises. The Minister would not want to mislead the House, but he is clearly wrong on statements he has made. The issue here involves Liberal promises of cheap gas and energy rebates. Those are the basic questions.

APPLICATION OF FARM EQUIPMENT PURCHASE TAX CREDIT

Mr. G. M. Gurbin (Bruce-Grey): My supplementary question, which is also directed to the Minister of Finance, concerns the very specific proposal which has been made by the Canadian Federation of Farm Implement Dealers. This proposal, which is for his consideration as Minister of Finance, is that the investment tax credit which can now be applied toward the purchase of new farm equipment also apply to the purchase of used farm equipment. This would help not only farmers but also implement dealers who are as severely affected as the agricultural sector. Will the Minister of Finance consider this proposal and ensure that it is implemented in his next budget?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, we promised to introduce an oil and gas pricing system that would be cheaper than the one proposed by the Progressive Conservative Government of 1979-80, and we have kept this promise. Today, prices paid by the Canadian consumer for oil and natural gas are still substantially lower than the levels projected by the Progressive Conservative Government of 1979-80. In this respect, we have kept our word, despite what the Hon. Member just said.

As for his suggestion, I have indicated that I would be pleased to receive suggestions from any Members of this House for my next budget. I am taking this suggestion as a proposal to be considered when the next budget comes up, and I shall give it my attention.

* * *

[*English*]

MINES AND MINING

COMINCO LAY-OFFS—USE OF COMPANY HOUSING

Mr. Jim Manly (Cowichan-Malahat-The Islands): Madam Speaker, my question, which is directed to the Minister of State for Mines, involves the 600 workers to be laid off on January 2 by Cominco at its lead/zinc mine at Pine Point in the Northwest Territories. What action will the Minister take to ensure that the three-quarters of the workers who reside in company housing can remain there at reduced rents for the duration of the lay-off, as was the case during the lay-offs at Faro and Schefferville? Will the Minister implement regulations requiring this kind of consideration for workers laid off in remote, single industry towns, to help keep families and communities together?

Hon. Judy Erola (Minister of State (Mines)): Yes, Madam Speaker, I can inform the Hon. Member that we will make every possible effort to work with the company to see that the workers can remain in their homes. At this moment, I would like to remind the Hon. Member that the Cominco lay-off will be a temporary one.

* * *

AGRICULTURE

FORECAST OF NET FARM INCOME

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, my question is directed to the Minister of Finance in the absence of the Minister of Agriculture. Over the last day or so, the Outlook Conference for Agriculture has been taking place in Ottawa. We find that net farm income for 1983 is projected to be $3.7 billion, about the same as it was in 1974. Since those dollars in 1983 will buy between 40 per cent and 50 per cent of what they would buy in 1974, farmers are, in effect, facing a halving of their net income in eight years. What policies have been prepared by the Government to offset this violent decline in farm income? How will the Government turn this situation around?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, as the Hon. Member is aware, the Canadian economy is not alone in this respect. The economies of all industrialized countries and in fact, the entire world economy is going through a very severe crisis. All sectors, including the manufacturing sector and the mining sector, to name one of our primary resource sectors, have been substantially affected. Business profits are much lower than they were in the past, and unfortunately, not a single sector of the Canadian economy seems to have escaped the international crisis the world is going through today. So the solution is not to try and find some kind of arrangement for a specific sector, but to stimulate the entire economy so that all sectors will be able to benefit. That is why our goal is to reduce the rate of inflation and with it our interest rates, thus making it easier for various sectors to borrow and invest, and I hope that farmers will also be among those who will benefit.

As for the specific situation in the agricultural sector, the Hon. Member is aware that thanks to efforts by the Canadian Government, we have had record sales abroad this year. Our farmers will benefit even if prices are low, and at least we have succeeded in expanding our foreign markets and selling all the products we produce here in Canada. These efforts will be continued. The Minister of Agriculture has tabled in the House some very important legislation, namely the Canagrex Bill, and I hope that we can count on the support of the Opposition to expedite passage of this Bill.

• (1500)

[*English*]

NATIONAL SECURITY

CASE OF CANADIAN PROFESSOR—REPORTED OFFER OF IMMUNITY

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I wish to direct a supplementary question to the Solicitor General. The Solicitor General earlier today, if I heard him correctly, and I believe I did, said he had no personal knowledge of a deal that might have been made with the convicted spy, Hugh Hambleton.

As reported at page 21118 of *Hansard*, on November 30 the Solicitor General said that after Hambleton had been told that no Canadian charges would be laid:

> On the basis of having been given that information he agreed to co-operate with the Security Service and produced considerable additional information—

In other words, he was told there would be no charges. After he was told, he provided the additional information. How, having said that on November 30, can the Minister now stand up in this House of Commons and claim that he had no personal knowledge of a deal?

While I am on my feet, the Minister said he would not comment on this matter while it was before the Old Bailey. It has now been decided in Britain. Will he make a full statement on motions in this House of Commons indicating to the Parliament of Canada exactly what are the facts as known now and as known earlier to the Government of Canada, so that we may judge whether the Government of Canada carried out its responsibilities in this case.

Some Hon. Members: Hear, hear!

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, I meant in my first answer to make it very clear that there is no letter offering an immunity. I said I had no personal knowledge of that letter but I verified with those who might have sent such a letter on my behalf, or on anybody's behalf, and can assure the House that there is no letter offering an immunity. I have no idea what Mr. Hambleton has in that envelope. I am as interested as the Members opposite to know, but I can assure you it is not a letter from me or from anyone on behalf of the Government offering him an immunity.

As to the deal, I think it very important to understand that what the Security Service told Mr. Hambleton was not that the Department of Justice had decided that he would not be prosecuted, but that the Department of Justice had come to the conclusion that he could not be prosecuted because there was insufficient evidence.

Where a deal is created, one side furnishes consideration and the other side furnishes consideration. That was not the arrangement here because, having revealed, as the Security Service was authorized by the Minister of Justice to do, that a prosecution could not be brought because it would not succeed, they asked Mr. Hambleton if he would give them further information and he agreed to do it.

Why would Mr. Hambleton do such a thing that could work out to be against his interest? Why did he go to Britain? These are questions that are very difficult for someone to understand, without knowing Mr. Hambleton. I cannot help the House in understanding, for example, why, after being told of the reception he would receive in Great Britain, he would nevertheless decide to go to Britain. Why, when the Security Service was still interested in prosecuting him, if they could get admissible evidence, he would willingly, having been told simply that he could not be prosecuted on the basis of the evidence that they had—

Miss MacDonald: Peter Treu was.

An Hon. Member: He is a spy.

Mr. Kaplan: —why he would willingly give further evidence. He is not an easy person to understand—

Miss MacDonald: That is incredible.

Mr. Kaplan: —and I cannot help the Members opposite in understanding him any better.

REQUEST THAT MINISTER MAKE STATEMENT TO HOUSE

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, the Minister himself has used the word "deal". That is his language; he just used the word "deal". He is nodding his head to show that he agrees with that interpretation.

Some Hon. Members: No deal.

Mr. Clark: We will read *Hansard*. The Minister referred to the deal, and he indicated that, after an assurance was given that prosecution would not or could not proceed, Hambleton then took certain actions, as a consequence of that undertaking being given by the Government of Canada.

My question is simple. Will the Solicitor General give us an undertaking now that he will make a full statement to this House of Commons so that we can judge for ourselves what parts of Mr. Hambleton's situation are understandable to this House of Commons, so that we can make that judgment and not be held back by the confusion of the Solicitor General. Will he make the information available to Parliament?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, I have given forthright answers to the questions that I have been asked today. I am prepared to answer other questions that I am asked to the greatest extent possible, but I would like to remind Hon. Members that the KGB must very well now be doing a damage assessment on this matter, trying to see exactly what the Security Service has learned, what information the Security Service and other friendly Security Services now have about their operations, from Mr. Hambleton and from the information that he has given. I would ask

the Hon. Members not to invite me or push me too far to assist the KGB in making that assessment.

Some Hon. Members: Oh, oh!

Mr. Epp: They do not trust you, Bob.

PARLIAMENT'S RIGHT TO KNOW

Right Hon. Joe Clark (Leader of the Opposition): We have to give the Minister some credit for imagination. First, he was hiding behind the courts of Great Britain. Now he is hiding behind the KGB.

Some Hon. Members: Hear, hear!

Mr. Clark: This House of Commons has a right to know what deals were made by the Government of Canada with a Canadian citizen, a Canadian resident who has just been convicted of spying by courts in the United Kingdom. Will the Minister give a complete statement on motions to this House of Commons?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, when the Hon. Member says that the House has a right to know what deals, I have answered that question. I have indicated that there were no deals.

Miss MacDonald: That is not what you said before.

Mr. Kaplan: I have explained the basis on which Mr. Hambleton gave his information, and I would also remind the House that that information was shared with the British Security Service—

Miss MacDonald: You said there was a deal.

Mr. Kaplan: —with MI-5, and it was an important contributing factor to the investigation and the prosecution which took place in Great Britain.

I am prepared to answer other questions that were asked to the greatest extent possible to assist the House in understanding fully the circumstances under which the Security Service dealt with Mr. Hambleton; the basis on which decisions were made by the Department of Justice; advice given by the Minister of Justice; but beyond that I do not know how I could be more forthcoming about it.

* * *

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table reports of the Clerk of Petitions stating that he has examined the petitions presented by Hon. Members on Monday, December 6, 1982 and found that the petitions meet the requirements of the Standing Order as to form.

POINT OF ORDER

MR. MURPHY—S.O. 43 MOTION

Mr. Rod Murphy (Churchill): Madam Speaker, I wish to raise a point of Order on a statement you made in the House yesterday. Yesterday I was raising a motion under Standing Order 43 with regard to large numbers of Conservative Members being absent on a number of occasions. On each of those occasions a large number of Conservatives were absent, thereby allowing the Liberal Government to stay in power. You ruled that—

Madam Speaker: Order, please. Precisely, that statement I made in the House yesterday was a ruling. Therefore, the Hon. Member should know that he may not comment on a ruling. That ruling is quite consistent with rulings made by my predecessors and I maintain that ruling; and I would ask the Hon. Member not to comment on it.

• (1510)

ROUTINE PROCEEDINGS

[*English*]

INCOME TAX

AMENDMENTS TO STATUTE LAW

Hon. Paul J. Cosgrove (for the Minister of Finance), pursuant to Standing Order 60(11), moved for leave to introduce Bill C-139, an Act to amend the statute law relating to income tax (No. 2).

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,083 and 4,370.

[*Text*]

POSTAL BOXES

Question No. 4,083—**Mr. Herbert:**

What is the approximate average cost of a letter-size postal delivery box as installed in Post Office lobbies and what is the average life of such postal boxes?

Mr. David Berger (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): I am informed by the Canada Post Corporation as follows: average cost: $9.50 each, average life: 20 to 50 years of service.

STRAIT OF GEORGIA—ANCHORAGE FOR FOREIGN VESSELS

Question No. 4,370—**Mr. Manly:**

1. How many designated anchoring places for foreign vessels are in the Strait of Georgia and adjoining channels?

2. Are foreign vessels anchored in these areas allowed to practise (a) chipping (b) maintenance (c) lightering (d) flushing?

3. In (a) 1979 (b) 1980 (c) 1981 (d) 1982, how many charges under the Canada Shipping Act and other pollution-related Acts were laid against foreign vessels anchored in the Strait of Georgia and adjoining channels?

4. What is the role of the Coast Guard with respect to the enforcement of regulations under the Canada Shipping Act?

5. How many persons are involved in the enforcement of these regulations in British Columbia waters?

6. For (a) 1979 (b) 1980 (c) 1981 (d) 1982, what was the average length of time that foreign vessels stayed in designated anchoring places in British Columbia waters?

7. Are crews of foreign vessels allowed to come ashore to dig clams and, if so, what are the regulations governing this and other fishing activities of foreign crews?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Employment and Immigration, Fisheries and Oceans, National Revenue and Transport Canada as follows:

1. There are no anchorage areas specifically designated by regulation in the Strait of Georgia and adjoining channels, except for anchorage areas designated by the National Harbours Board within port areas under its jurisdiction. There is one area in which vessels are prohibited from anchoring except with the permission of the Minister, that is the area designated by the Parry Bay Anchorage Regulations. There are 28 anchoring places designated by the National Harbours Board within Vancouver Harbour and four off Nanaimo Harbour.

There are at least eight other areas which are not officially designated but are commonly used for anchoring; such as Houston Passage, Cowichan Bay, Ladysmith Harbour, Trincomali Channel, Pylades Channel, Plumper Sound, Squamish Chemainus. Other suitable anchorages may also be used by ships at their discretion.

2. (a), (b) and (d) Chipping, maintenance and flushing are not restricted except that the vessel must not contravene the provisions of the Garbage Pollution Prevention Regulations or the Oil Pollution Prevention Regulations.

(c) Foreign vessels would be permitted to lighter cargo from designated anchorage points direct to authorized customs ports, provided such were the continuation of an international voyage and all applicable customs reporting and control requirements were met.

3. The charges laid under the Oil Pollution Prevention Regulations against foreign ships in the Strait of Georgia are as follows:

Year	Reported Incidents	Prosecutions Initiated
(a) 1979	5	2
(b) 1980	4	3
(c) 1981	3	2
(d) 1982 (to date)	1	0

4. The Canadian Coast Guard enforces regulations made under the Canada Shipping Act by inspection and certification where required. Certain regulations may also be enforced by peace officers, and by Harbour Masters. Any person may "lay an information" under these regulations.

5. In British Columbia, the Coast Guard has 39 Ship Safety officers and 75 Vessel Traffic Management officers involved with enforcing regulations. Additional Transport Canada and Communications Canada personnel are involved with the enforcement of the Ship Station Radio Regulations.

6. Vessels may anchor for a matter of minutes or may be at anchor under exceptional circumstances for months, therefore it is impossible to establish a meaningful "average length of time". Typically vessels remain at anchor from three to seven days, (probably closer to three days).

7. Crew members of foreign fishing vessels authorized to enter the Ports of Vancouver or Victoria must be customs cleared before disembarking on Canadian soil and are entitled to the same rights and privileges as any non-resident visitor. Crew members of foreign vessels are required by the Immigration Regulations, 1978, as amended, to obtain Employment Authorizations (work permits) if they are intending to engage in any commercial fishing operation, including the digging of clams, while in Canadian waters. Such authorizations would be issued only where it could be established that the employment of Canadian citizens or permanent residents would not be adversely affected by the activities of such crew members. If the individual is clam digging for personal consumption (not for sale or barter) a licence is not required. However, he must abide by regulations relative to catch limits, closed times, etc.

If the foreign fishing vessel is anchored in an isolated area along the coast, departmental policy, in the form of a condition of the licence issued to a foreign fishing vessel, is that crew members are not permitted ashore in accordance with Customs and Immigration regulations. Therefore, clam digging would not be permitted. Crew members of foreign vessels, other than fishing vessels, may sport fish subject to their taking out a sport fish licence. Regulations governing other fishing activities of foreign crews are the Coastal Fisheries Protection Regulations and the Foreign Vessel Fishing Regulations.

[*English*]

Mr. Smith: I ask, Madam Speaker, that the remaining questions be allowed to stand.

[*Translation*]

Madam Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

[*English*]

Mr. Stevens: Madam Speaker, I am compelled once again to ask the Parliamentary Secretary why he has not replied to a question I asked on January 29, 1981, almost two years ago, that simply requested the total cost of the Prime Minister's

December-January world tour and what percentage of the full cost would be paid for by Canadian taxpayers. As we all know, the Prime Minister has taken several jaunts since that world trip. Recently he was in Moscow. Now he is planning to go in the other direction. Surely the people of Canada are entitled to know what are the total costs to be borne by them with respect to these capers.

Mr. Smith: Madam Speaker, I am shocked by the use of the word "caper". These were official visits undertaken by the Prime Minister as the representative of the Government of this country. I regret the Hon. Member has chosen to inject that tone into this question. Nevertheless, I have made inquiries since he raised this with me a few days ago and I will continue to pursue the matter on his behalf.

[*Translation*]

Madam Speaker: Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

SUPPLEMENTARY RETIREMENT BENEFITS ACT (NO. 2)

MEASURE TO MODIFY BENEFIT INDEX

The House resumed from Monday, December 6, consideration of the motion of Mr. Gray that Bill C-133, an Act to amend the Supplementary Retirement Benefits Act (No. 2), be read the second time and referred to the Standing Committee on Miscellaneous Estimates, and the amendment thereto of Mr. Baker (Nepean-Carleton) (p. 21305).

Mr. Gordon Taylor (Bow River): Madam Speaker, last night I had about four minutes before ten o'clock. I was dealing with a comment by the Hon. Member for Churchill (Mr. Murphy) in connection with Bill C-124. Today I have the benefit of *Hansard* and I want to pursue the matter further. It would be bad for this to remain in *Hansard*, because it is not correct. At page 21328 the Hon. Member for Churchill said:

—Bill C-124 that set the stage, that announced the Government's basic principle of limiting wages, old age pensions, Family Allowances and the pensions of retired civil servants, to six and five.

As I mentioned last night, there is not one word in Bill C-124 about the old age pension, the child allowance or superannuates. When the Hon. Member for Churchill says that we supported those items by voting for Bill C-124, he is completely in error. The Hon. Member should have read Bill C-124 before coming to that conclusion. If he had read Bill C-124, he certainly misled the House and the people out there in the great beyond.

I want to tell the Members of this House and the people of Canada that the Progressive Conservative Party did not support the reduction in indexing of the old age pension, child credits or the superannuates. I suppose when a Party is drowning, it will grab at any straw. That appears to be what the Hon. Member was doing last night. I hope I have put the record straight.

A little further in the Hon. Member's speech last night he said something to which I objected, but I did not have his exact words. He said, and I quote:

I remind the Conservatives of some of the things their Leader said. He said, in reaction to the budget of June 28, 1982, which announced the particular six and five regime:

He then quoted our Leader as having said:

We are relieved that it is beginning to accept that Government spending is a major cause of current economic problems . . . it is a step in the right direction.

How in the world the Hon. Member for Churchill can equate that with a reduction in indexing for old age pensioners is beyond me. There is no relation whatsoever. Our Leader and this Party have been calling for reduced expenditures on the part of the Government. Government expenditure is one of the major causes of inflation. The NDP may want more expenditures, but we want less and we want Canadians to know that. The Government cannot go on spending money that it does not have. That is one of the major causes of inflation.

If anyone can find the items in Bills C-131, 132, 133 or 124, I will apologize to the House, but they are not there. Bill C-124 reduces the wages of MPs, Senators and judges, those who have jobs. The NDP opposed it. In fact, they bragged about that last night. They did not want a reduction in wages for Members of Parliament or Senators. They could not have or they would have voted for the Bill. They do not want a reduction for those in the high income brackets of the Public Service or for judges. Nobody likes a reduction, but when things are tough those with jobs should suffer the reductions first, not those who are retired or without a job. Bill C-124 did not have anything to do with Bill C-133. I repeat that I oppose Bill C-133.

I now want to deal with some of the provisions of Bill C-133. The first item that bothers me is an item that I raised in this House on July 27 in questions to the then Minister of Finance. The reply that he gave should be repeated. People should know what is involved. My question to the then Minister of Finance on that day is recorded at page 19086 of *Hansard*, July 7, 1982, and I quote:

• (1520)

It involves about 120,000 retired public servants, 30,000 retired armed forces people, and 5,000 retired members of the RCMP. Given that former public servants who worked from 30 years to 50 years for the federal Government contributed 6.5 per cent of their earnings for basic pensions plus one per cent for indexing in order to secure full pensions when they retired—this was not only a condition of their employment; it was confirmed by law in the Supplementary Retirement Benefits Act—and given that the June budget has capped the indexing of these pensions at 6 per cent, under what authority is the Government doing this? Why is the Government breaking its promise to former employees who are in the sunset years of their lives, by cutting off part of their pensions when many of these people are barely making both ends meet now?

What was the answer of the then Minister of Finance? I quote from the same page of *Hansard:*

—the Hon. Member referred to the full pensions which are being received and will be received by retired public servants. Obviously there is no intention to affect the pension rights of retired public servants.

I repeat that: " . . . there is no intention to affect the pension rights of retired public servants." The Minister went on to say that "what is intended is to cap the indexation". The Minister obviously considers that part of the indexation is not part of the pension. But when a pensioner receives his money, he feels the whole amount is his pension. He needs it all to make both ends meet. The Minister is simply grasping at straws when he says the indexation is completely different from the pension. They are one and the same thing.

The Minister continues his answer at page 19086 of *Hansard*, and I quote:

Public servants will obviously receive increases in subsequent years, but the increases will be 6 per cent and 5 per cent. The impact, of course, of that capping of indexation can be minimized, and will undoubtedly be minimized as we make progress toward the 6 per cent target for inflation.

Again, the Minister is using what we call rationalization. We used to do that, Mr. Speaker, in mathematics. If you have an irregular item with which to deal, then you try to rationalize; you dispose of that irrational quantity by rationalizing. That is exactly what is being done here. The Government is trying to dispose of the information with which it is going to index the pensions. This Bill proves I was correct at that time and the then Minister of Finance was not.

The Minister continues his answer at the same page of *Hansard* as follows:

Obviously that authority will be sought from Parliament by way of legislation in order to achieve the objectives of the Government.

And here and now is the legislation which he mentioned at that time. My reply to him was:

Changing the law might make it legally right, but it will not make it morally right. This is actually a doublecross of people who worked from 30 years to 50 years to build up pensions and who are not now in the $30,000 bracket which the Minister mentioned but are having a hard time making both ends meet; and the minister will now take some of that away from them.

My supplementary question again dealt with the funding of indexing. I said:

—will this not really make every public servant of the federal government today wary of the fact that they are now contributing toward pensions and make them worry about the future when some future government may suddenly cut their pensions in half? This is not playing the game with former employees. The act makes present employees wary of this particular thing. I suggest to the minister that this is confiscation of something that does not belong to the government. Is not the index fund already able to carry full indexing?

The Minister replied:

I am not quite sure what the question was because I did not hear the peroration of the Hon. Member. However, I would tell him that I do not believe that public servants will be wary of this action because I think that retired public servants will understand the reasons for this change, and the reasons why a sacrifice is asked of them. If the Hon. Member has read some newspapers he will have noticed that a number of retired public servants were quite prepared to accept this policy and not accept the rather defeatist attitude of the Hon. Member.

I would remind the Hon. Member that while the pensions of the public servants are indexed and will continue to be indexed, the pensions of most retired persons from the private sector are not indexed at all.

Again, that is rationalization. In the private sector, if any individual paid part of his wage towards indexing, no employer in this country would have the gall to reduce the indexing after the man retired. No court would permit an employer to do that. The Goverment is doing something which a private industry just would not be permitted to do. These people contributed to this fund. They have a right to it. It is not the Government's money; the Government should get that into its head. It has no authority to handle this money except as set out in the legislation which was put on the books when an agreement was made with those who contributed.

I would like to deal with the fund briefly. For instance, the public service superannuation fund on March 31, 1981, as mentioned yesterday, was $4.7 billion. The Canadian Armed Forces superannuation fund was $9.327 billion, or altogether a little over $14 billion. But the pensioners themselves, in their own literature, say it is altogether different. They say the public service superannuation account had a credit balance at the end of the fiscal year, March 31, 1981, of almost $13 billion. Then they put in brackets, to be exact, $12,705,719.

The Member for Churchill said yesterday he had been waiting for an answer to a question as to how much was actually in the fund. He has been waiting for over a year and still the answer is not supplied. On July 8 I wrote a letter to the then Minister of Finance because I wanted that information also and thought the fastest way to get it was to send a letter to the Minister of Finance directly instead of putting a question on the Order Paper and waiting month after month to receive an answer. I wrote to the Minister on July 8, 1982, the day after I asked him the question how much was in these funds. I asked him what was the balance as of March 31, 1982? What portion of the amount was earnings through interest? What portion of the amount was contributed by the employer? What authority is there for the Government to restrict the indexing of these pensions? What use is being made of the unused portions of the funds collected from the public servants and retired public servants, and what is happening to the fund now? I have not even had an answer. I might just as well have put the question on the Order Paper.

I thought I was going the fastest route. The Hon. Member for Churchill did not get an answer for over a year. I did not get an answer to my letter of July 8, 1982. What is wrong? Are we not entitled to know the exact amount of money in these funds? Are we not entitled to know the exact amount of interest which has accrued in these funds? Why are we not permitted to know what constitutes each fund? Which fund includes public servants? Which one includes the RCMP? Which one includes retired Armed Forces personnel?

Mr. Speaker, this is public information and I think everyone is entitled to know what use is being made of this fund. The Government has this fund sitting there, the $12 billion or $25 billion, whichever way you look at it, the two together or the one. That is a lot of money. The superannuates have said that

the exact amount was $12.705 billion. If that figure is correct, and I have no reason to doubt it, what rate of interest have they been getting? It is the duty of the Government to get the highest possible rate of interest on these funds. If it was only 4 per cent, then that is over $480 million added per year. If it was 6 per cent, it would net over $700 million a year. If it was 8 per cent, it would be about $1 billion a year.

• (1530)

During the last two or three years, Mr. Speaker, the Government could have placed this money in short-term contracts which earned up to 13 per cent, 14 per cent, 15 per cent or 16 per cent. They could have had a tremendous amount of money in this fund. I think the superannuates particularly are entitled to this information. Members of Parliament are entitled to this information but we are not getting it. If we do not get it very soon, I think this should be a special item for the Auditor General to look at. Let us find out what is going on with this money, who is responsible for the administration of the money, and what they are doing with it. Are they getting proper interest rates? Is the Government using this money for some other purpose? I want to know. If the Government is not, all it has to do is open up the books. There should be no reason the books are not open in that regard. If we do not get this information very soon, all I can say is that the Government must be trying to hide something. If not, the Government should provide this information to the House before debate on this Bill comes to a conclusion.

Let me now deal with some of the comments made by some Hon. Members on the other side of the House. I mentioned a few moments ago that most of what they had to say was rationalization. The exception was one Member who said he was not supporting the Bill, that he was going to do what his constituents told him. I admire him for that but I will admire him a lot more if he stands up when the vote is called and votes against it. That will be the proof of the pudding. I have no reason to believe he will not, but I have heard Liberal Members talking against Bills before and then stand up and support them. I have heard Liberal Members in debate make very terrible comments about some legislation and then stand up and support it. I would like to see what exactly they are going to do on this particular Bill, because it is not good enough to rationalize.

This Bill will affect the lives of men and women and their families—because some of then still have families and relatives to support. There was a contract with the civil servants that when they retired they would get their extra money from indexation. In other words, it is more than just a contract, it is actually a deferred payment. The money is put into a fund and there are people who are supposed to make sure that that money is going to be there when these people retire. Yet here we have the Government by legislation dipping into those funds, money it does not own, and that simply should not be tolerated by any member of this House.

What did the President of the Treasury Board (Mr. Gray) say about this? Any reduction of full indexation is an outright breach of faith with those already retired. That is what it is, Mr. Speaker. It is their superannuation plan—that is what the Minister called it—and consequently any reduction in full indexation is an outright breach of faith. Surely this Government does not want to be forever labelled as one which breaks its word to those people after they have retired, having contributed for many years.

When the superannuation plan was introduced, the Government said it would be non-negotiable, Mr. Speaker. "We will put it into law", the Government said. So this Act was set up and that satisfied people because it was on the law books of the country. No Government is going to change that. Then the Government went on to say that no changes would be made without consultation. To date there has been no attempt at consultation. The superannuates have not even been called in to discuss the matter. Any meetings held have been called by the pensioners themselves, in order to bring this matter to the attention of the public. The Government has not consulted with them, and this is becoming all too common. The Minister of the Environment (Mr. Roberts) puts a complex in the middle of a park without consulting the people involved. That is not democracy; that is not the kind of Government we want in this country.

The former President of the Treasury Board, who is now Minister of State for Economic Development (Mr. Johnston), and the Government of the day on numerous occasions proclaimed indexation of pensions to the CPI as a minimum benefit. These guarantees were clear, straightforward and unconditional. Pensioners contributed to the plan and many took early retirement based on the Government's promise of full indexation. How can the Government alter the agreement under which these workers retired after they have retired?

If there has to be some change, give the pensioners who are now contributing a choice as to whether they want to contribute; do not tell them they have to, as these former public servants had to. Interfering with their pensions after they have retired is a disgraceful thing for any employer to do.

The Government says that the public service superannuation account stands at $15 billion, Mr. Speaker.

Mr. Baker (Nepean-Carleton): More like $17 billion.

Mr. Taylor: It earns interest at the rate of 10 per cent annually, or $1.5 billion. Let us look at that for a moment. How much is it costing to do this? The fund should have been built up considerably because payments out were a maximum of $470.6 million, and the interest received would have been $1.5 billion. This whole thing needs to be pretty carefully looked at by the Auditor General, Mr. Speaker, or perhaps by the Public Accounts Committee. The difficulty with the Public Accounts Committee is that it is after the fact, a year too late. We do not want indexation to come after the fact. We do not want the indexation reduction to take place at all. Retired civil servants, retired RCMP and retired Army personnel were given a promise and we do not want to see that promise breached. We do not want these people to be double-crossed. We do not want this thing to go into effect at all. Some Hon.

Members have said that that will depend on the Liberal side of the House. If the Liberals support this Bill after what some of them have said about it, that will be a pretty sad thing.

• (1540)

People across the country will not be fooled by the rationalization offered in the speeches by Members of the Government. People take a promise to be a promise and they expect the Government to keep that promise. If the Government wants to change things now it should talk to people who are presently in the civil service and not go behind the backs of those already retired. If this indexation must be reduced, then let the Government reduce it for those people who are working and contributing so that they will know how things stand before they retire. It would be a shame if they took early retirement and then found they did not have enough to live on.

The Minister of Finance and one or two other Members have said that the pensioners are quite happy to do this. Just the other night in a different debate, I told the House about an old aged pensioner who kept his thermometer down low because he was trying to co-operate with the Government. He wanted to do what the Government asked, so he was half freezing. He wore a heavy sweater and his wife wore a kimono because the room they were in was so cold they could not stand it. They said they wanted to co-operate. Of course, they would co-operate to the fullest extent. No retired civil servant should be asked to co-operate with a Government which breaks its contracts or by a Government which breaches the promises it made to him when he was working.

I have received a lot of letters and I wish I had time to read them all, but I shall only read a few excerpts. These letters are from people who need the money, not from people whose incomes are $50,000 or $60,000. Undoubtedly some people have quite a bit of money. It may come from an inheritance or luck in gambling or in business—or someone may have married a rich widow! I do not know why they are rich but some people have high incomes, although not as high as Ian Sinclair's which is in the $600,000 per annum bracket. I suppose some people are well fixed and are quite able to look after themselves, but the vast majority of ordinary, every day people depend on the total pension, including indexing, in order to maintain the standard of living to which they have been accustomed.

A letter that I have in front of me reads in part as follows:

> Bill C-133 proposed by your majority Government will not only break this legislated contract but permit actual theft of money held in trust by the Government.

That letter was written to the Minister of the Environment (Mr. Roberts), who said the other day that he would not break a contract in order to save a park in Banff. Apparently he agreed in Cabinet to break the contract with our aged, our kids and superannuates, and to cut their allowances. That is pretty sad, Mr. Speaker.

Another pensioner wrote to me from British Columbia as follows:

> You can tell the Hon. Allan J. MacEachen that we are wary of this Government. I'm sure anyone who has retired from Public Service, Cdn. Forces or RCMP are just as wary as I am.

People are wary all right. I think it is probable that more people who are now contributing will become pretty wary as well. They had better watch what is happening or they might find themselves in this position a few years from now.

The Government claims that it has to get the money. I can offer a few suggestions as to where it could get the money without taking it from the crippled, the aged, the superannuates and the kids. There are a number of other ways and I will list three or four of them. So many times the Government complains that we just vote against everything and do not offer any alternatives. The trouble is that the Government does not listen to the alternatives that we suggest.

One alternative was offered to the Government just the other day by the Hon. Member for Peterborough (Mr. Domm) involving $89,000. If someone on a pension wants to keep a total of the following figures, they will see just how much is involved in my three or four suggestions. Why are we paying $89,000 to someone to write metric into a sports book? Did any football player ask that yards be changed? Did any baseball player or tennis player ask for this? This $89,000 is being spent at the whim of the Government in order to incorporate metric into a sports book. I suppose the next thing is that it will be hiring somebody to incorporate metric into the operation of auction marts. That would destroy the whole thing, as the Hon. Member for Crowfoot (Mr. Malone) has said.

Mr. Hovdebo: They already do that.

Mr. Taylor: The Hon. Member for Prince Albert (Mr. Hovdebo) says that they already do that. I am not so sure that they do it in the Province of Alberta but I suppose some places feel that they have to do it. That is the way metric was brought in. People were told that they were going to have to do it and they just might as well agree with it. Then the Government claims to have the agreement of the people. As the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie) says, Members of the Government ought to be thrown in jail. It is going to cost $89,000 to produce this useless, nonsensical, silly book on metric to tell football players that they cannot play in yards any more.

Last year the Metric Commission received $12 million but this year it will receive $26 million. Why are we doubling the amount available to the Metric Commission and cutting back on old age pensions? Why are we doubling the amount available to the Metric Commission and taking it off the kids of this country who will not have enough money to buy their books? Why are we taking it away from retired RCMP personnel who risked their lives trying to protect us? We are going to cut their pensions because they can no longer contribute but we are going to double the vote for the Metric Commission.

Do Hon. Members opposite know what is going on? How can they support that kind of thing? The Metric Commission

should be thrown out, not have its allotment doubled. The people of Canada do not want it. Let us go back to free choice and use metric if we want to or Imperial if we want to use that. That would not cost a cent or, at least, it would cost very little. So there is $89,000 for the book and another $14 million for the Metric Commission.

Another problem is the provision for 28 more Members of this House. Mr. Speaker, will the people of this country be any better represented with 28 more Members? The elections of 1979 and 1980 were run with the present boundaries, but now those boundaries are to be changed. People will just be confused. Who will pay for all this? Will it be the Government? No, the people will pay. Normally the Boundary Commission receives $1 million each year to carry out its work and keep everything ready for an election at any time. I do not complain about that but I certainly complain about the cost of changing the boundaries and the advertising inserts that came with some newspapers.

I do not know how much extra all this will cost, but let us take a minimum figure of $1 million, although it will probably be more like $5 million or $9 million. Another $1 million for the Boundary Commission plus the cost of 28 new Members will add up. I am told it costs the people of Canada $100,000 for every MP at present, so 28 times $100,000 means that those new Members will cost us another $2,800,000. And it is completely unnecessary, Mr. Speaker. Canada does not need them and the House of Commons does not need them.

• (1550)

The Hon. Member for Red Deer (Mr. Towers) introduced a Bill in an attempt to bring some common sense and ordinary thinking into the matter, but they threw it out; they would not support it.

The price of milk will rise because we now have to buy jugs of milk in litres. The money for the kids will go down; they will have a reduced amount.

What are they doing to the people of the country? How can Liberal Members support this type of legislation? I just cannot understand it. Let us keep our figures to a minimum so that no one will say that we are being liberal with our figures. We will be conservative with our figures—another million could have been saved.

There is another item to which I could refer concerning the use of the money that the Government has. The Government does not have a very good record. When the Prairie Farm Assistance Act came to an end, there was $9,060,000 in the fund. The Hon. Member for Moose Jaw (Mr. Neil) cried and cried about this, trying to get some sense put into the system. But what has happened? The money sat there year after year drawing no interest. This was not fair to farmers. The money belonged to them, but they did not even get any interest from it as it sat in the fund for years.

Then I could talk about the trip of Janet Smith to the Riviera.

Mr. Deputy Speaker: I regret to interrupt the Hon. Member but his allotted time has expired. He may continue with unanimous consent of the House. Is there unanimous consent?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: There does not appear to be unanimous consent.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, it is with some hesitation, but also with the support, I believe, of many of my constituents, that I am taking part in this debate on second reading of Bill C-133. I should like to start by providing some background for the debate. I have been called a rebel on this issue, and I assume that it was meant as a negative assessment and not as a word of praise. Mr. Speaker, Bill C-133 which deals with the indexing of pensions of federal public servants is an issue that has provoked considerable response at our offices in the riding and on Parliament Hill, in the form of letters, telephone calls and comments from my constituents and other people who do not necessarily live in Ottawa-Vanier. The House will recall that since 1977, the indexing issue has been raised from time to time. It was given serious consideration in the House in 1978 and 1979, and a report on the subject was tabled at the committee stage, a report that had the unanimous support of all parties, and which, as I thought at the time, made some valid, equitable and very reasonable proposals for resolving the thorny issue of maintaining the purchasing power of the elderly during retirement. Unfortunately, the report died on the Order Paper, elections were held in 1979, the Progressive Conservatives came to power and the whole issue was shelved and not heard of again. Now, in 1982, we are discussing Bill C-133, legislation which is aimed at capping indexation of public servants' pensions.

Mr. Speaker, to get back to the far from praiseworthy term applied by a number of newspapers to my position on this issue, namely, that I am a rebel, I would refer to certain debates reported in *Hansard* in 1978, and I am going to quote some comments by Robert Andras who was President of the Treasury Board at the time. At page 3623 in *Hansard* of March 9, 1978, when Mr. Andras was introducing a Bill concerning indexation of pensions, he explained why he wanted to maintain indexation. I quote, from page 3623:

> In the government's view, it is unjust and unfair to allow the rate of inflation to determine arbitrarily the real value of pensions, and that is exactly what happens when pensions are not adjusted for changes in the cost of living.
>
> In short, the principle of maintaining the purchasing value of pensions so that pensioners can maintain their access to the same basked of goods and services is a principle to which the government is committed, and remains committed.

I also want to mention several comments made by the Prime Minister of Canada (Mr. Trudeau) at the National Pensions Conference held in March and April of 1981. The Prime

Minister recalled that the Canadian Government under Mackenzie King had established a modest pension plan, which was gradually expanded in subsequent years. Under Prime Minister Pearson, the Government added an income supplement for people lacking any other source of income, and as you know—I am quoting the Prime Minister—my Government has indexed these pensions to cost-of-living increases.

In his opening statement, the Prime Minister went on to urge participants to look at important issues, such as what would constitute a decent retirement income, and should there not be special consideration for people on middle incomes who, all things being equal, often suffer a very substantial loss of income upon retirement.

Finally, the Prime Minister invited participants to consider another important point, and I am quoting from page 12 on the Conference proceedings:

> Pensions which are not protected against inflation naturally tend to dwindle over the years. People who thought they had purchased protection for the rest of their lives find that they have more serious financial problems the older they become. The unfairness of that situation, particularly when the savings pool to which they have contributed may have been reaping inflationary interest premiums, is not tolerable in a nation which believes in social justice.

Mr. Speaker, I could quote a number of passages from various speeches that have been quoted in the House during the last few years. However, I am confident that being a rebel does not mean forsaking a principle as basic as that of protecting people who because of circumtances are unable to defend themselves. They cannot ask for a raise and are often unable to seek gainful employment.

[*English*]

Before discussing my concerns about this unfortunate piece of legislation, I wish to review briefly the history and present status of the Public Service pension plan. The first Superannuation Act was passed in 1870, only three years after Confederation. It provided for annual allowances upon retirement because of age or disability, based upon the average salary for the last three years of work. However, there was no provisions for what are now called survivor benefits.

• (1600)

The next milestone came in 1924 with the passage of the Public Service Superannuation Act. Coverage was broadened to include departments, commissions, corporations and others designated by the Act or by the Governor in Council. Benefits were granted by the Governor in Council for age, disability or abolition of position and after ten years of service for resignation or dismissal.

The Civil Servants Widows Annuities Act passed in 1926 provided first benefits to widows of contributors who had retired or died prior to 1925. A requirement for ten years' service as a condition for granting benefits was lowered to five years in 1944.

Our present Act, the Public Service Superannuation Act, was passed in 1953. Among other things, the Act broadened the coverage and removed the distinction between permanent and temporary employees. Of special significance was the recognition in the Act of benefits as a right rather than as a discretionary grant by the Governor in Council. I repeat that benefits are a right. This is a point which may have been overlooked by at least some of the present advisers to the Government.

The Supplementary Death Benefit Plan was added as part of that same Act in 1955. Part III of the Act was added in 1970, to deal with contributions needed to finance the escalation of pensions in response to inflationary pressures authorized by the new Supplementary Retirement Benefits Act of 1970.

In the interim period there had been a number of technical changes arrived at providing for the integration of certain provisions of the Act with those of the Canada Pension Plan, the Quebec Pension Plan and the Pension Benefits Standards Act, including the matter of pension portability.

In 1967, employees leaving the Public Service after age 45 and ten years' service automatically became entitled to pension benefits. In 1975, the equality of status for male and female contributors was legislated by Bill C-52 for both contributions and benefits. That was not 50 years ago; that was in 1975.

The Supplementary Retirement Benefits Act initially provided that benefits would increase in relation to the cost of living with a maximum increase of 2 per cent per year. Contribution rates for both employee and employer were set at a half of 1 per cent. In 1974, the 2 per cent ceiling on increases was removed and, in 1977, the supplementary contribution rates were increased from one-half per cent to 1 per cent for both the employees and the employer.

Today, the Public Service Pension Plan requires that public servants pay 6.5 per cent of their annual salary into the superannuation fund account. In addition, they pay 1 per cent of their annual salary into the supplementary benefits accounts to cover indexing of cost of living increases after retirement. Of course, the employer matches these contributions plus interest earnings of only 4 per cent.

I was told today that that has increased to 6.5 per cent, but I have not had a chance to verify that figure. Therefore, I will stay with the 4 per cent figure.

It is important to note that these contributions go into separate accounts, an account for pensions and an account for indexing, credited to individual civil servants. Pensions and indexing supplements are paid from these individual accounts.

The President of the Treasury Board (Mr. Gray) has overall responsibility for the public service superannuation account with detailed administration being provided by the Department of Supply and Services. The Minister of Finance (Mr. Lalonde) is responsible for the financial management of the superannuation account.

The Minister of Finance, through the Department of Insurance, is also responsible for making actuarial evaluations of the account every five years. Since the last available evaluation date is 1977, it would have been reasonable, in my opinion, to expect the Department of Insurance to have conducted

an evaluation in 1982, as required. If that had been done it would have been made available to us and would have been most useful in this debate on both sides of the House. In my opinion, this is unfortunate, since the results could have been of assistance in our deliberations on Bill C-133. Perhaps the Minister of Finance could indicate to the House if the 1982 evaluation has been done and, if so, when it will be made available to Members so that we may have it before us in committee.

I now wish to tell the House of my main concerns about this ill-conceived piece of legislation. First, I am concerned that the Government has been the recipient of some bad advice about this Bill. Its advisers apparently could not see any real difference between imposing a ceiling on salary increases, as we did in the spring, and imposing a ceiling on pension benefits which are already paid for. In other words, a ceiling on salary or earnings increases in the future and the imposition of a ceiling on pension benefits that are already paid for. I suggest that there is a difference.

As a result, if the Government proceeds with this Bill in its present form, it may be open to charges that it is trying to redirect pension contributions and the accrued interest without the permission of the other parties, namely the pensioners and the present employees. This may be an approach which is so legally questionable that it should be tested in the courts. Even if it is found to be legal in the narrowest sense, it would be completely unethical, in my opinion.

Should the Government persist in its present course, I believe it will do considerable harm to its credibility, not only in the eyes of its employees but in the eyes of many other Canadians as well. Since 1970, Ministers of the Crown and the Prime Minister have stated their strong support for the principle of full indexation of Public Service pensions.

The Prime Minister himself, at the National Pensions Conference in 1981, put the case for indexation when he said in his opening remarks in the report of which I read another section in French a few moments ago:

> The unfairness of that situation, particularly when the savings pool to which they have contributed may have been reaping inflationary interest premiums, is not tolerable in a nation which believes in social justice—

Suddenly, Canadians are being told that this principle should be ditched, but only temporarily. In my opinion, this represents a rather disturbing view of the nature and importance of a principle.

I have heard it suggested that public opinion would be generally supportive of any move to restrain the pensions of those "fat cat" public servants. According to the very reliable Government sources from whom I have received these statistics, 70 per cent of those pensioners, those same "fat cat" public servants, receive less than $8,100 annually. The Public Service Alliance of Canada estimates, as indicated in their recent brief, that the annual pension of the average retiree to be $6,900 as of November, 1982. To attempt to portray such a group as "fat cats" is, to put it mildly, somewhat dishonest. In my opinion, far more Canadians would recognize this proposed action for what it really would be, namely, a breach of trust on the part of a previously trustworthy employer. I would be surprised if most Canadians will look favourably on such an action.

In the light of this credibility problem, we would also be asked to believe that the measures would be of a temporary nature. No doubt at this point in time, the Ministers involved, and probably most of their advisers, honestly intend that the measures would last but for two years.

However, as anyone in the House knows, experience with the Ottawa scene tells us that temporary measures can become remarkably durable. For instance, consider the Halifax Relief Commission which was established as a result of the explosion in Halifax in 1917. The Government was finally able, with some difficulty, to phase it out in the mid-1970s as part of an austerity program.

Many of us in Ottawa remember the notorious temporary buildings which were erected in the early 1940s. They finally came down some 35 years later under the demolition program of the federal Government's public works in Canada.

• (1610)

If these temporary measures are adopted, the same old pressure groups will re-emerge and begin beating the drums once again to do something about indexation per se, preferably by eliminating it. I suggest that the President of the Treasury Board look back at the amount of time and effort the Government has had to spend since 1970 in defending the principle of full indexation. I am assuming, of course, that the Government still wishes to defend the principle. Perhaps the President of the Treasury Board could indicate to the House the credible safeguards he would adopt to ensure that the measures are indeed temporary. Otherwise, despite all their good intentions today, Ministers two years hence will find themselves once more being accused of breaking their word to their employees.

I do not want to hold it against one Minister, because we all know they come and go. In the last five years, we have had five Presidents of the Treasury Board. There has been Mr. Buchanan, Mr. Andras, Mr. Stevens, Mr. Johnston, and the present Minister. I fail to see how we can have continuity in such an important dossier as indexing, and that is possibly one of the reasons we are having some difficulties with this subject every so often.

As I understand it, advisors to the various Presidents of the Treasury Board had indicated to Ministers that capping pension indexation for the next two years, 1983-84, would save the Government about $180 million. That was prior to the amendment tabled yesterday. I suppose that a cynic could say this gives us some indication of the price they would place on a principle. However, I do not believe that this is the whole story. Presumably after two years of restraint, pensions would be lower than if full indexation had remained in effect.

As I see it, this could be seen as a savings of sorts to the Government. Could the Minister of Finance indicate to the House the approximate annual savings the Government would expect to achieve as a result of this Bill from 1985 onward? What would the Government propose to do with these savings? Further, could the Minister also indicate to the House the

anticipated magnitude of lost revenues as a result of the reduced spending power of pensioners brought on by Bill C-133? Is it possible that the two-year savings to the Government might be less than $180 million? In the House yesterday, the Minister gave notice of his intention to amend Bill C-133 and thus reduce anticipated savings to $165 million, over two years.

According to available information, as of November, 1982 there were about 122,500 persons, contributors and survivors, receiving pension benefits. The average annual benefits paid out were, as I indicated earlier, about $6,900 per individual. I must say I have a great deal of difficulty in believing that reducing the growth in their incomes could have any real effect on the outcome of the Government's battle with inflation and unemployment. Put another way, I for one would find it distasteful to ask anyone at such an income level to give up any part of income to which they are entitled. More and more I am driven to the conclusion that Bill C-133 might be intended more for cosmetic or other purposes than to make a real contribution to our economic recovery.

The proposed savings, as I understand it, are forecasted to be about $60 million in 1983 and about $105 million in 1984. Unless the Government intends to spend these savings before they have been achieved, I fail to see how they could make any significant immediate contribution to job creation, particularly since the Minister of Finance has told us he expects recovery to be well under way in 1983.

It has been argued many times by some outsiders in the past that the Government's total contribution to the pension plan has been too high and that a period of restraint such as today requires that it be reduced. The facts indicate a somewhat different picture. I refer back to our 1978-79 debates in committee, because that is where I gained most of my information. If we look at PSSA and SRBA revenue sources, including special employer payments made from the CRF pursuant to Section 8(2) of the SRBA, for the period 1966 to 1981 we find that the percentage provided by employee contributions has remained around 20 per cent to 22 per cent; the percentage provided by interest earnings has gone up from 36 per cent to 50 per cent; and the percentage provided by the employer, the Government, has dropped from 42 per cent to 30 per cent. Present trends suggest that the Government is on the way to becoming a minority contributor.

A study done in 1974 by Statistics Canada and the Department of Insurance, which we used during our committee hearings, compared the level of employer contributions by the federal Government and for private sector pension plans with the same basic formula, that is, benefits of 2 per cent of average salary during the last or best years multiplied by the number of years of service. In the federal Government the maximum is 35 years, which would give 70 per cent of one's best six years. The study showed that the Government's contribution percentage was about 13 per cent lower than that of private sector employers.

Treasury Board, in its review "The Basic Facts about Pensions in the Public Service of Canada in 1976", noted that for the same year, 1974, the contributions of public servants were about 14 per cent higher than for employees participating in all pension plans with the same basic formula under federal jurisdiction. Unfortunately, there does not appear to be any more current information available. However, I would be greatly surprised if the essential situation had changed markedly.

We appear to have a situation in which the Government contributes considerably less than its private sector counterparts and the employees contribute considerably more than their private sector counterparts. Could the President of the Treasury Board advise the House whether this situation comes about because of gross inefficiencies in the management of the Public Service plan or, as is more likely the cause, because the Government finds this a convenient way to reduce its contributions?

Despite their relatively high levels of contributions, Public Service employees have been satisfied to leave the management of their pensions completely in the hands of the Government. I say "the Government" because I make the distinction between the Crown, which can be many things, and the Government, which in this case is the employer; and, in my view, sometimes there is a conflict.

Up to now, these employees have been able to trust the Government to manage the fund in the best interests of present and prospective pensioners. Bill C-133, representing as it does a unilateral changing of the rules, would effectively destroy that trust. If this Bill is passed, it would be reasonable to expect that employees would demand a more active role in the management of their pension fund in order to protect themselves from their employer.

What we are seeing today is the result of a fundamental conflict of interest in the Government's position. In the private sector, a contributory plan under the force of law would have to be administered by a third party in order to protect and to be seen as protecting the integrity of the pension fund. The same rules do not apply here. The Crown, which literally can do anything it wishes, is also the employer, which should be concerned with the interests of its employees. The temptation to use the pension fund and its proceeds for purposes of political gain must, at times, be very strong. The absence of an independent third party makes it almost impossible to provide assurance that such does not happen.

I am quite sure that retired public servants, like most other Canadians, are prepared to make some contribution to the restoration of the health of our economy. They would ask only that their leaders set a good example and that there be some equity in the contributions sought. For instance, pensioners might have felt somewhat reassured about the seriousness of the Government's intentions if the Government had shown more interest in restraint, or lack of it, on the part of federal agencies. I am thinking of numerous Crown corporations and of the news which is going around the country concerning some of them. There is a growing body of evidence that suggests that increases in federally regulated prices have been major contributors to our problem of inflation. I am sure that

pensioners would welcome evidence of the same diligence in controlling these prices as in controlling their pensions.

• (1620)

I am in no position to know whether or not the Government has indeed exhausted every other possible avenue of potential savings and thus has no choice but to tinker with its employees' pension fund. However, I do know that the Government has not yet made the case as to why this present course of action, Bill C-133, which if not illegal is certainly immoral in my view, is so crucial to its efforts to stimulate the economy. How does reduced spending power inspire consumer confidence? I do not understand it.

As the President of the Treasury Board knows, the annual rate of indexation for Public Service pensions is established based on changes in the consumer price index for the month of September in the preceding year. If the Government is successful with its six and five program during the coming months, it seems to me that the problem, if there is one, of the level of indexing for 1984 would be taken care of without the need for Bill C-133. On the other hand, some pensioners have expressed the view to me that Bill C-133 represents, among other things, a lack of confidence on the part of the Government about its ability to achieve its six and five targets. Possibly the President of the Treasury Board would like to comment on those points of view.

As I have indicated, I continue to be a strong believer in, and supporter of, full indexing of retirement pensions based on employee contributions. Accordingly, I cannot support Bill C-133 in its present form, which I view as nothing more nor less than the sacrifice of a long-held principle by the Government for the sake of what, in the larger scheme of things, would be a relatively small, immediate contribution to creating new jobs. I find it somewhat ironic that a Government which for so long has devoted its time and energy to improving pension arrangements and Old Age Security for all other Canadians, should be so ready and apparently willing to downgrade the quality of protection afforded to its own employees.

Whether or not the Government can afford to continue full indexation for the next two years should not be the issue. Its own public statements on a number of occasions have clearly shown that the Government has not considered its contributions to be excessive. In any case, there exists a mechanism whereby these matters are supposed to be reviewed and, as required, changes to the rates of employee contributions introduced. I think Members of this House would agree that it is indeed most unjust to penalize the recipients of pension benefits merely because the responsible bureaucrats have been unable to advise the Government effectively on the appropriate balance between contributions to, and expenditures from, the two pensions accounts.

Mr. Baker (Nepean-Carleton): Right on.

Mr. Gauthier: Although I am strongly opposed to Bill C-133 in its present form, at the same time I am equally strongly supportive of Government efforts to reduce inflation through its six and five program. Obviously, this poses something of a dilemma. Nevertheless, I think an answer can be found.

I would like to take the time of the House to outline one of possibly several solutions whereby the Government's six and five objectives can be met and the principle of full indexation remain protected.

Briefly, what I think we should consider is that for the next two years the contributions of the Government would be held at 6.5 per cent and 5.5 per cent. The shortfall, if there is one, could be made up through a temporary increase in the level of employee contributions for the same two-year period. Time has not permitted any of us to develop the detailed calculations, but a preliminary assessment suggests that it might call for an increase in contributions from the present level of 1 per cent to about 1.7 per cent for two years, or to about 1.5 per cent for three years.

For the public servant earning $25,000 a year, this would represent an added contribution of less than $125 to $175 annually, before taxes. I would be the first to agree that this might be construed as in the nature of a special tax on public servants. To this I would say that it could also be seen as a measure of the willingness of public servants to act in order to protect the principle of full indexation.

Assuming the Government can demonstrate the absolute impossibility of maintaining full indexation for the next two years, I still believe that the situation could be better handled. For instance, the inclusion of a "sunset clause" in Bill C-133 would go some distance towards re-establishing the Government's credibility, especially if it were coupled with a provision that, with the demise of this Bill, pension levels and increases would be determined using, after December 31, 1984, today's formula.

A precedent for this type of action was set in the period 1976-1978, when under rules set by the Anti-Inflation Board annual pension increases were capped at $2,400. At the end of that period, pensioners were able to make up what they had lost.

In conclusion, I would like to draw the attention of the House to what is a notable if not historic occasion, namely our present debate on Bill C-133. After all, it is not every day that the Government introduces a piece of legislation which, if passed, would result in all of the parties involved becoming losers. Pensioners would lose a significant part of the indexation to which they are entitled. Eligible federal employees would see the base level of their future pensions reduced, even though their contributions remain unchanged. Finally, the Government would lose the trust of their past and present employees, as well as losing credibility in the eyes of the Canadian public at large.

I fervently hope, in the next stage of our deliberations, that we are successful in finding some equitable way to protect the

principle of full indexation, while at the same time aiding in the achievement of the Government's anti-inflationary objectives.

I would like to end this short speech by referring to a rather unusual coincidence of numbers. I said at the beginning that this issue raised a serious question in my mind. Some Hon. Members will recall that Section 133 of the Constitution Act also raised serious concerns, which I had to deal with. The constitutional number was also 133. For those who did not see or did not notice, we opposed vote 133 on the Bill that became the Constitution of this country. Bill C-133, as you can well imagine and appreciate, also gives me great difficulty. So 133 is not my better number!

Mr. Simon de Jong (Regina East): Mr. Speaker, before proceeding with my remarks I wish to comment on the courageousness of the Member for Ottawa-Vanier (Mr. Gauthier) in the remarks he has delivered to us this afternoon. I think Members of all political Parties will agree with me that the difficult stand that he took will be appreciated by all Members in the House.

Like him, it is with a great deal of sadness that I also join in the debate on Bill C-133 because this Bill, like Bill C-131, C-132, and Bill C-124 that was debated last spring, constitutes a backward step. They take away from ordinary working people, from mothers and from pensioners, certain basic protections and basic rights.

These basic rights and basic protections were not easily won. It took many years of pressuring reluctant Liberal and Conservative Governments for public servants to be able to bargain collectively for their wages. The protection of pensions from inflation was also a victory which took many years to accomplish. Bill C-124, Bill C-131, Bill C-132 and now this Bill that we are debating today, Bill C-133, are attacks on those hard-earned rights. They are backward steps.

Bill C-133, an Act to amend the Supplementary Retirement Benefits Act, sets out to limit the amount by which the pensions of retired civil servants, military and RCMP personnel will be increased over the next two years. For example, next year the pensions will only increase by 6 per cent rather than the 11.5 per cent called for under the present pension formula. It is estimated that over $100 million will be taken from the pensioners in 1983 and 1984.

• (1630)

I know that Government speakers have contested the figures as to how much mothers, pensioners and workers will lose under the six and five program. The truth is that no one can accurately state how much these people will lose; it all depends upon the inflation rate for 1983 or 1984. Who knows what that is to be? The Government has consistently been wrong in its economic forecasts during the last three budgets. We are living in a period of economic anarchy. For the Government to claim that it is able to forecast the inflation rate for the next two years is, to put it mildly, dishonest.

The essential point with this Bill, however, is that it reduces the protection retired public servants now enjoy. It will make them more vulnerable to the economic shifts and changes of our times. What makes Bill C-133 even more repugnant is that the protection it takes away was protection that public servants paid for.

Public servants contribute 6.5 per cent of their wages for pension purposes, plus an extra 1 per cent to the supplementary retirement benefits account, an account to pay for indexing and to protect the purchasing power of their pensions. Bill C-133 is robbery. It breaks agreements, it is a double-cross and it is unforgivable.

The Government justifies removing this protection under the guise of fighting inflation. It claims that 120,000 or more retired public servants who receive an average $6,900 per year, a little over $500 a month, must reduce their standard of living in order to wrestle inflation to the ground. How cynical the Government is to claim that, in order to fight inflation, the people who have the most to lose from inflation must give up what little protection they have against it. This is a cynical Government indeed.

Does the Government really believe that the money it will save by reducing the indexing of pensions and mothers' allowances will bring inflation down by a fraction of a point? Does it really believe that restricting Public Service wages will make a dint in the inflation rate? I doubt that even one Liberal Member seriously believes that.

The Government needed someone to blame for the economic mess we have today, so it commissioned Mr. Goldfarb to do a study. I imagine Mr. Goldfarb told them that as far as the public was concerned, an attack on public servants and their pensions would be acceptable, that it would create the image that the Government was doing something about inflation. I am certain that Government Members do not seriously believe that inflation will be stopped by the actions of Bills C-131, 132, 133 and 124.

The Government has elected workers, mothers and pensioners to share the blame for inflation. The burden of pain in the fight against inflation is being laid on those who are the least to blame. What is happening is that the victims are being blamed.

The Conservatives have gone along with this. Despite the protestations of Members like the Hon. Member for Bow River (Mr. Taylor), they supported Bill C-124 earlier. That clearly indicates that they have bought the basic Government argument that Canadian workers are to blame for inflation. According to a report in *The Globe and Mail* of November 22, 1982, a survey of world labour costs by the Citibank of New York stated as follows:

> In addition, the commonly expressed view that wage demands by Canadian workers are inordinately high is more myth than reality, the study finds.
>
> It shows that Canadian industry on the whole is competitive and that, for the past decade, the work force has been a model of restraint. With the single exception of the United States, there is no industrial economy where wage rises have been less or where the growth in hourly manufacturing costs has been lower.

This is from the Citibank of New York, but yet the Conservatives have gone along with the Liberals in perpetuating the myth that the reason we are in an economic mess is that Canadian workers are getting too much. That is why the Conservatives went along with the Liberals in support of Bill C-124 which blamed the workers for inflation.

Despite Conservative objections to Bill C-133, the record shows how the Conservatives went along with the six and five program last spring. They go along with the Liberals in blaming working Canadians. The Conservatives are now opposed to Bill C-133. I say good. However, is there any reason to believe that if they were in power today they would not cut pension benefits?

Do not the Conservatives also believe in restricting public spending? Do they not give lip service to Reaganomics? Do they not believe, like the Liberals, that only the private sector can get our economy back on track and that corporate taxes should be reduced in order to create a good climate for business?

Let us see how well the corporations have been looked after in the last three decades. In 1950 federal and provincial Governments collected about the same amount in taxes from corporations as from individual Candians. Let us look at what has happened since then. In 1950, there was a rough equality between corporate and private individual taxes being paid to governments. By 1960, individuals accounted for 58.6 per cent of total Government revenues whereas the corporate sector contributed only 41.3 per cent. By 1970, 71.3 per cent of Government income came from individuals whereas only 28.6 per cent came from corporation taxes. In 1980, individual taxes contributed 76.6 per cent to the public purse whereas the corporate sector was down to 23.3 per cent.

The major shift from the corporate to the individual occurred during the seventies and eighties. I am somewhat amused when the Conservatives charge the Prime Minister (Mr. Trudeau) with being a socialist. Some socialism when corporate contributions to the public purse during the last two decades dropped from 41.3 per cent to 23.3 per cent whereas individual income taxes increased from 58.6 per cent to 76.6 per cent!

Another area of agreement is that the Conservatives, like the Liberals, say that we must reduce the Government deficit. I agree, but I disagree with them as to how we should reduce it. Let us talk about deferred income taxes, which never really shows up on the books as a tax expenditure. These are the tax loopholes that are provided. In 1979, total deferred taxes amounted to some $30 billion, almost the same as the deficit that we are running this year. Again, these are taxes that never show up on the books. It is true that the amount of money we collect from taxes is not enough to pay for all the social programs we want, but that is not because we spend too much money on these programs. It is because we spend too much money on loopholes.

• (1640)

Our tax expenditures are too high. For example, between 1976 and 1979, the federal Government's restraint program managed to limit direct spending increases to some 30 per cent. The cost of tax expenditures, however, went up 42 per cent. The Government made a great public show of trying to save, all the while quietly giving away more and more to the rich and powerful. That is why in 1978 there were 2,316 individuals in Canada who had assessed incomes of more than 50,000 but paid not one penny of income tax. Seven hundred and forty of those individuals made over $100,000 and 96 of them had incomes of over $200,000 or more, and they did not pay one cent of income tax. That, Mr. Speaker, is how we can start reducing our deficit.

The Conservatives, together with the Liberals, basically agree that it is the Canadian workers who are to blame for inflation, and that it is the expenditures of the Government on social programs that are to be blamed for our deficit and for inflation. I suggest the Canadian public is being hoodwinked. We are being hoodwinked into accepting the blame and, therefore, they are preparing us to accept the pain. It is not our social programs which are to blame for Government deficits and inflation, and it is not the workers' incomes which are to be blamed for inflation. It is the amount of profits which have increased over the last decade or so. That is the major contributor to the inflation spiral which we find ourselves in.

The increase in the prices of oil in 1973, a major money grab by the oil industry and by oil-producing countries, set off a series of actions where by everyone got into the act and made major money grabs. The profit increases in the 1970s were obscene. That is the major reason we ended up in the inflation spiral. Yet are they asked to share any of the blame or any of the pain of the six and five program? Has anyone asked industry or the corporate sector to restrict their price increase to six and five, to restrict their profit increases for next year and the year after to six and five? No, Mr. Speaker; the people who are really to blame for the inflation spiral are the ones who are not being asked to share the pain. In this, both the Liberals and the Conservatives must share the responsibility of trying to hoodwink the Canadian public.

The distribution or redistribution of income in this country has never been fair, even in good times. In these bad times, those at the bottom of the income level are being asked to make the greatest contribution in fighting inflation. For example, in 1965 the top 20 per cent of income earners in Canada took home 41.4 per cent of all the money which was earned while the bottom 20 per cent got a bare 4.4 per cent for their efforts. By 1980 things had gotten more lop-sided. The top 20 per cent pocketed 42.5 per cent of all the money earned and the bottom 20 per cent had dropped to 4.1 per cent. The rich do get richer and the poor do get poorer, Mr. Speaker.

The six and five program which this Government has introduced and which was supported by the Conservatives this spring is a further reduction of the incomes of average Canadians. I suggest that when the figures are compiled in terms of income redistribution for 1982, 1983 and 1984, it will even be more lop-sided than the figures I have quoted today.

I have received correspondence, from my constituents, as other Members have from theirs, concerning Bill C-133. I would like to put some of this communication on the record.

For example, I have a copy of a letter which was sent to me. The original letter was sent to the President of the Treasury Board (Mr. Gray) on November 2, 1982. It states as follows:

> I have just received from the Prov. Rentalsman, notification that my rent is being increased by 13 per cent. The cost of rent, utilities, clothing, food, are all allowed to increase substantially. Why then is the federal Government restricting the indexing of our superannuations by a 6 per cent margin? It would appear that those of us who formerly worked for the federal Government are being forced to carry more than our share in an effort to restore a neglected economy.
>
> I would be interested in knowing why the superannuation fund now being used by your Government as a lucrative source of revenue, in that the actual interest earned by this fund is not credited to the fund. You, as our former employers, guaranteed complete indexing, provided that the current employees contributed an additional 1 per cent of their wages to keep the fund viable.
>
> Surely such a positive guarantee should be honoured. How can the Hon. Pierre Trudeau expect us to trust each other when he allows the above situation to become law?

An excellent question, Mr. Speaker. We sent a copy of this letter to the Prime Minister and I am very anxious to hear how the Prime Minister answers it. How can he expect us to trust each other when he allows the above situation to be come law?

I talked about the cynicism of this Government in introducing Bill C-133. They know it will not reduce inflation. They know it goes against everything which they have paid lip service to in the past—social justice, social equality, indexing of pensions, protecting the poor, the old and the weak. They do it, Mr. Speaker, because they feel they are in political difficulty. They believe that the Canadian public will accept this as some measure of action by the Government to control the economic situation, to bring inflation to the ground. It is all appearance. It is show and tell. It is mirrors and fog, because it will not bring inflation to the ground.

It is so sad that the cynical Government is using the aged, mothers, clerks and other civil servants, people who earn money that is barely enough to pay the rent and the utilities. The Government is using these people in order to project an image of itself as a Government with a definite economic recovery program.

The cynicism of this Government has hit a new low. A number is being done on the Canadian public. We see business pointing the finger at Government for over-spending to satisfy the whims of a pampered public. The Government says that business must share the blame for caving in to exorbitant wage demands. Both are agreed that it is the plain people with their unrealistic expectations who have the most to do with bringing us to where we are today. Both agree on laying the blame for the economic mess we are in on the victims, on the ordinary working Canadians. But ordinary working Canadians do not cause economic disasters; they are the victims. Today they are being victimized by the very people who really are to blame for the economic mess we are all in—the rich and the powerful.

I will join with other Members of the NDP caucus to oppose this legislation, as we opposed Bills C-131, C-132 and C-124. We will argue that other measures must be taken to end the economic anarchy which Canada finds itself in. We will argue that restricting wages and pension benefits will not lead to economic recovery, but rather that the whole Reagan economic theory will only make matters worse. Reaganomics will reduce the spending power of ordinary Canadians, which in turn will reduce economic activities, which in turn will only lead to greater unemployment. The New Democrats will try to present to the Government and to the Canadian public some semblance of sanity. We will argue that it is not the average Canadian that is to be blamed for the economic mess we are in, and we will encourage them to take political action to punish those who are in fact to blame.

• (1650)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Blaker): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Yorkton-Melville (Mr. Nystrom)—Trade—United States subsidization of wheat exports; the Hon. Member for Fundy-Royal (Mr. Corbett)—Shipbuilding—Meeting with industry representatives in New Brunswick; the Hon. Member for Bow River (Mr. Taylor)—National Parks—Banff land exchange—Request that housing permit be cancelled. (b) Request for Minister's resignation.

GOVERNMENT ORDERS

[*English*]

SUPPLEMENTARY RETIREMENT BENEFITS ACT (NO. 2)

MEASURE TO MODIFY BENEFIT INDEX

The House resumed consideration of the motion of Mr. Gray that Bill C-133, an Act to amend the Supplementary Retirement Benefits Act (No. 2), be read the second time and referred to the Standing Committee on Miscellaneous Estimates: and the amendment thereto of Mr. Baker (Nepean-Carleton) (p. 21305).

Mr. John Evans (Ottawa Centre): Mr. Speaker, I have indicated on a number of occasions, as have my colleagues from the Ottawa area and others, that we had difficulty with Bill C-133, that to us the Bill was unacceptable in its form when it was introduced.

I want to start out by repeating my over-all strong support for the six and five program, a support which has been in place since day one. Indeed, I recommended to the Minister a concept along the lines of general restraint to bring the public

sector in line with the private sector. I admit that, and quite frankly I think it was the proper thing to do. Indeed, if we look at the reality in the private sector today, the just released Conference Board study indicates wages and salaries from the senior executive level right down to the clerical level will probably come in in the range of 5 per cent to 6 per cent next year.

My support for the six and five program was based on a firm belief that the Government must constrain the outflow of taxpayers' dollars, and all of my constituents are taxpayers. The restraint of government expenditure is terribly important for a large number of reasons. First of all, there is the federal deficit. All of us in this House, including the New Democratic Party, are terribly concerned by the size of the deficit and we are afraid that it will constrain economic recovery. We must bring it under control over time because we must reduce the present and future burden on Canadian taxpayers. The Government has said this, the opposition parties have said this, and the six and five program, I think, is consistent with the need to reduce the expenditure of taxpayers' dollars.

Second, we must free up funds to help those in greatest need. We have 12.7 per cent unemployed, and youth unemployment is running up to 25 per cent. We are talking about the pension field, but there can be no question that the youth unemployment problem is probably the most critical part of our unemployment problem because who indeed is going to pay the pensions of the future if the youth of our time do not have employment opportunities?

Third, Mr. Speaker, we must reduce the tax burden on firms which are in financial difficulty and close to bankruptcy. Funds for housing must be freed up. So in addition to the need to reduce the deficit, there is a need to free up funds without increasing the deficit so that they can be used in other areas of extremely high priority.

Then we must constrain pressures on the capital markets. If we hold down taxes by simply borrowing money, we will put upward pressure on interest rates. We know what that does to people with mortgages to renew; we know what it does to consumer and investor confidence. If we do not restrain, the economy will simply not get back on the track to economic growth.

Fourth, Mr. Speaker, we must break the inflationary psychology. Certainly that is a terribly important thing and the six and five program has contributed to that goal.

Finally, Mr. Speaker, we have to spread the burden of this recession through our society as broadly as we can. We certainly cannot expect those in one sector or another, whether they be construction workers or woodworkers, unemployed miners in Sudbury or others, to carry the entire burden of the recession while the rest of us continue to increase our demands on the system.

For all those reasons, Mr. Speaker, I think the six and five program is a major step in accomplishing these objectives, and for those reasons I continue to be a strong supporter of the program. However, I think there is a distinction which must be made. Six and five should not be seen as a program of restraining incomes. It should rather be seen as restraining the expenditure of taxpayer dollars, and there is a fundamental difference between those two notions which is terribly important to the argument I wish to develop.

I think all of us in this House, in the Senate, in the Public Service generally, federal or provincial, have to understand that we are employees of the people. We are paid from the taxpayers' purse. Any time we take increases in salary, justified or unjustified, it is an additional burden on the taxpayer. I am not saying that wage and salary increases in the public sector are not justified. What I am saying is that there has to be a fundamental realization that, when we do ask for more, it means that others in our society—including the taxpayer, which includes public servants—have to have less. When the taxpayer is suffering, it seems to me only fair and equitable to ask that those of us who are employed by the taxpayer have to share some of that burden.

So I have no problem defending or standing up for the six and five program as it applies to wages and salaries. As I indicated earlier, that sharing of restraint is taking place in the private sector, as the Conference Board study clearly indicates.

Now, Mr. Speaker, a second aspect of the six and five program is as it applies to transfer programs, direct transfers of taxpayers' dollars to members of our society where no contribution whatsoever is involved. I include in that category, for example, Old Age Security and the Family Allowances. These are pure transfer programs from the taxpayers' purse; they are not contributory programs.

• (1700)

I support and will vote and have voted in favour of restraint to six and five on these transfer programs where no contributions were made, but I make an exception, and indeed the Government made an exception. That exception is that we have to make sure that we maintain the incomes of those who are in greatest need. That is precisely why the Child Tax Credit and the Guaranteed Income Supplement were not touched. They are fully indexed because they are transfers to people in greatest need in our society. The Government said transfers generally, yes; but transfers to those in greatest need, no, the restraint program will not apply to those. A distinction was made with regard to which transfers would be restrained and which would not be restrained.

The final category is one which brings me to Bill C-133, and that is restraint as it is applied to contributory programs. I draw to the attention of Hon. Members that the Canada Pension Plan was not restrained. There are several reasons for that. One is that the people contributed to that Plan and the payments being made out of that Plan now are a return of contributions. Some time in the future we may have to increase the contributions to make sure that the Plan remains viable, but it is a contributory Plan and for that reason, among others, it was not subjected to the six and five program; nor should it have been.

There is another plan and that is superannuation. The difficulty that many of us had with Bill C-133 when it was

introduced was that it did not recognize that superannuation and the indexation of superannuation were both contributory plans. It treated superannuation as a pure transfer program; it treated superannuation as though it were OAS or as though it were Family Allowance, both of which are pure transfers. That is the source of the difficulty that I have had.

Just the other day the Hon. Member for Nepean-Carleton (Mr. Baker) made some comments on this subject. I want to indicate that this has been the position I have taken all along and I come back to a speech I delivered in the House on July 8, 1982. At that time, as reported at page 19156 of *Hansard*, I said:

There is another aspect of the program, and that is deindexation. I support certain elements of that deindexation as well, but there is one element of deindexation about which I have serious questions. I intend to pursue those questions. I know you intend to pursue them as well, Mr. Speaker.

The Hon. Member for Ottawa West (Mr. Francis) was in the chair at the time. I continued:

—The element to which I refer is the element of deindexation of public service superannuation. The reason I have questions about that is that contractual payments are made to individuals who made contributions during their working lives to fund indexation. If it could be shown that the fund which has been built up by public servants to fund the indexation of their pensions is inadequate or insufficient, then I could see justification for saying. "Yes, restraint". I have not seen that evidence. I have not seen anyone put forward evidence or indicate to me that there is evidence which indicates that the funding of that indexation program is inadequate. I will have to see that evidence before I can support this particular element of the deindexation program. If public servants in our ridings, Mr. Speaker, and all across the country made contributions to that fund which are adequate to cover the indexation of their superannuation payments, then I do not think that should be part of the restraint program.

I do support the over-all restraint program, but I put forward the caveat that I do intend to pursue that one element of the program.

Indeed, Mr. Speaker, that is precisely what I have been doing. More recently, at the RA Centre, several of us met with a group of senior citizens and retired public servants. At that meeting I came out at the beginning and indicated my full and unequivocal support for the principles of the six and five program and for the vast majority of the six and five program itself.

Second, I stated at that time that Bill C-133 was not acceptable in the form it then was. I also stated that it was unfair in that it failed to recognize that public servants had made contributions, that it treated superannuation the same as a pure transfer program such as those I have mentioned, Old Age Security and Family Allowance. I committed myself to fight to have the Bill altered.

Bill C-133 was designed with the apparent intent to limit the increase in the income of pensioners, not to limit the expenditure of taxpayers' dollars. By its very formation, it was aimed at saying pensioners' increases shall not increase by more than six and five. At the same time, of course, that would mean that the transfer from the taxpayers' purse would not increase by more than six and five and would probably increase by less than six and five.

What has happened is that when the Minister introduced the Bill for second reading yesterday, he made a fundamental shift in philosophy. That shift in philosophy recognizes that contributions were made and that increases in pensions should reflect the effects of those contributions over and above the part contributed by the taxpayer. The Bill has been fundamentally changed. It is now designed to restrain the expenditures of taxpayers to six and five and not to restrain the increases in pensions to six and five. The whole target of the legislation has been shifted.

The numbers are not the important aspect at this point. What we have seen is a fundamental establishment of principles. It is not important that it is 6.5 and 5.5. The fundamental principle established in this Bill—and I am not sure whether the Department realizes this—is that it is the transfer from the taxpayer that is going to be restrained to six and five and not the increase, necessarily, in Public Service pensions.

That is a fundamental change and, as I said, it is not clear to me that all people realize that, including those who made the recommendation to the Minister. Whether the Department realizes it or not, it has now opened up a number of options for consideration by the committee of which the Hon. Member for Ottawa-Vanier (Mr. Gauthier) is Chairman.

First of all, if the increase in pensions is not the issue but rather the contribution from taxpayers' revenue, and if the fund contributed by public servants is inadequate to pay full indexation, then the rate of contribution should be increased until it is adequate to give full indexation. This is not an unusual thing; it has been done before.

Until 1977, public servants contributed one half of 1 per cent to the supplementary retirement benefits account to fund pensions. In 1977 that was changed and since then contributions have been at the rate of 1 per cent of salary. The Government should have no objection, I contend, to full indexation provided that the portion above six and five is paid for by public servants and not by the taxpayer.

Second, the Minister states that only 10 per cent of the cost of full indexation has been paid for by contributions from public servants. I suggest that this is not fully accurate. Specifically, the figure of 10 per cent relates only to the contributions and the earnings on those contributions that have been made to the supplementary retirement benefits account by those people now receiving a pension, and only by those who are now retired. It does not include contributions and the earnings on contributions which have been made by those public servants who are now employed in the Public Service. Since indexation was implemented for all retired public servants in 1971, even for those who never contributed anything to the supplementary retirement benefits account, it is obvious that the contributions of those now retired would be inadequate to fund their own indexation.

• (1710)

Third, the officials have contended that each public servant has a separate account into which his or her contributions are paid, both in the main fund and in the supplementary retirement benefits account. It is in that person's name. If this is so, then recent retirees have adequate amounts in their accounts to fund the indexation for this year, but early retirees prior to

1971 or in the early 1970s who have been receiving indexation at accelerating rates over the last years do not have any balance in their accounts.

If these accounts are indeed individual and in the name of the employee or the retired person—and this is the reason given for not being able to shift funds from the contributions of those now working to those who have been retired to supplement the amount of money available to pay full indexation—then how can the funds be shifted between the accounts of retired public servants in order to give all retired public servants an equal amount of one-half of 1 per cent of their pension? If these accounts are indeed inviolable, how can they be inviolable when it comes to shifting money from working contributors to pensioners but not inviolable regarding shifts from one pensioner to another? That is a fundamental point. Either shifting can occur or it cannot occur. We will probe this matter in committee.

If funds can be shifted, what about the earnings on the main superannuation fund? Why can these funds not be shifted to fund higher indexation? The Hon. Member for Ottawa-Vanier indicated some points earlier. It is important that it be on the record what is the nature of the $15 billion or $17 billion fund. Also it is important to know why the employer, rightly so, reduces its contribution by the amount of excess earnings over and above the rate assumed actuarially.

The nature of pension plans, private or public, is such that one assumes there will be no increase in salary over the life of the pension plan or one assumes some actuarial rate of increase and then an actuarial rate of interest, usually one or two percentage points higher than that. Since the pensions are based upon the average of the last six years of earnings, and if incomes are going up and the pensions are based upon only the last six years but contributions have been made on the basis of early earnings, obviously with rising incomes there is what is called an actuarial deficit. The Public Service Pension Plan and private pension plans are set up so that employers have the right to use excess earnings over and above the actuarial rate of return to pay the actuarial deficit in order to fund fully the pensions.

That is fine, but one can get to the point where the rate of return on the assets so far exceeds the assumed actuarial rate of return that in fact the fund runs a surplus. I would contend—and I have been so informed by actuaries who do not have an axe to grind in this particular case—that while the main superannuation fund does not now run a surplus in a full actuarial sense, it is very rapidly coming to the point where it will run a surplus as a result of the very high rates of return which the fund has been able to earn in recent years.

Since the superannuation program includes an agreement indicating that the Government's contribution shall never be lower than the contributions of employees—the employer's shall not be lower than the employee's—it will mean that as soon as the employer's contribution has been reduced as far as it can, the excess earnings will simply create a surplus in the main superannuation fund. It seems to me at that point in time—and that is why an acturial assessment has to be done—those funds should be available to be used to fund other forms of retirement benefits, for example indexation.

Another point raised by officials was that this year the cost of indexation for people now retired would be somewhere in the range of $470 million. that is somewhat misleading as well, because it is the total cost of the cumulative indexation over the years which would be paid this year, as opposed to what would have been the case had there been no indexation at all. The really important figure is, how much in addition it will cost this year over what it cost last year? That figure is $139 million. This is the marginal increase in the cost of indexation this year.

Right now the increased contribution or the contribution of public servants who are working this year will be in the range of $180 million, so the contributions of working public servants this year will exceed the increase in the cost of indexation this year by some $41 million or thereabouts.

The point of all this is that we are now at the point where indeed six and five is working and inflation is coming down. If we take the last four months, for example, the annual rate of inflation has been running at around 6.5 per cent to 7 per cent; this is for the last four months, annualized. So it is coming down; we are beating inflation. That implies this year's indexation figure will probably be the highest that it will be for the next few years and hopefully for a good many years. If that is the case, if current contributions by working public servants are $180 million this year and the cost of indexing at 11.5 per cent is $139 million this year, and if indexing will be less next year but contributions of public servants will be more than $180 million next year because their salaries are going up and they pay 1 per cent, it seems to me that if it were possible to transfer funds from the accounts of working public servants to those of retired public servants, we could cover that amount this year. Also it seems to me that their accounts would continue to grow in the future as the amount of indexation went down but the amount of contribution by existing public servants went up. This is another point we will want to pursue in committee.

As I said, I opposed the Bill at the outset as tabled because it did not recognize the contributory nature of the plan. It now recognizes this and I can accept it in principle. It limits Government contributions to six and five. In other words, it is contended that it limits, as the numbers now stand, the Government's contribution from taxpayers' revenue to no more than six and five, and I agree with that principle.

Also as a result of the change brought it by the President of the Treasury Board (Mr. Gray), it recognizes that amounts reflecting contributions must be considered over and above six and five. I accept that principle. I do not necessarily agree that 6.5 and 5.5 are correct numbers to use, and I will pursue that matter vigorously in committee, as I am sure all my colleagues will. However, once these dual principles are recognized—the principle that six and five should be maintained as it applies to the amount that is taxpayer-financed, and the principle that contributory amounts should be considered over and above

that amount—then the question of further increases based on additional contributions, as was suggested by my colleague, the Hon. Member for Ottawa-Vanier, must also be recognized.

• (1720)

The Government entered into an agreement with the Public Service, whether implicit or explicit, to provide indexed pensions. The Government reserved the right to alter contribution rates, and it has done so in the past. Indeed, it has altered the rate of indexation, as the Hon. Member for Ottawa-Vanier indicated. In the period during the AIB, there was a maximum transfer of $2,400, a maximum increase in pensions of $2,400, established. that established the principle of a cap on indexation, whether or not it was binding.

Further, the Government has established the right to alter the fundamental nature of the program. I would refer Hon. Members to Bill C-12, which was introduced in 1978. It received second reading, in other words, agreement in principle, by the Members of this House and provided that the Government could cap indexation, because that was precisely what the Bill accomplished. It said that there would be full indexation up to a certain figure, which I believe was $12,000, and that there would be reduced indexation beyond that level. This received approval at second reading and, when it returned to the House for report stage, it came back with the unanimous agreement of all Members of the Standing Committee on Miscellaneous Estimates. Therefore, there are grounds for doing what is being done. There are grounds for limiting.

However, while I contend that the Government has the right to alter, it also has the moral obligation to employ all avenues to meet its commitment to pensioners. I therefore feel that all avenues mentioned by myself and by my colleague, the Hon. Member for Ottawa-Vanier, must be considered to meet the two objectives I have outlined above. First, it would restrict the expenditure of taxpayers' dollars to no more than six and five; and, second, it would meet its moral obligation to provide indexed pensions to retired public servants based upon their contributions.

The change announced by the Minister in Bill C-133 would make both these objectives possible. The old Bill restricted pension income while the new Bill would restrict the outflow of taxpayers' dollars, recognizing increases in pensions funded by contributions as being outside the six and five program. With these two principles intact, I can support the Bill at second reading. I accept its principles, and I have indicated that I will continue to work in committee with my colleagues to see that all avenues are rigourously explored so as to meet our moral obligation to provide indexed pensions within the principles of the Bill.

Mr. Jack Shields (Athabasca): Mr. Speaker, it is a privilege to take part in the debate today on Bill C-133. However, I would like to preface my remarks by complimenting most sincerely the Hon. Member for Ottawa-Vanier (Mr. Gauthier), who gave a very considered, well-researched, well-thought-out dissertation to the House today outlining some of the problems faced by the constituents of his riding.

I would also like to comment on the remarks of the Hon. Member for Ottawa Centre (Mr. Evans). I am not really sure whether he has swallowed himself whole, whether he has gone halfway or whether we must wait for another time to see what the outcome will be. He indeed said a number of things. In relation to the principle of six and five, he felt that expenditures of Government funds should be restricted and that those funds should be freed up to help those in need, such as youth, industry and so on. He also discussed how we would break up those funds to fight inflation and get people back to work, helping industry. He said the aim was not to restrain income but, rather, to restrain public spending. I wonder if the Hon. Member had taken the restraining of public expenditures into consideration. For instance, has he considered the $70 million to $100 million spent on advertising by the Government?

Has the Government considered the tens of millions of dollars which have been spent to promote the six and five program? Has it considered the cost of publishing binders containing the interim report on the progress of the six and five program, such as the one which was dropped off at my office and those dropped off at every Hon. Member's office, having been sent clear across the country? That probably cost somewhere between $100 and $200 per copy to produce. What earthly good was that? It was a flim-flam attempt to tell people across the country that something is working in the six and five program.

Indeed, I hope to see inflation come down because it underlies simply everything which happens in our country. We all know that and we all agree that we must fight it. However, to fight inflation, does one break the trust of one's employees, the civil servants?

The basic principle of the Public Service pension is being suspended. It was agreed that people who work for the Public Service and for the RCMP would contribute to their pension funds and people who went into the Armed Forces would contribute to theirs. It was agreed that when they retired they would receive their pension, which would be indexed so that their purchasing power would not be eroded. It is very simple and progressive.

I spent ten years in the Armed Forces and contributed to a pension fund. I constantly knew what I would receive as my retirement benefit when I retired from the Armed Forces if I spent the required number of years in the forces.

Part of the enticement to a career in the civil service is a pension. That plays a part, as does security of tenure, working conditions and amount of pay. As well, I knew that if I contributed to a pension, when I retired after faithful service I would receive the kind of income on which I could live for the rest of my life. People simply do not work 25 to 35 years for one employer, contributing to a pension plan, and then say at the end of that time: "Gee whiz, we get a pension". That is part of the over-all family planning, the retirement planning. Each one of us goes through this. I have seen Members of this House sit down in the dining room and discuss, if they retire or are forced to retire after the next election, what indeed their pension will be.

• (1730)

They know that it is indexed; they talk about the purchasing power. It is trust. The Government hires civil servants for the Public Service. They go into the diplomatic core, the Armed Forces, or the RCMP. All these people trust their employer to do what he said he was going to do when they retire. There is no other issue at stake here, none whatsoever, except trust.

We teach trust, and trust is inherent in our society right across Canada. That trust is implicit in our teaching of children in school, or when you take them to the bank. You say you can trust this institution, you can put your money in the bank and when you want those funds you can write a cheque and withdraw those funds. The trust is there in the Bank Act, that if they say they are going to pay an interest rate on your account, it will be paid.

Our whole society is built on trust of the very basic things. If you go into the rural communities of Canada today you will find that people trust their neighbours not to infringe on their property, they leave their doors open in the rural communities. The trust is implicit—all that we have at stake here today.

When an individual first joins the Armed Forces, for example, or the RCMP, he immediately starts looking for a career. Perhaps he does not look at the retirement benefits until he is married and has children and is looking to secure his position when he does retire. But at certain points along the way when he is offered a job outside of the Armed Forces, the RCMP or the Public Service, that becomes a very, very strong inducement for him to remain; and all we do is break the trust.

It is sad to say, but I see this trust being broken continually in other areas, and I am sure that Hon. Members on the Government side do not want to go down in history as part of a Government that introduced mistrust into our whole system. That clearly is what is happening, in my view.

Where was the trust, for example, when the national energy policy was brought forward, and when they reneged on agreements with foreign companies, and with Canadian companies, who indeed were told that there is a certain tax regime set-up, and if they will invest their moneys, private moneys, to develop a certain industry, this is the kind of return, this is the kind of thing that will happen. The national energy policy actually came in with a back-in provision that allowed them to confiscate properties. I implore Hon. Members not to allow this mistrust to arise among the employees in the Public Service, the Armed Forces and the RCMP. It is wrong; it is dead wrong. I think all Hon. Members, if they will reflect for a moment, will realize that.

We heard the Hon. Member for Ottawa Centre say that we had to tighten the public purse, quit wasting money, quit spending money that we do not have. We cannot increase the deficit because if we do we are going to increase inflation because there will be a call on the money markets which will increase the interest rates, with devastating effect, right across the country. I agree. But how about restraining Crown corporations or Government corporations from expanding? An example is the purchase of BP by Petro-Canada. That is a cost to the taxpayer. It is a direct cost to the taxpayer when we allow a Government corporation, a Crown corporation or a Government-owned operation to spend money. We hear we will increase the sales, et cetera, and we will be able to pay off BP in this respect, but that is not totally true. Some of it will be, possibly, but the Government is still paying in, transferring directly to Petro-Canada, millions and millions of dollars a year through the ownership levy at the pumps today. That is inflationary.

We have a new Macdonald Commission to look at the economy and come up with ideas on how Canada can fight inflation. At what cost? What is it going to cost taxpayers of this country to have this flim-flam Commission—$5 million, $10 million, $15 million? Certainly it is going to be at least $10 million. That in itself is inflationary.

What about the advertising we talked about earlier, Mr. Speaker, the advertising that is done by the Unity Office or the advertising that is now done by the six and five office? It created a bundle that was delivered to my office in hard cover, a very fancy document, a fancy book, that had to cost at least $100 and more likely $200 per copy. This was delivered to all Members and, indeed, probably across the country. How many copies were issued, 1,000, 2,000? Why not reduce in those areas?

The federal Government, the so-called people's Government, is the largest advertiser in Canada today, at a rate of $70 million to $100 million per annum. I do not think that people across Canada have to see all the advertising or to get a bound copy of the three dissertations that the Prime Minister made on his six and five proposals, et cetera, a few weeks ago.

There is something fundamentally wrong when we break the trust that we have with our employees, the employees of Canada, who have contributed, dedicated their lives and their working careers. In many cases Armed Forces personnel, RCMP and diplomatic corps people lived in situations they did not like. They remained because of a duty to their career or to their country. Often they were enticed to remain.

• (1740)

I left the Armed Forces after ten years' service. Canada or the federal Government had made an investment in my training and the expertise I had developed in certain categories. A real effort was made by the commanding officer, and later the personnel officer at the release centre, urging me not to leave the Armed Forces after ten years, telling me that if I remained for another ten years I would earn a pension and never have to worry. It was pointed out that I would still be a young man and could attain a higher rank. That is being said today to fighter pilots and to trained public servants. They have been in the past and will continue to be in the future talked into staying with their career, whether it be with the RCMP, diplomatic service or Public Service.

We cannot allow the trust relationship that has been built up over many years with the employees to be trampled in this way. This Government has an obligation. We cannot allow that trust to be broken. I hope that during the Committee

stage all Members of Parliament will look clearly at their responsibility. In a small business, the employer's word is his bond. We have stated clearly that pensions will be indexed and not trampled on. That is in legislation. We have said to them that when they retire, they will receive a pension and that if inflation escalates, they will still have the same purchasing power from the day they retire until the day they die.

People have planned their lives around this principle of indexation of pensions. We cannot break that trust.

Mr. Pat Nowlan (Annapolis Valley-Hants): Mr. Speaker, I am happy to participate in the debate on Bill C-133 although, as other Members have said, the subject matter does cause concern. The Hon. Member who just concluded echoed in very real terms the fundamental issue.

Before getting into what I want to say about this Bill, I want, without any hesitation or equivocation whatsoever, to pay a heartfelt compliment to the Hon. Member for Ottawa-Vanier (Mr. Gauthier) who spoke earlier this afternoon. It was one of the most constructive, reasoned and parliamentary speeches that I have had the pleasure of hearing for some time. After listening to the tone and timbre of that speech, I must say that it has affected what I intend to say today.

I was going to go further with this trust. I was going to refer to the classic article by the Prime Minister (Mr. Trudeau) in *Cité Libre* where he chewed out Liberals as docile sheep. There were many other interesting epitaphs in that article. There has been the tremendous flip-flop with regard to nuclear arms and the acquisition of Bomarcs. Admittedly, that was in 1963 and the Prime Minister was not a Member of the House at that time. The article talked about spineless Members who go through the charade in this House of speaking for and against Bills, not worrying too much about conviction or principle.

This is an issue that one could talk about in a facetious way, but I will not be facetious. The issue in Bill C-133 contains many complexities with regard to pension funds. This is one place where I do not want to be confused with the facts. Frankly, I do not understand the shell game regarding the differences between one pension plan and another. I do not know which one is over-funded and which one is under-funded. I do not know where the surplus is. For years there has been an ongoing debate about what has happened to the contributions of federal public servants, RCMP and Defence employees. In effect it goes into an account, some goes into the national account and the Government pays out.

When it comes to the complexities of pension funds, Alice in Wonderland would be as confused today as she was at the Mad Hatter's tea party.

What stood out today was the contribution by the Hon. Member for Ottawa-Vanier. He researched the subject and spoke very carefully in a concerned way about his personal dilemma of trying to rationalize loyalty to the Party and the principle which he feels could be violated if the Bill came to a vote in its present form.

The most interesting part of the Hon. Member's speech was at the end. He proposed certain changes by which he and other Members might avoid the dilemma which so often hits Members. He very eloquently expressed that when he said that when you have a personal dilemma between what your conscience tells you to do and what your constituents would like and there is a Party label on an issue, you are supposed to vote the Party line.

That Hon. Member's contribution was one of the more interesting ones. There have been contributions by other concerned Members, in tremendously marked contrast with some of the speeches made by other concerned Members as to how they would wiggle out of the dilemma they now face.

There have been contributions by Members who spoke outside the House about their personal views on Bill C-133, how they do not intend to support the Bill in its present form. They have stated this at public meetings and so on. However, when the debate began yesterday—and I was here yesterday and today—some Members from the Government side, and I will not name each one, created an amusing situation. The mental gymnastics they went through of trying to rationalize the conflict they are in would make a professional acrobat seem like a piker. They moved around and hopped around the issue, which was squarely faced by the Hon. Member for Ottawa-Vanier.

I said do not confuse me with the facts because, as the Hon. Member for Athabasca (Mr. Shields) said, the issue is the fundamental principle of trust. I find it most ironic that we are talking about this type of Bill where trust is the fundamental issue. I will not get involved in all the facts and figures but I can mention a few. As my hon. friend, the Hon. Member for Nepean-Carleton (Mr. Baker) said so eloquently yesterday in trying to meet the canard, we are not talking about the "fat cat" who can fight inflation. We are talking about an economic group who are really on the low part of the totem pole, with an average income from these pensions of $6,900. Yet, because of show, cosmetic effect and propaganda, these retired pensioners from the federal Public Service are suppossed to carry their weight, even though so many of them carried their weight by receiving low incomes for so many of the years, let alone the fact that they have made a contribution to their pension since the Act was changed a few years ago and feel very much that there is a contract which binds the Government as a trustee not to meddle with these funds.

• (1750)

The Prime Minister (Mr. Trudeau) appeared on television, and what was his fundamental message? What he tried to preach to the people of Canada was trust. He said, "Trust me, trust the Government, trust Canadians". I find it fantastically ironic that the Prime Minister on that day was asking Canadians who were overdrawn at the bank to trust the Government, farmers to trust bank managers, all kinds of Canadians to trust each other in this new euphoria of trust. Yet, here today when he should be practising what he is preaching, his Government would not trust the most loyal Canadians which Government

has, the retired public servant who has done his duty to his country until recent years at relatively low income scales. Certainly, when you average out the pensions at $6,900 you are not talking about fat cats who have milked the trough; you are talking about Canadians under the poverty line. They cannot fight back. And when you cap their pension at six and five, they cannot come back when this capping is over and renegotiate.

The Hon. Member earlier spoke about how permanent temporary things become in this House. If the Prime Minister wants Canadians to trust, he should start to practise what he preaches by changing this Bill. Frankly, there is a way out for every Member of Government in the motion which is on the floor at the moment. Many Hon. Members may not know about it. The motion of the Hon. Member for Nepean-Carleton is a six months' hoist to give Government time to iron out perhaps some of these problems, to study some of the suggestions which have been made, whereby Members, particularly Government Members, would not have to face this dilemma of in effect having their personal conscience and their loyalty to their constituency fly in the face of their loyalty to the Party. In the six months made available we can all talk about what the interpretation may be of that Bill.

Some of us have been in this House before when a Government has lost a tax Bill, and the next day the question was: you have lost a tax Bill, have you lost the confidence of the House? In 1968 in Mr. Pearson's day, in a constitutional parliamentary precedent, the Government which lost the tax Bill had not lost the confidence of the House. And I do not think, even with the losing of Bill C-133 or a six months' hoist to Bill C-133, with all Members present, that the Government would in fact have lost the confidence of the House.

I am glad to see the Government House Leader (Mr. Pinard) here because I know he has been very interested in reform. My hon. colleague was the Vice-Chairman of the committee for reform and, quite frankly, that committee has done some very good work in starting down the road to reform. You can talk about reform all you want in terms of rules and technicalities of procedure, but unless and until we start to reform Hon. Members in their conduct so that we are not always playing the political game and talking rhetorically, which we can all do fairly well, some of these technical reforms will not matter very much. Of course, the one I believe in, which I am not going to repeat, is a fundamental reform which is obviously the reform on confidence motions. If we change that, we will have Members saying what they really believe, really helping their constituents and helping redress this alienation which the public feels for this institution.

That was the essence of the speech from the Hon. Member for Ottawa-Vanier today. He spoke about what he believed in and, interestingly enough, posed the rhetorical question: that he did not feel he was a rebel, running away from principles that he and his Party had believed in for years, mainly because they have been in Government so long, and the inference from what he said was that the import of Bill C-133 is really going against the principle.

Frankly, and I say this seriously, if there was ever a black mark on the social conscience of the Liberal Party it is contained in the implications of Bill C-133. And there are good Liberals, in the Liberal sense of this word, outside of this House who must be squirming at the implications of Bill C-133, and certainly those dead must be turning in their graves. Bill C-133 is in effect breaking trust with retired employees who have served, and served well. The other aspect is that this change was unilateral. It was made with no prior consultation, which is another reason why there is such negative reaction from retired public servants.

I do not have the number of retired public servants in my constituency that some Hon. Members who have spoken in this debate have in their constituencies, but I say seriously that if you want a whipping boy it might be easy to point to those "fat cat retired public servants".

Frankly, it would be easier for me perhaps to vote for this Bill, if I did not honestly believe that this fundamental principle of trust between employer and employee is being violated, and if you violate it once, you can violate it again in any area. And that is what this Government has done in so many ways.

I have in my hand, Mr. Speaker, a season's greeting message from the members of the Federal Superannuates Association of Nova Scotia who, in effect, are concerned about this matter. I see that the clock shows almost six. May I call it six o'clock and continue my remarks at eight o'clock?

The Acting Speaker (Mr. Blaker): The Chair thanks the Hon. Member for recognizing the clock. I will now rise until eight o'clock this evening.

At 6 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Nowlan: Mr. Speaker, I had the floor just before six o'clock, and over the dinner hour something happened which some Members here might not think is related to Bill C-133. In listening to the news I heard that the MX missile proposal of President Reagan was defeated in the Senate, and I am very happy about that. Quite frankly, I think the whole concept of dense pack MX missiles, ironically called the Peacekeeper system, is one of the greatest political perversions in the United States, just like the Maginot Line was in France because it was supposed to keep the Germans out of France, but the politicians forgot that the Germans could come through Belgium. It is ironic that it happened today, on December 7, when my young friend, the Hon. Member for Gloucester (Mr. Breau), who is not in his seat, perhaps forgot about that day, December 7, 1941, and about preparedness.

The reason this is relevant, Mr. Speaker, is that in the United States' political system a presidential decree, edict, or whatever it is, concerning the MX missile went down to defeat, and neither the Democratic Party nor the Republican Party

are shattered. That is their system, they can vote the way they believe. That is why I come back to Bill C-133 and some of the Hon. Members opposite who, I believe, feel the same as I do about it. I paid the Hon. Member for Ottawa-Vanier (Mr. Gauthier) the justified compliment of saying that his speech was one of the more courageous, comprehensive and constructive speeches that I have heard since I have been a Member of Parliament. The point is, Mr. Speaker, when you get an issue like Bill C-133, it boils down to a simple but very challenging word, that of trust.

Before six o'clock I said it was ironic that we are discussing this Bill and its betrayal of the trust of people who have served this country better than perhaps a lot of Members or a lot of other Canadians across this land, that is the retired public servants. It is ironic because it was the Prime Minister who, two or three weeks ago, went on national television to talk about trust. You cannot have the Prime Minister of the land, in an interesting television performance, come on and ask Canadians to trust in Government, trust six and five, trust a Canadian, when the people who have served the country feel betrayed by Bill C-133. It just does not sell. And those are not my words.

I could stay silent on this Bill. While I have a number of retired public servants in my riding because the Annapolis Valley is a nice place to retire to, the numbers are rather few in relation to the many thousands across this land. So it would have been easy for me to stay silent on this Bill. But, as I said before six o'clock, unless Members start to heed the example of the Hon. Member for Ottawa-Vanier and say what they feel, we are just kidding ourselves in our attempts to reform the House of Commons. Unless Members can reform their own performance, all the technical changes in the rules will mean very, very little. Because of television, the public can tune in to what goes on here. Because they are better educated than they were 20 or 30 years ago they are starting to expect Members of Parliament to speak about their belief in a cause. If they do not believe in the cause, let them shut up and sit down. This is one of the reasons why there is this alienation between the public forum of this Parliament of Canada and the public out there who wonder who is speaking for them.

I say to you, Mr. Speaker, as humbly as I can, that Bill C-133 to me crystalizes the issue which the Prime Minister talked about. I thought it was a relatively good performance on television, regardless of the partisan aspect where I could say he did not say too much in a concrete way. But his one message was trust. Trust me. Trust Canadians. And is it not a paradox that the one Canadian he is not going to trust is the retired public servant who has worked in many cases at a sub-par income level and in many cases has a sub-par pension level.

• (2010)

These are the people who feel betrayed by the leader of the land. We are not talking about the fat cats of the land; we are talking about retired public servants whose average pension is $6,900, and that is below the poverty line. They contributed to that pension from their salaries when they were working. These individuals, without form, without face, having given service, are supposed to be the front-line fighters in the trenches because the economic conditions in the country are very, very difficult today. We all understand that difficulty, Mr. Speaker.

The Hon. Member for Ottawa-Vanier quoted some words that the Prime Minister had used in an address to a pensions conference. I should like to read from a letter which is about trust. It shows why I think this matter is so fundamental. The letter is dated October 12, 1977. It is addressed to a Mr. Power, who at that time was national President of the Union of National Defence Employees, and it is signed by the Prime Minister. I will read the letter in its entirety But I want to bring the last paragraph in particular to your attention as that is the one on which I will make my case. The letter begins as follows:

Dear Mr. Power: Thank you for your telegram of September 27.

By the way, this telegram was sent because there was a question at that time about the right or the policy of indexing public service pensions. It continues as follows:

I have noted your concern that the indexation of government pensions be maintained.

In our society, pensions provide a means of sharing risk so that we can retire in reasonable security and dignity, without fear of the future. Protecting pensions from inflation by indexing them to increases in the cost of living should be an integral part of our pension schemes. Indexing does not give pensioners an increasingly larger claim on our economy's production, that is, more money to buy things they could not earlier afford. Rather, indexing merely enables pensioners to maintain, roughly, their same standard of living.

Even a modest rate—

This was written in 1977, when we did not have the ravage of inflation that we have today. It went on:

Even a modest rate of inflation destroys, at a devastating rate, the buying power of people on fixed incomes. Pensioners are out of the work-force and cannot bargain or strike for larger incomes. They are not the cause of inflation; they are its victim. We have an obligation to help protect them.

I have asked my staff to send a copy of our correspondence to the President of the Treasury Board, the Honourable Robert Andras.

In the remarks that I made before six o'clock this evening, I said that if there is any one Bill that is a blot on the social conscience of the Liberal Party, it is Bill C-133 which attacks pensioners who are out of the work-force, who cannot defend themselves and who will never again be able to negotiate or strike or make up what they are going to lose through the capping of a pension to which they contributed and which they were told—in contract form—was theirs.

This hocus-pocus on the part of the President of the Treasury Board (Mr. Gray) of playing around with one half of one per cent to try to get some of the mental gymnasts, in the parliamentary sense, to come on board, is not only all heart, it is a complete and total sham.

We have all heard that a woman cannot be half pregnant; she has to be pregnant or not. There either is a principle and a contract that cannot be changed unless there is consultation, or there is no principle involved here. You cannot play around

with the principle by trying to insult Members, as the President of the Treasury Board has done, by saying, "Fellows, come on board because we will recognize the six and five in terms of the 1 per cent contribution that people made. We will give a half per cent more so it will not be six and five, it will be 6.5 and 5.5"

This morning I heard a commentary which pointed out that the difference works out to $3 per month. Almost before you were born, Mr. Speaker, and in my early adolescence, there was another Government of Liberals. Walter Harris, a great Canadian in the true Liberal sense, brought in a budget. He just added $6 to the old age pension. The Government legitimately went down to defeat because of the "six buck boys".

We all know about Mount Rushmore National Park. Here we have the President of the Treasury Board whose face is carved—in the animate spirit that moves him—in chalk as if on Mount Rushmore. He is trying to delude certain Members on the other side who are faced with a legitimate problem—conscience versus loyalty to the Party. He is trying to seduce them in an insulting way with half a percentage point. That is how much he thinks of them. Three dollars a month—the price used to be 30 pieces of silver. Well, 30 pieces of silver today is more than $3 a month. For $3 of this Government's money he says, "Come on board. We have changed the Bill. It is no longer six and five. We are giving you half a percentage point more because there is a little different principle here. Some retired civil servants did help pay for an indexing clause." Thirty pieces of silver, or $3 in the Government's price, is supposed to seduce Members to come on board without change.

The Hon. Member for Ottawa-Vanier proposed some changes that the Government should consider. The motion that is before the House at the moment does not cut to the core of a Government. It does not mean that if it were adopted the Government would go down the drain and we would be fighting a winter election. As much as any of us love elections, winter is not necessarily a good time to have one.

The motion of the Hon. Member for Nepean-Carleton calls for a six month hoist. The Table officers might try to define what a six month hoist does to a bill. I was a Member of the House when another Prime Minister of the same governing party defied a vote on a tax bill and said it was not a vote of no confidence. So there is a way out for Members opposite faced with that dilemma. And they must face a dilemma if they have any political conscience at all.

You do not hit a little fellow when he is down, Mr. Speaker. Why should retired federal public servants who worked for the Government, believed in the Government and expected the Government to protect them, now be the guinea pigs because of economic conditions in the country and indeed, in the world? I will not try to lay all the blame on the Government, although I can lay a lot of it there. I do not care about blame. I care about the injustice, the inequity and the total anti-Liberal philosophy of Bill C-133 as it stands. It uses retired federal public servants as guinea pigs in order to introduce a psychology that six and five will be the salvation of all our economic ills.

When I spoke before six o'clock I referred to a "Season's Greetings" note sent out by the Federal Superannuates National Association of Nova Scotia. Members get oodles of paper coming across their desks. This is a mimeographed newsletter which, ironically, is financed by a New Horizons grant from Health and Welfare Canada. This is participatory democracy in a real way. It is an expenditure of public funds, but if they are to be spent, let the superannuates spend them. It is they who are going to get hit over the head if Bill C-133 goes through as it stands. This letter from the 16,000-odd superannuates of Nova Scotia presents their arguments against the Bill in summary form. They are as follows:

1. Our pensions, including indexation, are a form of deferred remuneration and should not be altered at the whim of government or without prior consultation.

• (2020)

2. Considering the statements made in the last three issues of the Treasury Board publication, "Your Superannuation Plan", any reduction of full indexation is an outright breach of faith with those already retired.

3. The contributions made to the Supplementary Retirement Benefits Fund were mandatory—

This is the interesting thing which makes almost a lie of granite face from Mount Rushmore, the President of the Treasury Board. He started to play around with one-half of 1 per cent and to say that the one-half of 1 per cent was in effect a reward. He missed the whole object of the exercise. We all know that a 1 per cent payment from a federal Public Service salary will not pay for full indexation, but it is a form of insurance which they bought; it was part of the contract. Now this trustee of public funds will unilaterally change the contract and not give them their indexed pensions for which they have paid. Now he unilaterally says that they will be indexed at six and five. It has been said by other Members, more eloquently than I can say it, that if anyone else tried this they would be in criminal court for violating their trust to a trustee's account. That is the point in No. 3 in a simple form. The superannuates of Nova Scotia indicated:

3. The contributions made to the Supplementary Retirement Benefits Fund were mandatory and represented a form of insurance of our pensions against rising cost of living. We paid the premium, we are entitled to the product.

That says it all. They continued:

4. We understand that the Supplementary Retirement Benefits Fund is not sufficient in itself to pay for indexation of pensions, but we are entitled to a share of the excess earnings from the main fund, and if our share of excess earnings was credited to the SRBA there would be sufficient to pay full indexation.

5. Lastly, if government is allowed to meddle with the pension funds, then a very dangerous precedent is being set.

I agree with each of these five points. I think my time is coming to a close. Therefore, I will conclude in the usual manner, observing the House rules. If I do not observe the rules, Mr. Speaker will direct me to do so.

In conclusion, let me remind the House that we have the letter of the Prime Minister in 1977. If we are talking about a principle of indexation when pensioners are out of the work force and cannot bargain or strike for larger incomes, and if all that were true then, what has changed today in 1982 in terms of the principle of indexation? Many of us voted for Bill

C-124. We all know that one Party did not. We voted because we in the work force, public servants in the work force, should accept and react favourably to the Government program of six and five. We in the Conservative Party never intended that a vote on Bill C-124, which in effect approved of the Government trying to exercise restraint by example—and I will not get into the reasons it has not lived up to its example—would mean that we acquiesced with an inequity upon those who cannot defend themselves. The two cannot be connected. It is the same as the canard from the NDP which says that if one believes in God one is a Baptist or if one believes in God one is a Catholic. Often we believe in the same principle, for example that of disarmament, but we may have a very different way of going about it. That is how the MX missile was started; it was a crazy idea to begin with. I am glad that it was defeated. I think the world now will be safer. That is my thought about it. At least it was defeated and the world did not break down.

As Members of the House listen to the debate I hope they realize the inequity to retired public servants. Let me say, for those people who have just tuned in and do not know what I am talking about, we are considering Bill C-133, the Government Bill to cap the pensions of retired public servants as an example for all of us who are presently in the work force, to try to bring everything down to the six and five level. Quite frankly it is hocus-pocus because the economic, draconian methods of the Government with interest rates, the slow-up of the economy and the depression we are in, with 1.5 million unemployed, are bringing everything down to six and five and even below that level. It is no reason or justification to try now to pass a Bill affecting the pensions of people who have paid into them on a contractual basis and have worked faithfully for the Government. Now they are being betrayed by the Government of Canada. It is a mockery.

In conclusion I want to say that if the Bill passes in its present form, every Canadian should wonder why the Prime Minister, three to four weeks ago, interestingly enough preached, very well and eloquently in many ways, on trust. Yet we have a Bill in the House of Commons tonight which betrays the trust of one of the most fundamental groups in Canada, namely, retired public servants who have given their service and expect a better deal than they are getting from their former employer.

Some Hon. Members: Hear, hear!

Hon. J. Robert Howie (York-Sunbury): Mr. Speaker, it is a pleasure to speak on Bill C-133. I am speaking in opposition to the Bill which limits indexing of Public Service pensions to six and five per cent. I thank Mr. Speaker for recognizing me and for giving me the opportunity to participate in this very important debate. I congratulate those of my colleagues who have already spoken, particularly the previous speaker, for their constructive and well-intended comments in the debate.

I am surprised the Bill was brought before the House because there has been such vehement and sustained opposition to it. Not only are my Party and the Party to my left determined to vote against it but, until the Government Whip tugged sharply on their reins, up to ten Liberal Members were also ready to help defeat the Bill and possibly their own Government.

This is another component of the six and five program; six and five Bills have been dangled before us over the past few months like a yo-yo. In fact, the entire program reminds me of a 99-cent novelty yo-yo—it is cheap, poorly constructed, and does not work very well; but it is gaudy and attracts a lot of attention when used in public.

This particular Bill is just as reprehensible as Bill C-131 because once again it puts pensioners, the sector of our society least able to give up buying power, on the front line of restraint. It has the added tinge of moral bankruptcy since it breaks the 1970 agreement between public servants and the Government, under which employees pay a percentage of their wages for protection of their pensions against inflation.

At the 1981 National Pension Conference, the Prime Minister (Mr. Trudeau) said in his opening remarks that the unfairness of a pension without inflation protection, particularly when the savings pool to which workers have contributed may have been reaping inflationary interest premiums, is not tolerable in a nation which believes in social justice.

In June 1981 the then president of the treasury board said that the federal Government remained dedicated to the principle that Public Service pensions are to be protected from inflation. Since 1971 Public Service pensioners, including federal Public servants, members of the RCMP, the Armed Forces and parliamentary employees, have paid one-half of 1 per cent of their salaries to protect their pensions against inflation. Since 1977 they have paid 1 per cent. In each case their employer, the federal Government, has matched those contributions.

In 1974, Public Service pensions were fully indexed to the rate of the consumer price index for all pensioners, including those who retired before 1970 and thus had not paid in at all to the supplementary retirement benefits account. It was only at this point that the Government had to begin drawing from the Consolidated Revenue Fund to cover the indexing of those pensions with little or no equity in the supplementary retirement benefits account. Until 1974, the indexing account had been self-sustaining. The 1974 Treasury Board handbook entitled "Your Superannuation Plan" stated:

● (2030)

> In any year where there is an increase in the cost of living, pensions will be increased in an amount directly related to the increase in the consumer price index, without limit.

"Without limit" is the key phrase, echoed in the words of the President of the Treasury Board and the Prime Minister on the occasions I have mentioned, and on many others. Time and time again the President of the Treasury Board has been on record as expressing the concept that pension savings and employers' contributions to match those savings are deferred wages or earned income, part of the total benefits package. Now, because the Government is short of funds, it has decided to breach its obligations.

Supplementary Retirement Benefits Act (No. 2)

The security of senior citizens has always been one of the touchstones of the Government, one of the policies of which it could be proud. Part of what it meant to be a Liberal was to uphold this principle. It is no wonder, then, that the backbenchers opposite are in revolt as this principle goes down the drain in the name of restraint.

If this Bill is passed without amendment, 190,000 retired public servants, RCMP and military personnel will lose 5.5 per cent of the indexing to which they are entitled in 1983 under the established terms, and probably more than that in 1984, when indexing is to be limited to 5 per cent. The former contributor who earned about $16,000 on average in his or her last six years of employment and worked for 25 years in the public sector received $8,100 in pension annuities last year. He or she will lose $1,409 over the two years while six and five is in effect. Surviving spouses and dependants who received an average payment of $3,200 in 1981-82 will sacrifice $557 during the two-year restraint period, a sacrifice of which this Government should not be proud.

Therefore, the average recipient of a Public Service pension who received $6,900 last year will lose $1,200 in purchasing power over the next two years. This is quite a blow in itself, but the sacrifice does not end in 1984. These decreased pensions will form a lower base for any future indexation. Public sector pensioners will find their pensions and their standard of living are reduced forever. The Government points to the $1.06 billion paid out of the Consolidated Revenue Fund from 1974 to 1982 for indexation of Civil Service pensions alone and states that it cannot afford to increase future liabilities for indexing. However, there was a fat balance of $1,215,769,000 in the supplementary retirement benefits account at the end of the fiscal year, 1981-82, of which $880 million was credited to public servants.

The reason that the Government must draw from the Consolidated Revenue Fund is simply to satisfy one of its more puzzling accounting practices. Since January of 1974, supplementary benefits paid to a former contributor are charged to the supplementary retirement benefits account only until the accumulated total of such payments equals the aggregate of all the amounts credited to that person under the account. Indexing paid in excess of that aggregate amount is then charged to the Consolidated Revenue Fund. If the Government persists with this practice, the burden on the Consolidated Revenue Fund will still diminish as time goes on because future pensioners will have more and more equity in the supplementary retirement benefits account to pay for the indexing of their pensions.

The pension plan itself is not and has not been funded. There are two thoughts on this matter. The first approach would be to consider that the amount would be used by the Government to create wealth in the country, which would be reflected over time in increases in the general revenue of the nation. This, in turn, would enable the Government to meet pension obligations as they became due. The other approach, and one which I am inclined to prefer, would be to fund the pension plan by lending the money out in mortgages or other securities at current interest rates, allowing the interest to be compounded over a period of time in order to meet the obligations owing to pensioners as they became due. I feel that this latter approach would enable us to make the plan more accountable to pensioners, those paying into the pension accounts and the taxpayers.

Many pensioners point to the rate of interest which has been attributed to contributions over the years and make the claim that they have paid in far more than they will ever receive because of the inadequate interest rates applied to their contributions and matching contributions by their employer. With a fund in existence, bearing in mind that the fact that interest rates have always outstripped the consumer price index, it would be quite possible to adjust contributions to meet expectations with greater certainty and to remove the doubts and charges that are made from time to time. Clearly, a unilateral change in the rate of benefit imposed by the employer without consultation or agreement with the employee is a violation of trust and a violation of a contract which exists between the workers and the Government.

The breach of trust is possible in the present instance because the Government is not only the employer but also the trustee of the fund, which puts it in a conflict of interest position. It is this breach of trust which is unacceptable to me. I would urge the Government to reconsider its decision. I would also urge it, even at this late date, to commence the funding of pensions such as this by using a corporate trustee to ensure that the rights of all parties are protected and to ensure that the money will in fact exist to pay the pensions when they become due and to provide for the efficient operation of the program.

I think the Government should do everything it possibly can in both the public and private sectors to ensure that senior citizens who, in more difficult times than these, created for us one of the highest standards of living in the world, will be rewarded for their hard work and self-sacrifice with pension plans which will see that they enjoy a reasonable measure of happiness in their golden years, without the constant fear that their buying power will steadily erode and that next week and the week after they may have to get by with one less egg or one less orange.

I support the concept of indexed pensions and I believe that when people pay for an indexed pension, it should not be unilaterally taken from them.

Some Hon. Members: Hear, hear!

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, on October 28 the Government introduced Bill C-133, a Bill which, if passed, will have the effect of reducing the indexing of pensions paid to retired federal public sector workers to 6 per cent in 1983 and 5 per cent in 1984. If passed, Bill C-133 would roll back pension indexing to 6 per cent, effective January 1, 1983, in spite of the fact that under current legislation, public sector pensioners should receive 11.5 per cent in view of actual increases in the cost of living. The Bill sets the

indexation limit to 5 per cent in 1983, regardless of what happens to inflation in the meantime or what price increases will be likely at that time.

Over the next two years, this legislation would rob the average public sector pensioner of $1,200, and thereby considerably lower the already minimal standard of living which many pensioners are experiencing in their retirement years. As my colleague, the Hon. Member for Churchill (Mr. Murphy), said last night, the average annual pension paid to some 90,000 former contributors is about $8,100 a year, and there are some 32,500 persons being paid about $3,200 in survivor benefits, on the average, which brings the over-all average pension being paid out to about $6,900. This is hardly an extravagant amount in 1982, yet these are the people who are being lectured on sacrifice by the Prime Minister (Mr. Trudeau) and by, for instance, Ian Sinclair, the President of the CPR, who makes $556,000 a year. Things are not tough all over, Mr. Speaker.

• (2040)

Furthermore, the decreased indexation could create a lower base for all future indexation, and thereby set the structure for continuing losses in the future, when compared to what would be the case if this Bill had never been brought forward.

In addition to the unjust economic consequences of Bill C-133—because there are not just economic consequences of this Bill for public sector pensioners—there is also the moral question, which so many Members have dwelt upon, and quite rightly so, of the breach of trust which is involved in the Government's bringing this Bill forward in the first place.

Pensioners retired with a pension plan that they contributed to on the understanding that they would receive a fully indexed allowance upon retirement, and now they are faced with the Government unilaterally changing the rules, and in effect depriving them of their own income. There is no other way to describe this Bill.

This is a very important issue, this question of the breach of trust. In fact, the breach of trust which Bill C-133 involves is probably even more significant in the long run than the short-term economic consequences of the Bill, however undesirable they may be. The same is true, at the moral level, of Bill C-131, the Bill to reduce indexing of the Old Age Security payments which is a breach of the trust that many other Canadian pensioners had when they planned their retirement years on the basis that whatever private pension they might have, if they were lucky enough to have a private pension, would be rightly complemented by a universal and fully indexed Old Age Security pension.

The effect of Bill C-131 will be a significant erosion of universality in our public pension system, and will mean that our pension system as a whole will become even more of an income-tested system.

Canada's pension system is already excessively reliant on income-tested benefits. More than 50 per cent of the OAS recipients, for instance, are also receiving full or partial GIS benefits, and by substituting special GIS supplements for the OAS increases that are eliminated by Bill C-131, we are drawing more of Canada's elderly into the income range where part of their public pension benefits are income tested. This is a retreat from the victory won 31 years ago in 1951, the year I was born, when the means test was removed from the payment of Old Age Security as a result of the work done over the years by my esteemed colleague, the Hon. Member for Winnipeg-North Centre (Mr. Knowles).

An Hon. Member: Hear, hear!

Mr. Blaikie: We in the NDP, and the CCF before us, believe that it is more desirable to provide public retirement benefits as a matter of right rather than on the basis of an income test. We are concerned that since 1964 OAS benefits have declined from 20 per cent of average wages and salaries to approximately 14 per cent in 1982. This, combined with the reported controversy in the Liberal Party over whether or not universal benefits like the OAS should be maintained makes us very anxious about the future. We will be even more vigilant in our defence of this aspect of our public pension system, as a result.

Bill C-131, an Act to reduce the indexing of Old Age Security pensions and Bill C-133, the Bill we are debating, an Act to reduce the indexing of Public Service pension, are both clearly unacceptable. They constitute an injustice against the pensioners of Canada and a double injustice against retired public servants. We in the NDP will continue speaking against these Bills in all stages, as well as Bill C-132 which reduces indexing for Family Allowances.

We believe that there is an urgent need for pension reform in this country, and we have waited long and not so patiently for it, because it is something we do not want to be patient about. We have waited long, nonetheless, for the Government's position paper on pension reform, and we are still waiting. We believe there is an urgent need for pension reform, for reforms which would guarantee that all Canadians over 65 have incomes over the poverty line; that all middle and low income Canadians have indexed retirement incomes that allow them to maintain their pre-retirement standard of living throughout their retired lives and pension reforms that would guarantee that income-tested benefit would form a smaller rather than a larger part of our pension system.

Bill C-133 and Bill C-131 move away instead of toward those goals, and set dangerous political and conceptual precedents. For this reason I hope that sufficient numbers of Members of Parliament will be moved to vote against these Bills. In this respect I would like to make a few comments on the position being taken by my Progressive Conservative colleagues to my right.

Last night a certain Progressive Conservative Member, and he is in the House tonight, became very upset when my colleague, the Member for Churchill commented on the fact that the Progressive Conservative caucus was playing both sides of the street on the Liberal six and five program. I want to return to this for a minute because I think it is crucial that the Canadian people know where each Party stands on the Liberal approach to our economic problems.

It is true that the Progressive Conservatives are opposing Bill C-131 and Bill C-133. I believe most of them are doing this out of political expendiency because they are afraid to face the legitimate wrath of old age pensioners and Public Service pensioners, and because they do not want to be seen to be in bed with the Liberals. They would prefer the lights to be out all the time, Mr. Speaker, as they were for a short moment today, so that their relationship with the Liberals would be less visible. Only a few of them genuinely disapprove of these measures, and they are well-known to the House. I congratulate them for that disapproval.

The fact of the matter is that the Conservative Party has supported the six and five program in principle since the beginning.

An Hon. Member: For people who are working, sure.

Mr. Blaikie: This last summer they voted overwhelmingly in favour of the initial and most all-encompassing of the six and five Bills, Bill C-124. Had they helped the NDP to oppose that particular Bill, instead of giving aid and comfort to the Liberals, we might not have ever been faced with Bill C-131 and Bill C-133.

An Hon. Member: Hear, hear!

Mr. Blaikie: So I repeat the charge that my Conservative colleagues are trying to have it both ways on this issue by supporting the program in general, but then pretending to oppose it in particular, when there is a subsequent Bill which is part of the over-all program.

I maintain that the Liberals have acted so confidently to reduce indexation of pensions and Family Allowances because they correctly judged that the Official Opposition, the Progressive Conservative Party of Canada, would offer only token resistance to such moves.

An Hon. Member: They made a deal with them.

Mr. Blaikie: Why? Why only token resistance? Because the six and five program is consistent with the general view of the Progressive Conservative Party about what needs to be done in order to produce renewed economic growth in Canada, and because the Conservative Party of Canada has a long tradition, broken only to an extent by John Diefenbaker, of having a negative rather than a positive attitude toward pensions and toward other universal programs like Family Allowance and Medicare. Indeed, when the Old Age Security payment first came into being in 1927, it was over the objections of the Conservative Party of Canada. Many Conservatives at that time seemed to think it would be vaguely immoral to do what that terrible radical, J. S. Woodsworth, was proposing, and have a means-tested pension of $20 per month for every Canadian over 70 years of age. To most of the Conservatives of that time, Mr. Speaker, that smacked of communism, the same kind of rhetoric that we hear so often from the benches to my right, even to this very day.

• (2050)

No group of people involved in politics in the last decade or so has done more to discredit the Public Service and universal social programs than the official spokespeople of the Progressive Conservative Party of Canada. The PCs have allowed Members of their Party, and I think of the Hon. Member for York-Peel (Mr. Stevens) as an example, to go around the country denouncing the public sector, blaming spending on social programs for all our economic ills, and arguing against the indexation of pensions as something we cannot afford and should not do. Yet tonight they are full of praise and compassion for the retirement incomes of the people who are retired from the very kinds of jobs that they wanted to cut by 60,000 in August 1979, according to an announcement made then by the Member for York-Peel when he was president of the treasury board in the short-lived Progressive Conservative Government in 1979. This is the kind of inconsistency to which we have been treated by the PCs in this debate on Bill C-133.

Tonight the Conservatives are great defenders of universal old age pensions and Family Allowances, but it was the PC minister of national health and welfare, the Hon. Member for Rosedale (Mr. Crombie), who in 1979 clearly was interested, indeed fascinated, with the arguments being advanced by his right-wing colleagues that the time had come to ditch the universal programs. I remember only too well his hedging on the future of universal programs like the Family Allowance when I asked him a question in the House of Commons on that issue as social policy critic for my caucus in that Parliament of 1979.

The general point I am trying to make is that the six and five program, in so far as it is presented as part of an over-all economic strategy, is exactly what the Conservatives have been advocating for years as a way of accommodating the Canadian economy to the changes which are taking place in the international structure of capitalism. As we move into the era of the consolidation of the power of global corporations and out of the era of national corporations, and before that family corporations, we are going to have to decide how we are going to deal with the mobility of capital that is now characteristic of the economic context in which we live.

The Conservatives in their own way have already faced up to this issue and they found it very easy. Because they worship market forces as the ultimate arbiter of human needs and human destiny, they seem to have decided some time ago that the Canadian response to this new reality should be not to question this mobility of capital and the reality of internationalization of capital, but to shape our own country in such a way as to make ourselves acceptable to the profit aspirations of these global corporations.

Capitulation and abandonment of the well-being of Canada is the only option available to those who worship the idol of free enterprise. The Liberals, of course, worship only power. Seeing as they cannot be guaranteed hanging on to power if they act in the long-term interests of the country instead of the short-term interests of their own political fortunes, they have

adopted the Conservative strategy, so naturally the Conservatives support them.

What is happening is that the formerly unchallenged industrial economy of the United States, of which we have been a branch plant thanks to Liberal policy over the last few decades, supported by the Progressive Conservative Party of Canada, is having to compete with advanced industrial bases in Europe and Japan, the Third World and even in Communist-bloc countries like China where the ideological purity of the multinationals is being compromised by the lure of endless cheap labour. The almighty dollar, after all, is really the only ideology that counts.

Global capital now flows to wherever the return is greatest, and returns will be greatest where wages are restrained and where taxes are low, generally due to the absence of social programs and the social and political equality and freedom which Canadians rightly feel that they should not have to sacrifice in order to be competitive in the modern world, yet that is exactly what they are being asked outright to do by the PC Party and duplicitously asked to do by the Liberal Party.

We in the NDP say the way out of the problems created by the global mobility of capital is not to accommodate ourselves, not to give up all of the things we have come to regard as important to the social and economic fabric of this country. We should devise a way of bringing our economy before the bar of the common good, bringing it under more Canadian control, and try to devise a strategy in which we could on one hand meet human needs and wants in this country, be competitive in the world economically, but not in the short-term have to give in to the demands of the international investment community that we curtail those things which have been important to the achievement of social justice in this country in order that they would continue to invest here.

That is exactly the kind of blackmail the Liberal Government has given into. That is what six and five is all about, and that is why the Conservatives support it. They believe the only way to get anywhere in this world is to capitulate to those market forces. We have long rejected the political and economic solutions based on capitulation to those forces, and we invite the Canadian people now, as we will in the next election, to join with us in trying to see our way out of that darkness instead of giving in to it.

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I want to intervene briefly in this debate. I want to set out and state clearly that when the Liberals introduced the six and five program, I supported it and still do. The reason I supported six and five was that it appeared that the Government was taking an initiative, that it was doing something and showing some leadership in trying to come to grips with the inflation which has been ruining this country for most of the 12 years the Prime Minister (Mr. Trudeau) has been in power.

However, once the cape was taken off the six and five program and we saw how they intended to implement it, it appeared that their implementation strategy was not one of showing leadership but one of following. I do not see how the Government can call itself a leader and say that it is giving leadership when in order to implement its six and five program it introduced the three Bills, C-131, C-132 and C-133.

In Bill C-131, which we discussed the other day, the Government is cutting back on the indexation of pensions to senior citizens of this country. At the same time, it is abandoning the principle of universality on senior citizens' pensions. Those who have worked 40 or 50 years are being asked to take the lead, carry the burden and show leadership in the six and five program. These people have done their bit. They have given to this country. They have turned it into what it is today. They should not be asked to head the fight once more.

The second Bill, C-132, with which the Government is implementing its six and five program, cuts back on the indexing of the baby bonus or Family Allowance, and the mothers of young children—and not all of them are wealthy—are being asked to lead the fight of six and five. They first called upon the senior citizens, then they called upon the mothers and children of this country as the next line. Now they have introduced Bill C-133, the Bill we are dealing with today, and have asked a third group if they would be the ones to lead the fight and support the six and five program so inflation could be handled, and that group is the public servants.

• (2100)

I would like to say categorically that I have not seen, and I do not believe there have been, any actuarial studies done to prove that indexed pensions are affordable and that we can have them. And I want to explain right now that I am skeptical that we can afford fully indexed pensions in this country. But, having said that, I must point out that the Government legislated in 1974 that it was going to index the Public Service pensions fully, and when it makes a promise, it should keep the promise. After those people, from 1974 on, have planned their retirement, their way of living, or the date of their retirement, depending on a fully indexed pension, they find they have been deceived by this Government. The Government is not showing leadership by attacking senior citizens or by denying mothers and their children. The Government has not shown leadership in taking away what it had already promised. In fact, I would go as far as to say that if the Government breaks a promise, breaks a contract which it imposed by legislation, if the Government breaks faith with those people, then the Government deserves no trust whatsoever. We heard the Prime Minister begging for trust three nights in a row earlier this year, but no trust is deserved by this Liberal Government because they have broken a contract, they have broken their promise.

Perhaps public servants from this day forward should not have their pensions indexed. That is, perhaps, open for debate. But the Government would not be breaking a promise if it so changed the rules. The fact is, it cannot go back, as it has in Bill C-133, and renege on a promise already made.

There are some things which the Government could do if it wanted to show leadership in the six and five program, which I

do want to support, but I certainly cannot support it in the way it is shown, by implementation of Bills C-131, C-132 and C-133. For example, if the Government had held its spending this year down to 6 per cent rather than increasing it by 22 per cent, I would have supported that. If the Government promises to keep its spending increases down to 5 per cent next year, I will support that. That would show some leadership, if the Government would do it. Maybe the Government would like to keep down the growth of our national debt to six and five per cent in the next two years, but I do not think there is any way it will do it, not the way it throws money around. After all, it sends civil servants to Paris for $200,000 a year. The Prime Minister takes a holiday across the country with his children at our expense, the taxpayers' expense.

An Hon. Member: You're cheap. Come on!

Mr. Dick: That may be cheap. I wish he would go and have all the holidays he wants, young man, but not at my expense. He is a millionaire. Let him pay his own way, but do not make the taxpayers of this country pay for it. That is being cheap. The Prime Minister is a cheap man, and that is being cheap.

So I ask the Government to show some leadership by cutting its spending increases so they would only go up by 6 per cent and 5 per cent rather than calling upon the old age pensioners, the civil servants to whom they promised a different deal, and the mothers and children of this country with respect to the baby bonus. Only then will the Government be showing some leadership.

Having said that, Mr. Speaker, I can only say I will not support this Bill. I would be surprised if anyone with any sense of decency could support a Government breaking a contract, when the Government itself fails to show any leadership.

Mr. Tom McMillan (Hillsborough): Mr. Speaker, since becoming a Member of Parliament some three and a half years ago, I cannot recall any labour-related Bill that is more odious than the one now before the House of Commons for debate. Bill C-133, an Act to amend the Supplementary Retirement Benefits Act, is not only misguided, it is immoral in every sense of the word. Seldom have we seen, even from this Government, such a blatant assault upon long established principles of fair play in management/labour relations. In this case, the Government is proposing to change unilaterally and retroactively pension arrangements for its employees, which it agreed to almost a decade ago and on which, since then, thousands of Canadians have planned their retirement. In one fell swoop, Mr. Speaker, those arrangements are to be changed in a way which will jeopardize the annual income of a sizeable proportion of individual Canadian pensioners, while effectively robbing a fund held in trust for them collectively.

In a nutshell, Bill C-133 seeks to undermine the indexing of the pensions of public employees, which are currently fully tied to the cost of living, by limiting increases to 6 per cent throughout 1983 and to 5 per cent in 1984, regardless of the inflation rate in those two years. Modifications to the legislation announced by the President of the Treasury Board (Mr. Gray) yesterday may well change the relevant percentages to 6.5 per cent and 5.5 per cent respectively, but the adverse impact on pensioners remains largely the same. Retired civil servants, Armed Forces personnel, the RCMP and their survivors, among others, would be affected. The immediate impact, Mr. Speaker, would be to slash the real purchasing power of their pensions, thereby decreasing the standard of living of people who in many cases already live perilously close to the poverty line.

Other Hon. Members participating in this debate have detailed how the federal Public Service pension system works by demonstrating the injustice of the substantial changes contemplated by Bill C-133. Suffice it to say, for my part, the pensions are paid out of what could be described as a fund, which in effect is two funds. The main fund is the Public Service superannuation account. The second is the supplementary retirement benefits account. Each is covered by an Act of Parliament and attendant regulations and is backed by the resources of Canada itself. Every public employee contributes 6.5 per cent of his or her wages to the first account from which the basic pension is paid upon retirement. The individual also contributes 1 per cent of salary to the second fund which is set up to protect the purchasing power of the pension. That is a total of 7.5 per cent of salary thus contributed for a fully indexed pension. Since 1973, benefits in a given year have been hitched to the annual consumer price index of the previous year. Last year, for example, consumer prices rose 12.5 per cent. Therefore, pension benefits for 1982, the following year, increased correspondingly. By the same token, with inflation running at about 10.8 per cent in 1982, benefits for 1983 would ordinarily be hiked by that percentage. Bill C-133, however, proposes to limit any increase to 6 per cent.

• (2110)

The truth is that neither account is technically a fund in the sense that money is kept intact in a bank account, accumulating interest on a compound basis. But the money is, nonetheless, accounted for like a fund. Certainly, if all the money not paid out in pensions were kept in a bona fide fund to gather interest, instead of being used by the Government for its purposes, the two accounts taken together would generate enough income to pay for the full indexing of Public Service pensions. Indeed, the main account, notwithstanding the remarks of the President of the Treasury Board yesterday in his speech, now stands at something like $15 billion, equivalent to over $1.5 billion in interest annually. This is far more than enough to offset the $300 million by which the other account falls short each year in meeting the cost of indexing.

Last month, November, for example, the average annual pension paid to some 90,000 former contributors was about $8,100 annually. In addition, 32,500 individuals were paid an average of $3,200 in survivor benefits. The average annual pension paid as of November, 1982, was thus $6,900 per person, for a total annual cost of $746 million, or in that ballpark. In that context, then, pensioners have paid for and are continuing to pay for benefits which Bill C-133 now proposes to withdraw in part. While the Government proposes

to limit pension increases over the next two years to 6 per cent and 5 per cent, it does not intend to reduce the required contribution to the Pension Plan. So, current contributors will be paying more for less.

Sir, I sincerely hope the Government's six and five program, of which Bill C-133 is a part, will bring down inflation as is intended. On the whole, we on this side of the House support the principles and general objectives of the program. Any type of economic program from this Government is welcome after so long a period of inaction. But Bill C-133 is as immoral as it is self-defeating. It is one thing to impose the Government's six and five restraint program on, say, wages or prices in the public sector; it is an entirely different matter, however, to impose the same program retroactively and unilaterally on pensions to which the beneficiaries themselves contributed along with their employer. The rest of the six and five program, including partial indexing of Public Service wages, Family Allowances and the tax system itself, relates to Government budgetary revenue and expenditure accounts. The Government has therefore both the legal authority and the moral right to make changes in those areas, although I hasten to add that I personally found Bill C-124 repugnant and I went on public record as saying so.

By contrast, the imposition of limits on public employees' pensions is an altogether different matter. Affected is not the Government's fiscal position but, rather, a trust or pension account held by the Government for the benefit of a particular group of citizens. The indexing of Public Service pensions was not a gift by the federal Government to its employees, nor was it to be bartered from time to time in contract negotiations between the Government and the public sector unions. Neither was it to be altered at the whim of either side, depending on the mood or the fashion or the fad of the day. Public Service employees negotiated their pension benefits with their employer, the Government of Canada, with the full understanding by both parties—and I emphasize both parties—that any agreement was inviolable. For their part, the public employees have always viewed their pension agreement as a form of deferred remuneration for services rendered, or, expressed differently, as part of their pay package or compensation.

The public record, including *Hansard* reports of the relevant debate at the time, makes it clear that successive federal Governments have consistently taken the same position. Yet, boxed-in by a budgetary crisis of its own making, the present Government sees the public employees pension fund as an easy way out. It matters not to this Government that it is breaking faith with its employees in the process. The Government has long ago, Mr. Speaker, ceased to care about such principles as trust or due process or even old-fashioned honesty. As a columnist put it in a recent article in *MacLean's* magazine, this Government has been in power so long that it has begun to believe that whatever it does it has a right to do simply because of the fact that it has done it. He went on to say:

> Because (the Liberal Party of Canada) does not steal money, does not stash graft away in unnumbered Swiss bank accounts, does not torture and does not openly bribe, it assumes that it is not corrupt. Corrupt in the Liberal mind applies only to money. But the real corruption is in the Liberal mind. The party is morally bankrupt.

Nowhere is that statement more true, Mr. Speaker, than in the Government's approach to its retired employees. I recommend, Sir, that every Member of this House take the time to read the excellent speech delivered in the House by the Hon. Member for Nepean-Carleton (Mr. Baker) on July 20, 1982, in debate on the Government's Supplementary Borrowing Authority. As he rightly pointed out, even at the height of the Great Depression in the 1930s, the R. B. Bennett government of the day, while reducing salaries of public servants by 10 per cent and withholding all annual increases, viewed as inviolate the existing pension arrangements for retired public employees. One wonders what the current Government considers inviolable, apart from its own divine right to cling to office at any cost to the Canadian public. If the Government will violate the rights and welfare of pensioners, Mr. Speaker, it is capable of violating anything.

The Government is doing much more than just denying a large group of Canadians full receipt of a benefit which they have, in the words of one maritimer, "bought and paid for". The Government is laying the groundwork for real economic hardship for many of these people.

I said a moment ago that the average full pension is only about $8,100 annually. Of course, and I would be the first to concede this, many recipients receive the basic old age pension as well, and some may have other income. But, given today's skyrocketing inflation, the total that most of them receive from all sources combined is no fortune, I assure you. In fact, by the definition of the Canadian Senate in its celebrated report on the subject of poverty, many retired public employees are certifiably poor. The Senate has stated that a two-person family earning less than $11,030 in 1980 lived in abject poverty. In my own province of Prince Edward Island there are 662 service annuitants and 234 others receiving survivor benefits. Their average gross employment pension is a mere $6,028.32 a year, or $502.36 a month. Like their counterparts in every other province, including the great province of Ontario and specifically the National Capital region,they now face the prospect of seeing their already limited income reduced each year in real dollar terms as inflation takes its cruel toll.

• (2120)

I realize that public employees, active or retired, are not everybody's favourite group of people. Opinion polls have demonstrated that civil servants are currently out of favour with the public. Highly publicized strikes in certain sectors—notably the post office—have left a bitter taste. It does not matter that most labour disputes in the public sector are settled amicably and without strikes; the image of public employees is at an all-time low. True to form, the Government thinks it can reverse its plummeting fortunes coast to coast by flexing its muscles at the expense of public servants. Dr. Gallup and Mr. Goldfarb have told the Government that those people are unpopular. Consequently, the Government has decided to do battle with them in order to court public favour.

That is exactly what Bill C-133 is all about. It is not law so much as a public relations job. After spending the country into bankruptcy over the last 14 years, the Government has suddenly chosen to make restraint the rallying cry in its fight to win back public support. People can see behind the facade of this feigned conversion. They are not easily duped. They can see the facade and duplicity for what they are. They recognize instinctively the essential unfairness of legislation like Bill C-133.

My riding of Hillsborough, which is in the capital city area of Prince Edward Island, contains many federal public employees, as well as provincial Government civil servants. I know a lot of them personally and others at least as acquaintances. My work as a Member of Parliament requires me to work hand in hand with these people and with their counterparts elsewhere in the Atlantic region, especially in regional head offices, and in Ottawa. My experience is that public employees are the most maligned group in society, no doubt in part because their own public relations leave a lot to be desired. They are commonly perceived as underworked, overpaid, and too plentiful for all the good they do. But the truth is, we in Canada have the best Public Service in the world, with the possible exception of Britain, from which ours has inherited much of its tradition of dedication and professionalism.

The extent to which the public takes the Public Service for granted is, in reality and paradoxically, a measure of how efficiently our public employees do their job—unobtrusively yet competently. By the same token, only when they are on strike do we sometimes realize how dependent we are on the services these people provide. Proportionately, Government harbours as many diligent and competent and qualified employees as can be found in any field in the country. I defy anyone to demonstrate otherwise.

Similarly, the machine-like efficiency typically associated with employees in large corporations in the private sector is no less out of whack with reality than the less favourable public image of public servants. I am convinced that just as the public wrongly perceives public servants as slackers, as underworked and overpaid and too plentiful, so also the public's perception of employees in the private sector, for different reasons, is wrong. I do not have the time on this occasion to delve into the issue, except to invite people who think otherwise to examine some of the literature in political science, in management studies and in sociology. Read the studies on North American corporate management that seriously throw into question the common assumption that private enterprise has a patent on competence. Some of the business giants most familiar to North Americans are, in fact, riddled with incompetents, from the lowest echelons to the million dollar-a-year chief executive officers. The Chrysler Corporation is a case in point.

By requiring public employees, including the retired, to bear the load of its restraint program, instead of including them in an over-all wage and price strategy, which would make more sense, the Government is both reflecting and contributing to the conventional myth that those people are responsible for the double digit inflation in the country. Nothing could be farther from the truth. The blame rests squarely with the political mismanagers in the federal Cabinet, especially the Prime Minister (Mr. Trudeau), who has been calling the shots for the past 14 years. At the heart of the inflation problem, in particular, has been the Government's 14-year spending spree that has seen Government expenditures soar an incredible 630 per cent since the Prime Minister took office in 1968. The deficit of the federal Government this year is some $12 billion more than the total budget of the Government in the Prime Minister's first year in office.

The share of the total public debt of the country borne by each Canadian taxpayer, now amounts to $14,100, quite apart from their personal, individual debts. This year alone, the cost of servicing the public debt will be $700 for every man, woman and child in the country. Is it any wonder that the Government is now having to borrow money just to pay the interest on previous borrowings? Mr. Speaker, if you or I or any other Canadian conducted our personal finances the way the Government runs the country as a matter of course, we would have long since been forced into personal bankruptcy, or jail, or both.

Having increased its total spending this past year by some 20 per cent, having racked up a deficit of $24 billion in the current year alone—100 per cent higher than forecast as recently as seven months earlier—the Government now expects pensioners to settle for annual increases of no more than 6 and 5 per cent in the benefits which they themselves made possible through deductions in their paycheques when in the active work force.

A pension without built in protection against inflation is a prescription for poverty. Actuarial experts—and I do not pretend to be one—have made it abundantly clear that the average male retiring with a fixed income at age 65, with inflation raging at its current rate of 10 per cent per year, will have his real pension benefit slashed to one-quarter of its original value by the time he dies. A fully indexed pension is not a bonanza. It is not like winning the Irish sweepstakes. It is not like a Liberal appointment to the Senate. It is simply an assurance that a pensioner, struggling to make ends meet, will be able to purchase something close to the same basket of goods, through his or her retirement years. Is that too much to ask for someone who has served the country well over a long career? Surely a country as great, as wealthy and as inherently bountiful in its resources as Canada can do no less for its pensioners.

• (2130)

The concept of indexing has been allowed to become virtually a four letter word, especially when applied to public sector wages and pensions. The same thing is true with Family Allowances and other benefits which a civilized society should take for granted. Yet the very people who most vocally condemn the concept of indexing can and do in fact protect themselves in a similar, very analagous way against inflation. Business and professional people, for example, do so through

price, rate or fee increases. Employees, whether unionized or not, seek and usually gain wage increases which take inflation into account. But now the Government expects pensioners to accept something dangerously close to a freeze in their incomes at a time when inflation continues to cut in half the real buying power of the dollar every five years.

In my Province of Prince Edward Island, the price of home heating oil soared from 74.2 cents a gallon in 1979 when the Conservative Government was in office to $1.47 a gallon today. In my Province the price of electricity is the highest in the country. In the average household on P.E.I., it has gone from $33.84 a month to $53.76 a month, compared with only $12.15 a month in Calgary, in the same three-year period. Gasoline has leaped from $1.26 a gallon to $2.40 a gallon. Increases in prices of even locally-produced foodstuffs in the Province of Prince Edward Island—from eggs to fish to potatoes to fresh milk—have been stratospheric.

If current pensions are allowed to shrink in real value with each passing year, how are the people on Prince Edward Island, and other people across the country, to cope? Even the most optimistic independent analysts do not expect inflation to abate in the next two years to anything like the Pollyanna levels forecast by the Government.

The irony is that in a misguided effort to free up money for new job-creation programs, a commendable goal but misguided in execution, the Government may well be making the employment problem worse by its six and five program. Some retirees faced with deteriorating pensions are being forced back into the labour market merely to make ends meet. In the process, job opportunities which would otherwise go to younger and less experienced Canadians are being lost to them. This is why I say that, in the final analysis, the Government's six and five program is self-defeating and misguided.

Bill C-133, if passed, will rob the average retired public employee of $1,200 over the next two years, plunging many of them into real poverty. Some 12 Government Members of Parliament stated publicly that they intended to oppose the legislation. I hope that they will not view the miserly, stingy modifications to the Bill announced by the President of the Treasury Board on Tuesday as sufficient cause to reverse their position. I admire the courage which they have shown to date in opposing their own Government on the question. It is uncharacteristically courageous of them. Public sector employees and retirees in my riding, and in numerous other ridings in which there are sizeable Public Service populations, will watch anxiously as those Members of Parliament vote on every stage of the Bill. For my part I intend to join my Progressive Conservative colleagues in opposing this offensive, invidious legislation.

I urge other Hon. Members to do likewise. If we in the House of Commons, and Senators, all parliamentarians, will not fight for the rights of pensioners, who look to Parliament as their only line of defence against a callous and short-sighted Government, whose cause are we prepared to champion?

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, it is a pleasure to participate in the debate this evening on Bill C-133. Basically I should like to speak on five short topics in relation to this Bill. My first point is to state that there is a general feeling that this particular piece of legislation on the part of the Government constitutes an outright theft, something along the lines of a lawyer dipping into trust funds held for the benefit of his clients.

My second point concerns the philosophy of the six and five program which the President of the Treasury Board (Mr. Gray) indicated was the underpinning and the rationale for this particular legislation.

My third point is perhaps to analyse some of the arguments put forward by the Liberal Government as a justification for the entire six and five program which led to the Bill before us and the series of Bills which have been before the House recently.

The fourth item with which I would like to deal concerns what I feel is the incredible position of the Conservative Party in doing an enormous sleight of hand trick in this House. The Tories back the six and five legislation. They defeat amendments which would exclude persons from the six and five program, and then the Tories turn around and harp continuously tonight on this position, in opposition to this Bill.

If Hon. Members of the Conservative Party who spoke tonight had in fact taken the 40 minutes to which they were entitled, the implementation of this Bill would have been delayed and certainly more Government Members would have had time to wrestle with their consciences and vote against the legislation.

The fifth point, with which I would like to deal very briefly, is what we in the NDP believe should be done. In addition to defeating this particular Bill the pension question is a very vital one, and this is a pension Bill before us this evening.

It was fairly interesting that, when the Bill was introduced by the President of the Treasury Board on December 6, he made a number of statements to justify the particular legislation. He said that the purpose of the six and five program was to show federal leadership. I would question the kind of leadership that Government is attempting to impose or show. The Government certainly wants economic recovery to come on the backs of working people. The Government has literally removed a right which we believe is a right in a free society—the right to bargain collectively for wages and working conditions. With a stroke of the pen the Government immediately dissolved this right of Public Servants. Further, the Government believes that the six and five program should be enforced on the backs of low and middle income families through the imposition of the capping of indexing of Family Allowances.

I have had constituents come forward lately to talk about soup kitchens. Soup kitchens are becoming a necessity in my riding. Some people regularly use soup kitchens as a source of nutrition. With the very bleak prospects in the forest industry and the economy on the West Coast of Canada, things such as soup kitchens are becoming a hard reality. At one point it was

said that these soup kitchens should be more readily available. Another individual, a school teacher, pointed out that perhaps soup kitchens should be opened in the schools because children were showing up in his classroom who were not properly nourished or, for that matter, not properly clothed. This is the kind of attack the Government wants to execute against lower income families in this series of Bills.

• (2140)

The Bill before us attacks retired civil servants living on a pension income. It attacks the basic underpinning or the philosophy of most Canadians who believe that when one retires, one should retire with a decent pension income, and that that pension income should be protected from the ravages of inflation by an adequate indexing program. The President of the Treasury Board said that the federal Government wants to show leadership but it is doing it by using, as examples, people in our society who can least afford to be exposed to the kind of cutbacks and very negative, regressive action the Government has proposed. The President of the Treasury Board made a further statement and said that this is just one of the economic measures contained in the June budget, that the government wants to use this particular program against people who have security and jobs and that it feels that by dissolving their bargaining rights, by capping their salaries and refusing them the right to bargain effectively, this will be an economic measure which will lead to recovery in the economy. I would suggest that this is an incredible stunt and that the imposition of the six and five program on the salaries of public servants, on families through Family Allowances, and on pensioners has nothing to do with economic recovery. It will not put one logger back to work in British Columbia. It will not put one of the thousands and thousands of people laid off by MacMillan Bloedel back to work, and it will not put workers back to work in the shipyards of Canada. Only positive government action in our forestry industry and in our manufacturing and shipbuilding sectors will ever put people back to work or turn the economy around. Mark my words, Mr. Speaker. There has not been one positive act by the Liberal Government since the inception of the Thirty-second Parliament which would do anything toward putting the economy on the road to recovery.

Certainly, the question at hand concerns the six and five program. If it has nothing to do with recovery, what is its purpose? The purpose is simply to create a facade of action which, in reality, will create division in our society. The Liberal Party and the Liberal Government are held in such disfavour in this country that I do not think that after February 18, 1985, we will be worried about Liberals for a long time to come. However, in the impending two years, they have a serious problem, as do the people of Canada.

The Government was quick to perceive that the imposition of the six and five program would certainly turn the attention of many people away from the inadequacies of the Government and its lack of sound economic policies, and would direct attention toward an old kicking post, the Public Service. The Public Service has been a public kicking post for too long, and one for both Parties Liberal and Conservative.

Therefore, we essentially have a situation in which the Liberal Government, strictly for the purpose of political gain and not for economic recovery, decided to impose a six and five solution. Management is now fighting labour, and people in Canada who are laid off are fighting with the public servants. The Government has essentially created the same kind of rift in our economy as it created when it imposed the wage and price controls in 1975 or, I should say, the wage controls. It has nothing to do with economic recovery, but it has everything to do with political deception and an attempt to increase its own position from the one of very low esteem in which it is currently held in the public opinion polls. Mark my words again, Mr. Speaker, that should the six and five program lead to management and labour unrest, it will certainly lead to a reduction in productivity and further spiralling down of the Canadian economy. This could turn out, in fact, to be some of the most destructive legislation produced by this Parliament since 1975.

Mr. Kristiansen: Cut off Tiny Tim's crutches next.

Mr. Skelly: It is a very serious situation, but we must try to remember that this particular legislation is probably not the direct fault of the President of the Treasury Board. I think that in some former incarnation he actually had some very interesting views on the economy, before he was muzzled and before he did not resign his seat for certain commitments he made while in Opposition. Today, he is out justifying the six and five legislation of a predecessor to his position. It shows the intent and the determination of the Government to impose harsh conditions upon people in our economy who are least able to afford it, pensioners who have retired from the Civil Service, those who are depending on Old Age Security, and certainly those receiving Family Allowances.

I think that most Members of Parliament, most civil servants and most people in the economy today know that the imposition of the six and five solution, the removal of funds desperately needed by pensioners, is something which will certainly be dealt with in the next election. It will be an election issue. It is interesting to consider what the alternatives for the voters in that next election will be. When employed and retired civil servants come to vote in the next federal election there will certainly be a question in their minds. Will they support the Liberal Party and the Liberal Government which removed their right to bargain? Will they support that Government which removed the indexing on their pensions, on Old Age Security and on Family Allowances, or will they vote for the Official Opposition? It is a very curious situation. The decisions must be made by 1985, but a majority Government, whether it has been Liberal or Conservative in the past, has not served the interests of the majority of Canadians, least of all Civil Servants. What people are facing right now is a disastrous Government policy, but I am certain that they must very closely consider what the Official Opposition has done.

Mr. Lewis: Oh, you have been doing well until now, so do not spoil it.

Mr. Skelly: I notice that the Hon. Member for Nepean-Carleton (Mr. Baker) who led off the debate, made a great fuss over the entire issue. I listened with great interest to his speech on this particular topic. He stood, full of sound and fury, blaming the Liberals for this Bill which would harm retired civil servants. He blamed the Government for the six and five legislation and its negative impact on families depending on Family Allowance. He went on and on, blaming Liberals and everyone he could find, but he never stated for the record what the Conservative Party would do. Not one time have the Conservatives put forward a constructive alternative to the very destructive programs of the Liberal Party.

Mr. Lewis: Just wait.

Mr. Skelly: It is funny to hear the people to my right hollering, "Just wait, just wait". It is interesting to find that when it came to the six and five program, they supported its philosophy very clearly. The Hon. Member for Nepean-Carleton and other Hon. Members in the Official Opposition in the House tonight supported the six and five program. They knew full well what they were doing when they supported it. As a matter of fact, they called for speedy delivery of the rest of the legislation to implement that program. They wanted to get the legislation before the House so they could vote on it and get it in place, and that is part of the public record.

It is an incredible act of hypocrisy for Hon. Members of that party to stand up in the House tonight and say, as they are saying, allegedly in support of the Public Service of Canada, the retired members of the Civil Service and families who are having their indexing cut on their Family Allowances. It was absolutely astounding to hear those same people demanding that this legislation be brought before the House so they could deal with it quickly. Tonight they are speaking in short ten minute or 20 minute jabs to deal with it quickly. However, if they were to use the full time allocated to them to make their points, then there would be more Government Members who would consider opposing the legislation.

When we voted on the original legislation to implement the six and five program, Bill C-124, the Conservatives voted with the Liberals time after time. As a matter of fact, they voted against an amendment put forward by our Party which would exclude this six and five legislation from applying to the pensions of retired civil servants. The Conservatives voted against that amendment. They demanded that this series of Bills be brought forward quickly so they could deal with it expeditiously. What we have tonight, I guess, is the full circle, where the Conservatives are trying to tell the pensioners of Canada that they are supporting them, when in fact their actions very clearly eroded the position of those pensioners. The Conservative position was recorded in vote 245 when 26 NDP Members supported the protecting of pensions and excluding them from the six and five legislation, and the Liberals and Conservatives together voted against that motion.

• (2150)

It is going to be an interesting act of hypocrisy when the Tories come forward and vote as they say they are going to, against this legislation. I will bet money that there are not enough Conservatives in this House when this vote comes to defeat the Liberals, even if 12 Liberal Members vote against this Bill. The Assistant Conservative House Leader is giggling at that prospect.

Mr. Lewis: At that idiot.

Mr. Skelly: But I recall that on numerous other occasions they have failed to show up to vote when there has been an opportunity to defeat the Government. On August 3, for example 41 Conservative Members were absent from the House of Commons; 27 Liberals were absent and five voted against their Party. That is a very clear example of the Conservatives lack of—I would say—integrity on this particular issue, that they had a very clear opportunity to defeat the Government, and yet failed to show up to vote.

That is not the only opportunity that the Conservatives had to defeat the Government. On December 2 the same thing occurred; and on December 3. As astounding as it seems, when we deal with this legislation there will not be enough Conservatives in this House to defeat a Liberal Government which does not have enough Members in this House to carry that legislation.

So the incredible hypocrisy of the Conservative Party on this and many other issues in this Parliament is an extremely serious issue.

Some Hon. Members: Oh, oh!

Mr. Skelly: It is a problem that we cannot obtain—

Mr. Deputy Speaker: Order, please. The Hon. Member for Comox-Powell River has the floor.

Mr. Lewis: He should do something constructive with it.

Mr. Skelly: I wish to thank the Assistant House Leader of the Conservatives for his advice. I am going to do something constructive with it namely, to elaborate on the hypocrisy of the Conservative Party.

One of the big lies that the Tories have developed in Canada has been the theory that we in the NDP prop up that mess over there, that Liberal Government. Listen to them ranting and raving; but, travelling the country, the Leader of their Party suggests that it is us, who keep the Liberals in power, when in fact since the commencement of the Thirty-second Parliament, in 1980, on 69 occasions the Conservative Party voted with the Liberals on critical issues in this House of Commons, on amendments and procedures to protect consumers in the banking industry in this country. The Tories aided the Liberals to promote the give-aways and tax grants to the oil companies. On these kinds of issues, the Conservatives and the Liberals are locked together.

An Hon. Member: And on six and five.

Supplementary Retirement Benefits Act (No. 2)

Mr. Skelly: And on six and five, 13 times, the Liberals and Tories voted together, so we know where this Conservative Party is coming from. They are very upset this evening because it has been opened up to the light of day where these people in the Conservative Party are.

We know what kind of Government we have across the floor. We know ultimately what is going to happen to them by February 18, 1985, but it is time to talk about the electoral choices that people will have to make. One of the most serious mistakes that could be made in this country is on the six and five legislation, and the Bill before us tonight. The electorate has to make some judgment on what the Official Opposition has put on the record in relation to this Bill? According to the Tories it is everybody's fault. It is the Liberals' fault, but we have not had one constructive alternative from the Official Opposition, Mr. Speaker.

The remarks made by the Hon. Member for Nepean-Carleton are interesting. I must admit that within that particular caucus he is one of the real gentlemen, and I would suggest that he is probably constrained by the more exuberant right wing Members of that caucus who wish to drive the hammer down on the middle and lower income wage earners in this country. It is interesting, if we pursue the same theme, that they have refused to put forward a policy in this House of Commons, an alternative policy, on any of the legislation before us, except to support six and five. The Tory position since February, 1980, in this House has been summed up by the former Conservative finance Minister when he said, coming out of the Budget speech, "Well, the Liberals are a Government arift, and the Government has no answers". When asked what he would do, he said "If we told you what we would do, the people would never elect us". Ultimately, Mr. Speaker, that is the situation here.

If the Conservative Party told the people of Canada what they were prepared to do, they would never be elected and, ultimately, Mr. Speaker, they do not want to move another embassy to Jerusalem; they do not want to offer to destroy another Petro-Canada; they do not want to offer to get rid of 60,000 civil servants over a three year period, and that is exactly where they are today. The Tory Party is a bad alternative.

Mr. Deputy Speaker: The Member for Moose Jaw rises on a point of order.

Mr. Neil: Mr. Speaker, I wonder what the relevancy of this is. The comments being made by the Hon. Member have nothing whatsoever to do with the debate.

Miss Jewett: It is beginning to hurt. They do not like the truth.

Mr. Deputy Speaker: The Hon. Member's point is well taken. Would the Member for Comox-Powell River please take note.

Mr. Skelly: Thank you, Mr. Speaker. The behaviour of the Official Opposition must be judged in the context of their full behaviour in the thirty-second Parliament, since 1980, to show that their performance tonight on this particular Bill is consistent over time. The electorate, if they place their trust in the Conservative Party to relieve them from the hardship and the dismal record of the Government opposite, then unfortunately they will be looking at five hard years ahead.

That brings us forward into the question of where we should be on this particular issue. It is interesting that clearly the Liberal Party, since the inception of this particular Parliament, has refused to address the needs of pensioners. The miserable amount of money that was put forward to boost the base rate of those pensioners in 1980 was extremely inadequate. The other interesting situation is that the Conservative Party has never put forward an alternative for pensioners.

Mr. Epp: And you do not have one.

Mr. Skelly: There is no doubt that our Party has placed firmly on the record a policy on pensions. It is a right, not a privilege, for every citizen in Canada to have a fair pension; every senior citizen who retires has a right to an income above the poverty line. They have a right to expect fair retirement income. It is basically a question of, as the gentleman opposite said, fair play in our society.

I notice, Mr. Speaker, that my time has not expired and yet it is ten o'clock, so with your permission I will take my remaining time when the debate resumes, and call it ten o'clock.

• (2200)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

TRADE—UNITED STATES SUBSIDIZATION OF WHEAT PRODUCTS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, on December 2 I put the following question to the Acting Prime Minister:

> Last month the United States announced a Blended Credit Program, which is a new export program for subsidizing the exportation of wheat from that country. It is worth about $1.5 billion over the next three years, and is in contradiction to the position which the U.S. took at GATT. Has the Government or the Prime Minister petitioned the United States asking them to withdraw that very destructive program? If they have, and the answer is no,, can he assure us there will be a similar program for Canadian farmers so we do not lose our world markets?

I asked that question because I believe the American program that was announced a few days ago could be potentially very destructive for the export of Canadian grain around the world. The reason is that the program is worth $1.5 billion, to be spent over three years. They have announced that during

the first year, 1983, they want to spend around $500 million and they hope that expenditure will increase the sale of grain in the United States by some $1 billion.

What will that do? First, I maintain that it may take away a number of markets from Canadians. Some of the countries the Americans will be subsidizing with regard to credit and interest rates are customers of Canadian grain. Indeed, some may be major customers. When a country is looking at a grain contract worth millions of dollars and the United States announces it will subsidize the interest rate by 2, 3 or 4 per cent, if Canada cannot afford to subsidize the interest rate, it is only natural and normal that that country will look to the United States. That could mean the loss of thousands of jobs in this country.

The second thing that concerns me is that if the Americans begin to subsidize the export of grain, the price of grain, particularly wheat which is already depressed, may drop even lower. Even before this program was announced, the projection for 1983 was that the price of wheat would fall by about 5 per cent. With this program, and because of a grain surplus in the United States, it is very possible that the price will fall even more than the dismal forecast for 1983.

This is a very important issue to Western Canada because agriculture is so important to the western Canadian economy. It is a very important issue to Canada because farming and agriculture is still number one. It is a basic industry. What the farmer wants is fairness. He does not want any special status or deal. Farmers expect their Government to go to the United States and say to President Reagan that the program he has introduced is unfair, dangerous and protectionist. Also, it could start a massive trade war. We had trade wars in the thirties and we could have another one. The people who will get hurt will be the farmers of Canada.

I would hope today, five days after raising the question on Thursday, that the Government has made official representation to United States officials asking that they cancel this very destructive and dangerous program which they commenced in their country.

Most people do not realize the importance of agriculture. Last year, for example, food trade had a net surplus for our country of $3.2 billion. There was $9.5 billion worth of food exports or expected exports for 1982. Export sales accounted for about 50 per cent of farm income. That is how important and vital this program is to Canadian farmers.

I was surprised to see the United States announce the program because at the recent GATT meeting in Geneva, it took a very strong position against the growing protectionism of subsidies in the European Common Market, against the closed market of the Japanese and many other such practices around the world. When U.S. representatives came back from Geneva, they announced a similar program of their own. I want to refer to what Agriculture Secretary Block said on October 20, and I quote:

The program will be used in those markets where we are assured of the greatest return. We also will pay special attention to the opportunity to achieve long-term sales gains in the markets that we select. Long-term expansion in agricultural trade under normal commercial terms is a primary goal of this administration.

• (2205)

They will subsidize the interest rate and they will subsidize credit to try to undercut other grain exporters, including Canada, and that is not fair and it is not just.

Regarding the second part of my question, Mr. Speaker, if this fails and if we cannot persuade the Americans to play fair ball, then the federal Government, unfortunately, must come up with a similar program for Canadian farmers. If it does not, Canadian farmers in Canada will be hurt, not just in the short term but in the long term as well. We must do that because 30 per cent of our GNP is tied to trade and Canada's share of world trade is falling very rapidly. Back in 1970 it was 5.9 per cent of world trade. In 1979 it was 3.9 per cent of world trade. With a program like the blended credit program in the United States, that is now in danger of falling even further.

I plead with the Government of Canada, therefore, to make strong representationsto President Reagan in the United States in an effort to end this destructive program, to end what could be a serious escalation of a trade war which is potentially the most dangerous since the 1930s. But if we cannot persuade them, then we cannot live in an "Alice in Wonderland" world, leaving our farmers totally and absolutely unprotected.

[*Translation*]

Mr. Jean Lapierre (Parliamentary Secretary to Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, first of all, I would like to thank the Hon. Member for Yorkton-Melville (Mr. Nystrom) for his speech.

[*English*]

He says that this issue is very important. The Canadian Government agrees with him and is very disturbed that the U.S. government has chosen to reply to the current supply and demand situation in this manner. There is no other word than the one he used to say that we find also the whole program unfair, dangerous, a bit of protectionism, and it could start a trade war. That is why we are very concerned about the farmers of Canada and what they might suffer from that kind of a program.

I believe the Canadian authorities are very concerned that this initiative may put other exporters in a position where they have no choice but to introduce similar programs. The result, unfortunately for producers, is likely to be lower returns. This is particularly important under the current depressed price situation prevailing in world agricultural markets.

Canada has sought to contain the use of concessional financing as a competitive instrument in international trade, and the Hon. Member referred to GATT. We were impressing on the United States that we should not have that type of program and we should bring agriculture under international discipline. Unfortunately, a couple of days later, we find there

is a little double talk on their behalf, and we are very concerned about that. Where I do not agree with the Hon. Member is that if they do not follow what we are asking them to do, we should embark also on a trade war and provoke the installation of protectionism. I think we would then be doing exactly what we are blaming them for doing. I think the Hon. Member is right. We have shown our opposition to the Americans. We have communicated our concerns to the U.S. administration, and we hope that they will react positively to our requests.

SHIPBULDING—MEETING WITH INDUSTRY REPRESENTATIVES IN NEW BRUNSWICK. (B) GOVERNMENT POLICY REVIEW

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, over the last few weeks I have been attempting to extract from the Government the long overdue shipbuilding policy which has been under wraps for some reason or other. It has refused to divulge it. I can tell you, Mr. Speaker, there are a good many workers in this country who are rather resentful of the fact that the Government is reluctant to release the facts of this shipbuilding review policy. Indeed, it is affecting their very livelihoods and the futures of their families.

I think it is important to recognize that the shipbuilding industry is critical in the Maritimes. We have shipbuilding industries located on our Pacific and Atlantic coasts, as well as the St. Lawrence. These people are in dire need. They are becoming concerned that the Government is not addressing itself to their particular needs. They are aware that the Government has been in possession of a shipbubilding policy for the last two and a half years, and during that period of time they have seen at least $1.1 billion leave this country for foreign countries which are constructing ships that could have been constructed here. That is distressing to them.

• (2210)

I was astounded to hear the Hon. Member for Comox-Powell River (Mr. Skelly) tell the House this evening that it was incredible hypocrisy for my party to be expounding a philosophy and theory in support of the Government, when he knows full well that his party is entirely responsible for the fact that this Government is in power today. That same Member has stood up in the House and shed crocodile tears on behalf of the workers in the shipyards of this nation knowing full well that his party is totally responsible for the fact that those people are in power and directing the policies of the shipbuilding industry.

There is information available, Mr. Speaker, that the Department of Fisheries is considering the purchase of trawlers from Europe for the fishery off New Brunswick and Nova Scotia. That is very distressing news to the workers in the shipyards of this nation generally, let alone those in Atlantic Canada. The news that the same department is anticipating the purchase of a freezer trawler in Japan for conversion to a research vessel is extremely distressing for shipyard workers across this nation.

Last March, Mr. Speaker, there were 18,000 workers involved in shipbuilding across this nation, and today there are substantially less. Those people are not going to have a very pleasant Christmas this year. Many of those individuals have been thrown out of work because of the inactivity and inability of this Government in addressing itself to the industry's difficulties.

Why is it that British Petroleum is going to be purchased at a price in excess of $600 million, Mr. Speaker? This will not get one single job. But that is something that we should expect of this Government. Why is it that Dome Petroleum, which the Government is bailing out to the tune of millions of dollars, will purchase submersible rigs from foreign countries when they could be built in Canada?

• (2215)

The frustration that I and many of my fellow citizens in Atlantic Canada experience tonight is caused by the fact that, despite the insistence of this Party that the Government come forth with this shipbuilding policy review which has been in its hands and has been passed through Cabinet, there is no sign of it. I defy the Government to refute that statement. For two and a half years while people in this nation have been suffering, we have been exporting millions of dollars worth of work, but those problems will not be addressed this evening by the Parliamentary Secretary in his reply to the points I have raised. It is absolutely incredible that the Government can have so little respect for the plight of the workers of this nation.

Mr. Jim Peterson (Parliamentary Secretary to Minister of State for Economic Development and Minister of State for Science and Technology): On the contrary, Mr. Speaker, I am very pleased to be able to rise tonight and respond to the Hon. Member for Fundy-Royal (Mr. Corbett). If he thinks that this country will be able to produce every type of ship and every type of boat that Canadians need, he is wrong. That is unfortunate, but as a country we will have to specialize and find needs in the international market which we can satisfy. This does not mean that we have achieved our full potential in the shipbuilding industry, but I do not despair to the extent that the Hon. Member for Fundy-Royal does.

On November 22, the Minister of State for Economic Development (Mr. Johnston) initiated an intensive round of negotiations on economic and regional development issues. He was in the Province of New Brunswick and met with Premier Hatfield who voiced his support for the program of reorganization, which the Minister has undertaken. He also met with union and management in Saint John. It was reported that those discussions were extremely frank and interesting.

The Saint John Shipbuilding and Drydock Company is an integral and, I believe, a very proud part of Canada's shipbuilding heritage. We should talk about some of the successes we have had instead of badmouthing Canadian industry all the time. This company has an order for a $100 million semisubmersible drilling rig that will create 1,500 person years of employment. It has a contract for the design of the new type 1,100 icebreakers. These ships are needed to replace the older ships. It has a $1.6 million contract to refit the Coast Guard's *Louis St. Laurent*. A federal contribution of more than $12 million was allocated to lengthen and renovate the drydock.

Saint John has been awarded a contract worth $39.4 million regarding the Canadian patrol frigate contract definition phase of the program. There is a $2.6 billion contract for the construction of six new frigates which is being bidded on by Saint John and its competitor Scan Marine. This contract alone has the potential of providing 30,000 person-years of employment or over 7,000 person-years of shipyard labour over a ten-year period.

There is room for improvement, but I would refer the Hon. Member to the Minister's comment that in the very near future we will have an announcement to make on this very important topic.

NATIONAL PARKS—BANFF LAND EXCHANGE—REQUEST THAT HOUSING PERMIT BE CANCELLED. (B) REQUEST FOR MINISTER'S RESIGNATION

Mr. Gordon Taylor (Bow River): Mr. Speaker, tonight we will discuss the desecration of a beautiful park in Banff, a desecration which was requested by Parks Canada, says the Minister.

• (2220)

The facts of the case are as follows. First, the Minister of the Environment (Mr. Roberts), in charge of National Parks, issued a permit for the construction of a 76-unit complex in the only treed park in the townsite of Banff which is located in Banff National Park. The Minister alleged that Parks Canada issued the permit and pretended that he had nothing to do with it. But, in a representative democracy under our form of Government, the Minister must take responsibility for the actions of his Department. If indeed the Minister had nothing to do with the issuance of the permit, why did he not freeze the project and fully investigate the entire matter when it was raised in the House? That is what any other government or any responsible government would have done.

Second, the Minister and/or Parks Canada did not notify the people of the area that a 76-unit complex was to be built in their park. In any town or village, even the smallest village in Alberta, before authorizing a public work in any area the council notifies the people of the area. They are given an opportunity to comment. They are told that an apartment building or whatever is being planned, and they are asked for comment. Parks Canada did not do this. The Minister well knows that this was kept secret for a period of months, and that the only way the people found out was from a leak published in the *Crag and Canyon*. Then the people knew, but not until then.

Third, the Minister justified the swap of land by saying that Banff needs affordable accommodation. Banff needs affordable accommodation for the workers in Banff, but the Minister secured no guarantee that accommodation in the 76-unit complex would be affordable. Now the people of the area have been advised by the company that the accommodation will be as affordable as possible, and rates like $500 to $800 are being suggested. Rates like $500, $600 or $800 per month will not be good enough. Such rates are not affordable for people who make only $800 to $1,200 per month. But the Minister secured no guarantee in regard to the rates, and now the company will charge all the market will bear.

Fourth, the land swap or the park was valued by Parks Canada at $1,368,000 for five lots which I consider to be worth about $600,000. The Minister claims they are worth $900,000. Taking the Minister's own figure, this leaves a difference of over $400,000 in favour of Buchanan and company. In other words, the Buchanan and company lots could accommodate at the very best 20 units, while the land given to the company by Parks Canada will accommodate 76 units. Is there any company in Canada that would not jump at an offer like that? What is more, the whole deal was done by negotiations, with no public tender and no auction.

Fifth, the Minister did not refer the deal to the Treasury Board. The Minister apparently was taken aback by the refusal of Treasury Board in December 1981, and was not taking any more chances in getting another refusal, particularly for a deal which the Minister alleges he knew nothing about.

Sixth, the Minister did not refer the project to the Federal Environmental Assessment Review Office, FEARO.

In conclusion, as I said to the Minister in Committee the other day, the deal was done under the table and he knows it. The Minister did not answer. As the development officer of Parks Canada in Banff said after he resigned, "The deal smells to high heaven". I beseech the Minister to save the park, call off the company, listen to the views of people expressed in the press from all parts of Canada, and build the project some other place in Banff; save the park.

Mr. Jim Peterson (Parliamentary Secretary to Minister of State for Economic Development and Minister of State for Science and Technology): Mr. Speaker, the Hon. Member for Bow River (Mr. Taylor) is a first-rate hockey player. Again tonight we have seen an example of the Opposition skating around the true issues which underlie the matter before us.

There have been many allegations in the House over the past few days regarding the land exchange in Banff National Park. Much of the information given by Hon. Members opposite has been mistaken, and questions have often been phrased in a manner of insinuation rather than on a clear, factual foundation. I should like to cite a number of examples of what I have just claimed.

First, the Hon. Member said that we should not have allowed a beautiful park to have been destroyed. What is this park? This is an area which has been zoned R3. This has been a matter of public record since 1972. It was publicized in 1972 and again in 1980. Therefore, this development can really be considered as being a fulfilment of the zoning purpose for that property.

• (2225)

There is another misconception, the second one. The Hon. Member stated that the swap, the exchanged property, should have been subject to public tender. In this particular instance a public tender would not have been possible since a land

exchange was at the heart of the proposal. An exchange was suggested by Parks Canada officials because of their wish to avoid having higher density development on the original land held by the developer.

Mr. Kempling: Garbage.

Mr. Peterson: Third, the Hon. Member has said that no environmental assessment was done. With respect, that is not true. An assessment was conducted in December, 1981 and certain of the resulting proposals and recommendations were incorporated in the conditions attaching to the building permit.

Fourth, it has been alleged that the matter was kept secret for two years before people found out about it, at the last moment. Quite apart from the fact that the zoning has been a matter of public knowledge for ten years, we have the minutes of the Banff Advisory Council, which are a matter of public record, which show repeated reference to the progress of this development proposal. The charge of secrecy is therefore unwarranted.

The fifth charge is that the permit was hastily issued. The permit was not rushed. It was not issued until the developer had fulfilled all the requirements which are normal under the circumstances. This developer was treated no differently from any other. I would like to say, as the Minister has repeatedly stated in the House, that the approval process in this case followed its normal course and Parks Canada officials were satisfied that the development, which will provide badly needed housing, meets the interests of Parks Canada and the residents of Banff.

This has not been a battle of bulldozers and chain saws against the ecology and the people. It has been a matter seized upon for the narrow purpose of attempting to exacerbate partisan emotion and to make petty political gain.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at two o'clock p.m.

At 10.28 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, December 8, 1982

The House met at 2 p.m.

• (1405)

MOTIONS UNDER S.O. 43

[*English*]

NATIONAL PARKS

BANFF LAND EXCHANGE—DEMAND FOR INVESTIGATION

Mr. Gordon Taylor (Bow River): Madam Speaker, the hypocrisy of this Liberal Government knows no bounds. Here is one example. The Government published a booklet entitled "Guide to the Federal Environmental Assessment and Review Process" and confirmed it by legislation in the Government Organization Act in which it is stated the Minister of the Environment (Mr. Roberts) "shall initiate, recommend and undertake programs . . . to ensure that new federal projects . . . are assessed early in the planning". This assessment includes up to three sequential review stages, the final one being the Federal Environment Assessment Review Office, (FEARO). Sounds wonderful, doesn't it? It would be if the Minister of the Environment followed it, which he did not do in the Banff case. Therefore I move, seconded by the Hon. Member for Lethbridge-Foothills (Mr. Thacker):

That this House abhors this hypocrisy and demands an investigation into the desecration of the park in Banff.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

SMALL BUSINESS

DEVELOPMENT BOND PROGRAM—ROLE OF BANKS

Mr. Bill Domm (Peterborough): Madam Speaker, Small Business Development Bonds are no longer available to the small businesses requiring subsidized interest rates in the Peterborough area, and I am sure this is the case in a lot of areas across Canada. Business bankruptcies in the first nine months of 1982 were 43 per cent higher than in the first nine months of 1981, and 66 per cent higher than in the first nine months of 1980. I therefore move, seconded by the Hon. Member for Mississauga South (Mr. Blenkarn):

That the Government immediately instruct the banks to make Small Business Development Bonds available to hard-pressed businesses which are unable to pay the high interest rates now being offered by the banks.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

TRIBUTE TO FORMER OLYMPIC COMPETITORS

THE LATE HARRY JEROME AND THE LATE REGINALD DIXON

Mr. Joe Reid (St. Catharines): Madam Speaker, Canadians today were saddened to hear the news of the deaths of two more Canadians who did much to promote amateur sport in our country.

Harry Jerome died a young man. He shared the world's record for the 100-metre sprint from 1960 to 1968, and set a world record for the 100-yard dash in 1966.

Reginald Dixon sailed for Canada in two Olympics. At the 1932 Olympics in Los Angeles he won three of eleven races, more than any other competitor. I therefore move, seconded by the Hon. Member for Vancouver South (Mr. Fraser):

That this House recognize the contributions made by Harry Jerome and Reginald Dixon, two outstanding sportsmen, by sending the condolences of this House to their respective families.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Madam Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

POLITICAL PARTIES

PROGRESSIVE CONSERVATIVE PARTY POSITION ON CROWSNEST PASS FREIGHT RATES

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, the Gilson Report recommendations on grain handling will dramatically raise costs to farmers and accelerate branch line abandonment, resulting in huge losses to farmers and their

grain-handling co-operatives. Since the Conservative Party in the West is splitting on support of the Gilson Report, with Alberta going one way and Saskatchewan the other, I move, under the provisions of Standing Order 43, seconded by the Hon. Member for Churchill (Mr. Murphy):

That this House urge the federal Conservative Party to take an unequivocal stand in favour of retention of the Crow rate and appeal to their Alberta wing not to sell out to the transport and agri-business interests who wish to abolish Crow.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

CROWN CORPORATIONS

AUDITOR GENERAL'S REPORT—COMMENT ON PROPOSED LEGISLATION

Mr. Arnold Malone (Crowfoot): Madam Speaker, in light of the fact that the Auditor General of Canada has proclaimed that Government auditors are frequently denied access to information required to judge whether Government money in Crown corporations is being spent with regard and respect for economy, and since the Auditor General of Canada, Kenneth Dye, has stated that he sees more merit in the previous Crown Corporation Bill introduced in 1979 by the Progressive Conservative Party under the leadership of the Right Hon. Member for Yellowhead (Mr. Clark), and claimed that that Bill "had an effective framework for the control, direction and accountability of Crown-owned corporations", and since Auditor General Dye further proclaimed that the present Liberal Government's Crown Corporation Bill "advances no provisions dealing with the audit of Crown-owned corporations", I move, seconded by the Hon. Member for Mississauga South (Mr. Blenkarn):

• (1410)

That the Government of the day, in keeping with the spirit and express wishes of the Auditor General, withdraw the present legislation placed before us by the Liberals and replace it with that legislation previously tabled by the Clark Conservative Government, which the Auditor General found to be more acceptable and workable.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

CHARTER OF RIGHTS

APPLICATION TO SASKATCHEWAN PUBLIC SERVANTS

Mr. Simon de Jong (Regina East): Madam Speaker, I also rise under the provisions of Standing Order 43 on a civil rights issue. Last week, my alderman, Mr. Harry Van Mulligan, was confronted by his employer, the Government of Saskatchewan, with a hard choice—either move to a new post in Prince Albert or lose his job. Mr. Van Mulligan had spoken out in opposition to the provincial Government's restraint program in the course of doing the job he was elected to do on Regina City Council.

The Premier of Saskatchewan has since gone on to declare that each and every Government employee who also serves his or her community on school boards, hospital boards, and even on church boards, must carefully weigh the consequences of freely speaking their minds in public. These tactics, Madam Speaker, are more suited to totalitarian, single-party states than they are to the—

Some Hon. Members: Oh, oh!

Madam Speaker: It seems to me that the Hon. Member is dealing with a matter which is solely under provincial jurisdiction.

Some Hon. Members: Hear, hear!

Mr. de Jong: Madam Speaker, these actions are a serious infringement of the Canadian Charter of Rights. I therefore move, seconded by the Hon. Member for Regina West (Mr. Benjamin):

That this House condemn the curtailment of basic civil and political liberties of Saskatchewan public servants by the Government of Saskatchewan.

Some Hon. Members: Hear, hear!

Madam Speaker: Order. I really have the impression that this is a matter which deals with provincial responsibility and should have been brought up in that legislature. The Hon. Member for Fraser Valley West (Mr. Wenman).

* * *

TRADE

PROPOSED ESTABLISHMENT OF ASIA-PACIFIC FOUNDATION IN VANCOUVER

Mr. Robert Wenman (Fraser Valley West): Madam Speaker, I rise on a matter or urgent and pressing necessity. Given the current 12.7 per cent unemployment rate, negative 4.4 per cent GNP growth rate and slumping production in Canada, as well as growing world protectionism in the industrialized OECD and Canada's over-reliance on resource exports and trade with the United States, I move, seconded by the Hon. Member for Vancouver Centre (Miss Carney):

That the Government move as quickly as possible to implement the recommendations of the Bruk study to establish an Asia-Pacific Foundation Headquarters in Vancouver to exploit and expand Canada's trade relations with Asian Pacific

countries in order to open up new markets for Canadian producers and thereby revitalize Canadian export trade and create new employment opportunities for Canadians.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

CRIMINAL CODE

CALL FOR REVIEW OF PENALTY FOR MURDER

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Madam Speaker, I would like to move a motion under Standing Order 43 on a matter of urgent and pressing necessity. Whereas it has been six and a half years since the abolition of capital punishment in 1976; whereas at that time the penalty for first degree murder was fixed at life imprisonment with no parole for 25 years; whereas that penalty was decided by a close, free vote in Parliament, with 11 persons on death row and strong pressure to increase the use of capital punishment; whereas it is recognized that the mandatory minimum of 25 years is too inflexible, and in some cases counterproductive to rehabilitation; and whereas there is no new rationale to reconsider capital punishment because, first, the rate of murder has declined since 1976; second, capital punishment is not a more effective deterrent to murder, and capital punishment is immoral, irreversible and inequitable in application; I move, seconded by the Hon. Member for Louis-Hébert (Mr. Dawson):

That the Government set up an independent review group to examine the present penalty for murder and its impact on prisons and prison populations, and to recommend new, more flexible provisions which will protect the public to the greatest extent possible and at the same time provide a greater opportunity for rehabilitation for those serving sentences in prison.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

• (1415)

AIR CANADA

LAY-OFF PROVISIONS FOR EMPLOYEES

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, Air Canada is not acting responsibly or fairly in refusing to offer a voluntary severance pay package to its employees covered by the IAM collective agreement, comparable to that which is being offered surplus Air Canada management

employees. Yet the same economics which makes it advantageous for Air Canada to offer a "golden handshake" to management is surely also applicable to the early retirement of IAM employees, in addition to the fact that such early retirements would also ease the burden of the planned lay-off of 585 IAM employees as of January, 1983. Therefore I move, seconded by the Hon. Member for Winnipeg North (Mr. Orlikow):

That this House instruct the Minister of Transport (Mr. Pepin) to communicate to the President of Air Canada the desire of all Members of this House that IAM employees of Air Canada should not be discriminated against, should be offered a comparable VSP arrangement, and should not be asked to pay for any such arrangement by giving up other benefits just as management has not had to pay for its "Golden Handshake".

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

CROWN CORPORATIONS

REQUEST THAT GOVERNMENT WITHDRAW AND SELL ASSETS

Mr. Don Blenkarn (Mississauga South): Madam Speaker, my questions are directed to the President of the Treasury Board who will know that last year the Government sold its interest in Consolidated Computer to the Corporation for $100,000 having blown $125 million of taxpayers' money on that company. Since Nabu has been able to turn that consolidated computer around and make a profit of over $2.3 million in less than a year, when is the Government going to realize that it cannot run businesses at all and that it would be far better off to sell those businesses it owns, or give them away if necessary, so that the assets could be used to make a profit, put people back to work, and get the country growing again?

Hon. Herb Gray (President of Treasury Board): Madam Speaker, I am glad that the Official Opposition is now willing to admit formally that the deal we made with Nabu to extricate ourselves from involvement in the CCI situation was a good one. I am glad the Hon. Member finally recognized that.

With respect to the second part of his question, Government involvement in Crown-owned corporations involves public policy purposes. The important thing is to ensure that those purposes are effectively carried out. In some cases that will mean return of an entity to the private sector, as we intend to do with our shares in the Canada Development Corporation. So it is a matter of properly carrying out what is in the best interests of the public, and this is what we are doing.

Oral Questions

CANADAIR AND DE HAVILLAND

Mr. Don Blenkarn (Mississauga South): Madam Speaker, the Minister will know that this House is being asked to vote $400 million for Canadair and de Havilland. He will know that his colleague in the Senate has indicated that the $400 million will not cover the hole and we will have to vote again, perhaps next March, for more millions and millions of dollars.

The Minister has been successful with Nabu, so why does he not turn around and sell Canadair and de Havilland to Canadian entrepreneurs who know how to run things, and not leave it with the Government for another great disaster such as has been pointed out by the Auditor General to the people of Canada?

Hon. Herb Gray (President of Treasury Board): Madam Speaker, Canadair and de Havilland are being run by commercial management, most of whom were there before the Government acquired the controlling shareholding interest. In any event, as my colleague in the Senate said in announcing the transfer of the Crown shares in those companies to the Canada Development Investment Corporation, one of the objectives of that Corporation is to see when there would be an appropriate opportunity for return to the private sector of companies under its management. But this involves considering when there would be an appropriate return on the Crown's investment. It obviously involves looking at the over-all situation of the marketplace, bearing in mind the over-all public policy purposes which were in effect when the Government acquired the share interest in the first place.

These companies are in many ways the cornerstone of the Canadian Aerospace industry. There are some 25,000 direct and indirect jobs involved, and I hope my hon. friend is not suggesting that we would undermine the continued existence of these jobs which are so important to these key sectors of our economy, indeed to the entire economy.

• (1420)

Mr. Blenkarn: Madam Speaker, clearly socialism does not work. Clearly, ownership of the means of production and distribution by the state do not work.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

SUGGESTED ESTABLISHMENT OF PRIVATIZATION COMMITTEE

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I have a supplementary question for the Minister. When can we have a commitment from the Government that it will set up a privatization committee which will, as quickly as possible, get the Government out of these losing businesses so that they can be turned around in much the same way as Nabu turned around Consolidated Computer?

Hon. Herb Gray (President of Treasury Board): Once again, Madam Speaker, I want the House and the public to note the endorsement of the official spokesman of the Conservative Party for the steps we took to end our involvement in Consolidated Computer and have it involved with the Nabu company.

Some Hon. Members: Oh, oh!

Mr. Beatty: Read your letters.

Mr. Nielsen: It was about time.

Mr. Gray: I should also remind my hon. friends that the reason the Crown acquired majority interests in Canadair and de Havilland was because of the state they had got into when they were under private ownership and, for that matter, foreign ownership. We do not rule out the possibility of a return to private ownership but it depends on when we can get the best return for the Crown and the terms and conditions involving the over-all protection of the public interest with respect to the health of the aerospace industry and the maintenance of the tens of thousands of jobs involved. My hon. friend and his Party may oppose that, but the workers in those companies do not oppose it, and Canadians generally certainly do not oppose it.

Mr. Clark: Put that to the test.

USE OF FUNDS ADVANCED TO CN MARINE INCORPORATED

Mr. Tom McMillan (Hillsborough): Madam Speaker, my question is directed to the Minister of Transport. The Auditor General's Report documents that the Department of Transport gave CN Marine $25 million as an early downpayment on the construction of the new carferry *M. V. Abegweit* to travel between Prince Edward Island and New Brunswick, as a means of saving the taxpayer money on the total cost of that project.

Instead of advancing the money to the shipbuilder to save the taxpayer money, as CN Marine was instructed to do, CN Marine stashed it in a bank account and reaped a windfall profit of $4.8 million in interest earned.

The Auditor General has revealed the appalling fact—

Madam Speaker: Is the Hon. Member going to ask a question, ever?

Mr. McMillan: In light of the fact that the Auditor General has revealed that CN Marine paid $163,000 to the shipbuilder to consent to the shady deal—an outright bribe—is the Minister going to call for a full public inquiry into this appealling practice? What else is the Minister going to do to prevent this from happening in the future?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I have not really had the time to go into the details of it. I am grateful to the Auditor General for bringing this matter to our attention.

Nevertheless, I have looked into it yesterday and this morning. The facts are that, indeed, advance payments were

made to the contractor. There is nothing wrong with that as a principle. The thing that one must make sure of, however, is that the interest on the money is allocated to the price of the ship, and this was done. An amount of $2,880,000 odd was credited to the cost of the ship. This is quite all right, in my view.

There might be a debate about whether one could have found a better interest rate elsewhere. I do not know, and I have not looked at the matter in sufficient depth to judge that. The principle of advance payments is a normal practice in these instances. The $163,000, which is one half of one per cent for the management fee, was given to Saint John Shipbuilding. In this particular instance there might be a debate about whether it should not have remained to the credit of CN Marine instead of moving to the shipbuilders, but again, this money has been accounted for.

In a word, Madam Speaker, I wish procedures had been followed in a tighter way in this matter, but up to now I do not see any scandal in what was done.

ACCOUNTABILITY FOR EXPENDITURE

Mr. Tom McMillan (Hillsborough): Madam Speaker, I have a supplementary question for the Minister of Transport. The Minister is parroting the very explanation given by CN Marine which the Auditor General has described as totally unsatisfactory.

The Auditor General has made it clear that CN Marine and the parent company, Canadian National, have totally stonewalled the Canadian Government's efforts to initiate an operational audit of CN Marine to ensure that taxpayers' money is being wisely spent. When will the Minister call the corporate elite, at least the presidents of CN and CN Marine, on the carpet in his office and order them to exercise some minimum degree of accountability in the expenditure of millions of dollars every year of taxpayers' money?

• (1425)

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, as usual things are not as simple as they are made to look, particularly in a question of this kind. CN Marine has not been as open to auditing by the Government or by the Auditor General as the Opposition Member who is asking the question would have liked. The case that CN Marine makes is that, as a subsidiary of CN, it should be using exclusively the auditing firm of CN itself. There is a justification in what it is saying. To ensure that nobody will have the feeling that the Government or I am trying to hide anything in this matter, since yesterday, I asked CN yesterday to accept the idea of a comprehensive auditing of CN Marine, and CN has accepted it.

FOREIGN INVESTMENT REVIEW AGENCY

REQUEST THAT POWERS BE STRENGTHENED

Hon. Edward Broadbent (Oshawa): Madam Speaker, my question is directed to the Prime Minister. Everyone knows that the Government has been going all over the world undermining FIRA, promising foreign countries that legislation will be introduced or that legislative changes will be made which will weaken FIRA. The code word for this process has been, of course, to make FIRA more efficient. The Minister of Finance repeated that euphemism earlier this week.

Considering that foreign-owned firms import four times as much into Canada as do Canadian companies—that is to say they export thousands of Canadian jobs—will the Prime Minister assure the House that he will implement what was promised in the last Throne Speech, namely, a commitment to strengthen FIRA to provide more Canadian jobs, instead of the reverse?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I would disagree with the Hon. Leader of the New Democratic Party in that he is implying that we are trying to weaken FIRA. The position of the Government is not to weaken FIRA; it is to make it more efficient. I stand by the words spoken by the Minister of Finance and various other Ministers on that subject. We are effectively trying to make sure that the screening process will ensure the objective of FIRA that any foreign investment will be for the benefit of Canadians but that indeed the screening process be conducted efficiently. That is the state of our policy now. It is not correct, as the Leader of the New Democratic Party said, to say that Members of the Government are going around the world saying that they will weaken FIRA or make it disappear.

Mr. Broadbent: Once again, deliberately or not deliberately, the Prime Minister is misstating reality.

BUDGET PROPOSAL

Hon. Edward Broadbent (Oshawa): Madam Speaker, will the Prime Minister not acknowledge that in the last budget introduced in the House there was a specific provision designed to weaken FIRA, to make it possible in terms of regulation change for foreign companies to buy up, without going through any review process, all kinds of additional companies at fire sale prices in Canada, and that if the regulations remained unchanged they would not be able to do so? Will the Prime Minister deny that? If he will not deny it, will he give assurances in the House that the proposal made in the last budget will be withdrawn?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Madam Speaker, I will deny that. The proposal made in the last budget is intended to make the administration of FIRA more efficient. It is not intended to weaken FIRA by changing the threshold. Permitting an accelerated review does not mean that there will not be a FIRA process. It means that the FIRA process will be more expedient and more efficient.

Mr. Broadbent: The Prime Minister knows as well as anyone else that, according to the process mentioned in the budget—and I assume he is now being corrected by one of his Ministers—a number of companies will be exempt from review. That can only mean one thing—a weakening of FIRA, and the Prime Minister should acknowledge it.

• (1430)

LAY-OFFS ANNOUNCED BY FOREIGN-OWNED COMPANIES

Hon. Edward Broadbent (Oshawa): Madam Speaker, we have seen just in recent weeks that foreign-owned firms certainly do not have a commitment to jobs in Canada. For instance, the Iron Ore Company in Quebec has laid off hundreds of workers, and Bowater in Newfoundland has also laid off hundreds of workers. Both companies have made millions of dollars in profits. Considering this is the reality about the performance of such companies in Canada, will the Prime Minister implement what he promised, not only in the 1980 election campaign but also in the last Throne Speech, that is, to bring measures before the House specifically designed to strengthen FIRA?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the examples which the Hon. Member gives are somewhat misleading. It is obvious that some foreign-owned companies are laying off workers, but so are Canadian-owned companies. Strengthening FIRA now would do nothing about the specific cases he quotes.

Mr. Broadbent: What about the next ones, though?

Mr. Trudeau: The next ones, Madam Speaker, I have dealt with in answering the Hon. Member's two previous questions.

Mr. Broadbent: No.

Mr. Trudeau: We are not weakening FIRA. We are making it more efficient. Increasing the threshold above which companies are examined for their investment intentions does not mean that we change the spirit of FIRA; it means that we will be able to deal with the important and the big cases more expeditiously. That is the object of it.

Mr. Broadbent: Black is white, too.

* * *

[*Translation*]

THE CONSTITUTION

QUEBEC'S RIGHT OF VETO—GOVERNMENT POSITION

Mr. Dennis Dawson (Louis-Hébert): Madam Speaker, my question is directed to the Right Hon. Prime Minister. In its decision on Monday, the Supreme Court of Canada rejected the appeal launched by Quebec in which it claimed to have a veto right. As a result, a number of Quebecers again have the feeling they were betrayed by the other provinces and the Federal Government. Can the Prime Minister inform the House whether the case is closed or whether the Federal Government can be expected to reiterate the offer made in Victoria and rejected by Quebec, and rejected by Quebec once again during the last round of constitutional talks? And now that the courts have dealt with the case, is the political debate expected to resume, and is there a chance that the subject will be put on the agenda of the Constitutional Conference that is already scheduled, in order to prove to Quebecers that the Federal Government is still interested in this matter?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, regarding the second half of the question, the provinces are aware that the Constitutional Conference next March will be held specifically to discuss matters relating to native peoples. The agenda is open, and officials from the various provincial governments and our federal officials are now trying to determine the items that will be put on the agenda, which means that the provinces are free to make suggestions for discussing various constitutional matters, including the amending formula. I do not know whether the Government of the Province of Quebec, after abandoning its veto right, will now try to get it back.

Mr. La Salle: It never had one, according to the Supreme Court's decision!

Mr. Trudeau: The Member for Joliette says that it never had one. It never had one because it never wanted one. The Member for Joliette ought to know that at least since 1968, our Government has been trying to get an amending formula that would have given Quebec a legal veto right. We did this because we wanted it to be enshrined in the Constitution. However, in April 1981 the Parti Québécois Government joined the other provinces in saying that all provinces should be treated the same, and the party to which my hon. colleague, the Member for Joliette, belongs, fought the Government's draft proposal for a veto right and prevented its approval by the House. The Hon. Member and his leader have prevented Quebec from getting a veto right by fighting against our proposal, which contained a veto right.

* * *

[*English*]

NATIONAL SECURITY

CASE OF CANADIAN PROFESSOR—TRANSMISSION OF NATO SECRETS

Mr. Chris Speyer (Cambridge): Madam Speaker, my question is for the Minister of Justice. In an article in this morning's *Citizen* written by Neil Macdonald, it is reported:

> Tuesday, Solicitor General Robert Kaplan and Justice Minister Mark MacGuigan admitted Hambleton did tell the Mounties about passing on the NATO documents—

Now I will quote precisely what the Solicitor General said:

All of the information about his role working for NATO in Europe, when volumes of documents, many of them highly classified, were transferred directly to KGB officers . . . he gave details of all of those things—

Will the Minister of Justice reconcile that statement with the statement which he gave yesterday in answer to a question by the Hon. Member for the Yukon, which reads:

Madam Speaker, in case my previous words were not sufficiently clear, I can confirm that there was no evidence before us of transmission of NATO secrets at any time.

Who is telling the truth?

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, the article is mistaken, and I think my hon. friend's interpretation of it is further mistaken. I think the point the article makes is that both the Solicitor General and I admitted that, after the initial decision of the Minister of Justice that no prosecution should take place—

Mr. Clark: Should?

Mr. MacGuigan: —it was after that time that NATO secrets were revealed. If that is the meaning of the article—or whatever the meaning of the article is—I did not state that. I have no direct knowledge of that, and my hon. friend may wish to address that question to my colleague, the Solicitor General.

An Hon. Member: Get together with him.

Mr. MacGuigan: What I said yesterday in this House, and which cannot be controverted because it is the fact, is that at the time the decision was made by my predecessor as Attorney General there was no evidence whatsoever to suggest that there had been any transmission of NATO secrets by Mr. Hambleton at any time.

Mr. Speyer: It is quite obvious that the left hand does not know what the right hand is doing in this particular case, Madam Speaker.

INFORMATION SECURED BY SECURITY SERVICE

Mr. Chris Speyer (Cambridge): Madam Speaker, my supplementary question is for the Solicitor General. After the letter of opinion was given to the Solicitor General from the predecessor of the Minister of Justice, which said that there was not sufficient evidence for a prosecution, and after the Solicitor General's Department and the Security Service came and knew that there were NATO documents being passed, was that knowledge ever communicated by the Security Service to the Minister of Justice's predecessor?

In addition, could the Minister please tell us what were the contents of the document that the spy Hambleton had in his possession in the Old Bailey? Will the Solicitor General release it and table it in the House? If he will not, why not?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, the Security Service tells me that, from the receipt of the opinion of the Department of Justice, the Security Service did not return to the Department of Justice for further advice about prosecution with any of the additional information it got from Hambleton.

Mr. Speyer: Why?

Mr. Nielsen: Why didn't you?

Mr. Kaplan: In the earlier period, when the Security Service was preparing its case for the Department of Justice, all of the interviews, for example, with Hambleton, were taken under caution. He was warned that the information that he gave the Service could form the basis of a prosecution against him.

An Hon. Member: So what?

Mr. Kaplan: After the Security Service got the decision of the Department of Justice, the Service told Mr. Hambleton of that decision. They told him in their opening remarks. Following that, the Security Service has many discussions with Mr. Hambleton which were not on the basis of a caution, which information, in the opinion of the police investigators and of lawyers, would not have been admissible to be used against Hambleton. That is the reason the Security Service did not go back to the Department of Justice. That Service was quite satisfied to be running a very successful counter-espionage operation which was very productive; Hambleton was giving the Service information, which information the Service was sharing with the other friendly intelligence services, including MI5.

USE OF INFORMATION OBTAINED FROM PROFESSOR

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, my question is for the Solicitor General. Surely if this kind of voluminous evidence was obtained from the spy Hambleton—even if the Security Service felt that because it was obtained from him and could not be used against him because of a lack of caution, a statutor's warning, as the Solicitor General said—that evidence could have been used to solicit evidence from other people he named in that kind of testifying who could then have been given a caution? Why is the Solicitor General apparently hanging the success of the case only on what Mr. Hambleton could testify, instead of all of the other evidence that opened up as a result of what he said?

• (1440)

Hon. Bob Kaplan (Solicitor General of Canada): Let me clear that up for the Hon. Member. No voluminous evidence, physical evidence, was obtained from Hambleton. He did not have or certainly did not produce it, and the Security Service did not find NATO documents in his possession following—

Mr. Epp: No, they were all in Russia!

Mr. Kaplan: —the discussion with him. These were things that he told the Security Service and, by the way, they were things that he had done, not in Canada but overseas. He worked for NATO overseas, he got those documents overseas,

and transmitted them overseas. So, in the discussions that they were having with Hambleton in Canada, all that they were getting from him was exactly that, information.

The Hon. Member is asking why they did not seek to verify information from third parties or in other ways which would have given them a basis to go back to the Department of Justice. The answer is that they wanted to do that very much and it was always their position that, if they could find third party evidence, not this information which was obtained without a caution, but third party evidence, they would indeed have gone back to the Department of Justice to try to obtain a consent from the Attorney General of Canada to found a prosecution in Canada.

* * *

FOREIGN INVESTMENT REVIEW AGENCY

ELECTION CAMPAIGN PROMISE

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my question is directed to the Prime Minister. It is a supplement to the questions asked earlier by the Hon. Member for Oshawa. I have in my hand a copy of a campaign speech given by the Prime Minister in Toronto on February 12, 1980, wherein he made three specific promises to strengthen FIRA, one of them being as follows:

> We want to expand and strengthen FIRA ... FIRA's mandate will be broadened to include the periodic review of all foreign firms of large size to assess the performance of these companies in such areas as export promotion and research and development.

If that promise had been kept, perhaps we might have prevented the Bowaters and the Iron Ores of the world.

The Prime Minister has now had three years to keep this commitment. Why has he not lived up to that promise he made in the dying days of the 1980 election campaign?

Mr. Nielsen: Same reason.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, because in those dying days of the 1980 election campaign Canada was not in a world which was very short of investment funds. We did not have 12 per cent unemployment. We felt at that time that we in Canada could be a little more selective—

Mr. Nielsen: We did not have $2 a gallon gas either!

Mr. Trudeau: —with the import into Canada of foreign capital. Since that time, there has been a very severe world-wide crisis.

Mr. Clark: Particularly in Canada.

Mr. Trudeau: The position of the Government remains that which I gave to the Hon. Member for Oshawa. We are not tightening the rules of FIRA to make it more difficult for foreign capital to have access to Canada, but we are not making it more easy either. We are just maintaining the previous position by ensuring that there will be more efficient administration and, therefore, the capital which people want to invest in Canada and which can create jobs here, which would be done in a way which is favourable to the economy of the Canadian people—those things can get by without many months of delay which had been required under previous administrative rules. In other words, if investment is judged to be in the interests of Canada, we want it to come more quickly than more slowly.

Mr. Murphy: Madam Speaker, I would suggest to the Prime Minister that the only selectivity is that the Liberals select which promises they wish to keep.

Mr. Nielsen: Name one.

* * *

MUNICIPAL AFFAIRS

REQUEST FOR ESTABLISHMENT OF FUND FOR MAJOR PROJECTS

Mr. Rod Murphy (Churchill): My supplementary question, Madam Speaker, is directed to the Minister of Finance. About 50 per cent of the construction workers in the Province of Nova Scotia are unemployed, with approximately 30 per cent facing the possibility of joining the welfare lines this winter. In the community of Springfield, Nova Scotia, a fire pump and the town fire department have been used to provide water to the community because the half finished water system is not being completed because of lack of funds. With this in mind, would the Minister of Finance act on a recommendation of my Leader, the Hon. Member for Oshawa, and create a major municipal projects fund in order to create real jobs? I would remind the Minister of Finance that there are many millions of dollars in these projects which are ready to go now so that jobs can be created for this winter.

Mr. Epp: Tell us about the Manitoba deficit.

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I have already indicated, in answer to the Hon. Member for Oshawa, that I would consider his representation. But I would also remind the Hon. Member that in my economic statement of October 27 I announced a $500 million fund for direct job creation for which municipalities can also apply. Therefore, in the case to which he is referring, the municipality could apply through the NEED Program for an allocation of funds. The Province of Nova Scotia has been allocated several million dollars for that particular Program. It would be possible for the municipality to consider applying for a contribution under the particular Program in order to complete the work. That is available, and I am sure the Minister of Employment and Immigration will want to follow the representation made by the Hon. Member.

AUDITOR GENERAL'S REPORT

COMMENTS ON GOVERNMENT MANAGEMENT

Mr. Ron Stewart (Simcoe South): Madam Speaker, my question is directed to the President of the Treasury Board. The report of the Auditor General points out that the Government is guilty of wasting millions of taxpayers' dollars and of gross mismanagement, to such an extent that 30 per cent of the public servants do not know what they are supposed to be doing. The underlying essence of the Report is that we are experiencing a large scale Government scam, and "scam", in my view, is an acronym for "squander, contort and mismanage".

Does the Minister agree that this Report is a fairly accurate assessment, or is it his opinion that his Government is responsible, accountable, not wasteful, and provides sound management?

Hon. Herb Gray (President of Treasury Board): Madam Speaker, I do not think the Hon. Member has accurately described what the Auditor General said with respect to performance criteria and their communication within the Government. He said that 30 per cent of the employees surveyed throughout only seven Departments indicated that they were "unclear about the kind of job performance expected of them during the last rating period".

Mr. Beatty: How about the cabinet?

Mr. Gray: The Auditor General did not say that 30 per cent of the employees do not know what they are doing.

Mr. Clark: Do you know what you are doing?

Some Hon. Members: Oh, oh!

Mr. Gray: In any event, Madam Speaker, I want to assure the House that we are working with the Departments to update and review the—

Mr. Clark: Is it true that you have resigned?

Mr. Gray: —performance review system in question—

Mr. Clark: Herb, are you on strike?

Mr. Gray: —in the light of the Auditor General's recommendations. However, if the Hon. Member wants me to go on and respond more specifically, I would point out to him that the Auditor General pointed out in his Report that he has, "identified a gradual but unmistakable emergence of a new determination in Government and Parliament toward improved management and more stringent accountability". The Auditor General's Report itself indicates that the Hon. Member does not know what he is talking about.

Mr. Stewart: I would like to tell the Minister that that was a gray answer from a gray area.

Some Hon. Members: Oh, oh!

Mr. McDermid: No gray matter.

FOREIGN AID—RESPONSIBILITY FOR PROJECT IN HAITI

Mr. Ron Stewart (Simcoe South): Let me ask the Minister why, in view of what he just said, he does not read the Report a little further. If he did he would see that in November, 1981, after $22 million of taxpayers' money was spent over a period of ten years, a project in Haiti was cancelled by gross mismanagement. A subsequent audit revealed that a $110,000 payment was fraudulently paid, that a $127,000 payment was paid and it was suspected of being fraudulent, and $1.7 million—

Madam Speaker: Order, order!

Mr. Stewart: —of Canadian taxpayers' money is not accounted for.

Madam Speaker: Order. I do not know why we have so much trouble on Wednesdays in keeping questions short, but all of the questions have been too long and, most of all, the answers.

Some Hon. Members: Hear, hear!

Mr. Stewart: Madam Speaker, with all due regard for the Chair, I do not know why you always pick on me.

Some Hon. Members: Oh, oh!

Mr. Stewart: May I ask my supplementary question?

Madam Speaker: I would tell the Hon. Member that once in a while I have to pick on someone. It just turns out that it is him today.

Mr. Stewart: May I ask the Minister a question, Madam Speaker? Will the Minister acquiese that gross mismanagement was involved in the Haiti project? Will he tell us, this House, that he will name persons responsible for this gross mismanagement, and will there be firings?

Some Hon. Members: Hear, hear!

Hon. Herb Gray (President of Treasury Board): Madam Speaker, the Auditor General has identified a number of important issues. With respect to the one the Hon. Member has mentioned, I intend to be discussing this matter very thoroughly with the Minister responsible for CIDA so that all appropriate action will be taken.

I might add that the Hon. Member would ask better questions if he had more gray matter, which he obviously lacks.

Some Hon. Members: Oh, oh!

Oral Questions

[*Translation*]

CORPORATIONS

INQUIRY WHETHER GOVERNMENT WILL MODIFY BILL S-31

Hon. Roch La Salle (Joliette): Madam Speaker, my quesiton is directed to the Minister of Consumer and Corporate Affairs. Yesterday, the Minister appeared before a Senate Committee to comment on Bill S-31, and when questioned by the press when he came out, he said he was willing to accept amendments to Bill S-31 which would have the Bill concentrate on pension funds rather than on provincial agencies or corporations, as is the case in the present Bill. Could the Minister repeat in the House today that he is willing to amend the Bill in order to restrict its application to pension fund institutions, and if so, could he inform the House whether the Alberta Heritage Fund could be exempted from Bill S-31?

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, I said before the Senate Committee that we would examine all draft proposals that were of any interest. I made it clear that both in the Senate and in the House of Commons, Members had an interest in the Bill, that a committee of Liberal Members was examining the Bill and that I was quite open to constructive amendments. I did not, however, specify the nature of those amendments. A journalist told me about the proposal formulated before the Senate by the President of the Montreal Stock Exchange. I said it was an interesting proposal that would be considered, but I did not specify, as the Hon. Member seems to want to imply, that such an amendment would be accepted. I think it is too early at this stage to conclude whether an amendment of this kind would benefit or would adversely affect the general scope of the Bill.

EFFECT OF BILL ON PENSION FUNDS

Hon. Roch La Salle (Joliette): Madam Speaker, so according to the Minister, and for the information of the people of Canada, the newspaper article is wrong when it says that the Minister is prepared to amend the Bill by making it apply only to pension funds. I think it is important that the Minister should inform the House whether he is willing to narrow his Bill down to the point where it would apply only to pension funds.

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): I think the article to which the Hon. Member is referring is headed: Ouellet says he is open to amendments. That is what I said and what I maintain. As for the kind of amendments, I have not been specific on that, with the Senators or with the press. I think it is too early at this stage to start speculating on one kind of amendment or another. I just want to make it clear, Madam Speaker, that as with any other bill tabled in Parliament, often amendments are made to improve legislation, and this proves how flexible and how open we are to concrete suggestions.

• (1450)

[*English*]

EXTERNAL AFFAIRS

PROPOSED PALESTINIAN REPRESENTATION REFERENDUM

Mr. Ian Watson (Châteauguay): Madam Speaker, my question is directed to the Prime Minister and relates to a meeting I had recently with Yassar Arafat, Chairman of the PLO, to discuss peace prospects in the Middle East. Mr. Arafat indicated strong support for a Palestine-Jordan Confederation and stressed his support for Article 7 of the Arab Fez Summit Declaration which urges the guarantee of the security of the boundaries of all the states in the region, including Israel. He indicated that he would favour the idea of a U.N.-administered referendum of Palestinians living on the West Bank, in Gaza and East Jerusalem, to determine who the Palestinians wanted to negotiate for them.

Would the Prime Minister say whether he is willing to consider the idea of such a referendum, and whether Canada might consult with its allies to promote such a referendum as an important step toward meaningful negotiations for a Middle East peace settlement?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, in reply to the question I would begin by saying that the Government hopes and it is its policy that the inhabitants of the occupied territories will some way eventually be able to express their views in a free and unfettered fashion. This, after all, is one of the principles which was recognized in the Camp David Accords which provide for self-governing of the authorities of those territories.

On the principle of the choice by the inhabitants of the area of who should represent them, the Government is in accord. Whether this electoral process should proceed under the U.N. supervision, or in the way suggested in his question by the Hon. Member for Châteauguay, is something that I have not had occasion to discuss with the Secretary of State for External Affairs. Therefore, I cannot speak for him on this particular modality of expression of opinion by the inhabitants.

I would be prepared to say that this should be a matter which should be negotiated between the parties themselves as to what is the best method of having free expression by the inhabitants of those territories, on their representatives. It is something for the parties involved to discuss amongst themselves. Whether having the United Nations supervising the electoral process is the correct method or not, I am not prepared to say at this time.

* * *

UNEMPLOYMENT INSURANCE

SUGGESTED SCHOOL ATTENDANCE FOR RECIPIENTS

Mr. Jim Manly (Cowichan-Malahat-The Islands): Madam Speaker, my question is directed to the Minister of Employment and Immigration. In view of the 1.5 million unemployed

people in Canada and the complete absence of jobs for those people, and in view of the fact that Government-sponsored vocational training positions are overbooked with long-waiting lists, will the Minister bring in changes to the Unemployment Insurance Act which will permit unemployment insurance recipients to improve their job qualifications by attending school? Will the Minister take this step to help these workers prepare for new job opportunities which will become available when the economy improves?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, perhaps before answering the Hon. Member's question specifically, we should provide some alteration to his basic premise that there are not jobs available. As I pointed out in this House last Friday, every month there are some 250,000 jobs taken up by the unemployed moving back into the market. Indeed this Government is supplying through a number of its job creation programs, jobs for well over 100,000 Canadians at the present period of time.

As far as a specific answer to his question is concerned, the Unemployment Insurance Act already has within it provisions to allow those who are unemployed to take up training positions; so I would recommend that he read the Act.

* * *

NATIONAL SECURITY

CASE OF CANADIAN PROFESSOR—DOCUMENT SHOWN BY SECURITY SERVICE

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is directed to the Solicitor General, and I will speak slowly as he returns to his seat. He indicated yesterday that the spy, Hambleton, had been shown a document. Will he tell us what exactly was shown by Canadian officials to the spy, Hambleton, in 1980?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, yesterday when I was asked that question I did not have the full information, so I am glad to have the question again today.

He was shown, on a separate piece of paper, a paragraph from an internal memorandum sent by headquarters of the Security Service to the operative member of the Security Service who was dealing with Mr. Hambleton. The document is a national security document. I have reviewed it, and I do not feel, to anticipate his question in reply to the question asked earlier this day, that that document should be made public.

BASIS FOR DOCUMENT

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, was this memorandum based upon a Department of Justice opinion?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, I am not certain if "based upon" is a term of art. It referred to that opinion. It communicated that opinion, and it set out some instructions and advice for the operative.

Mr. Epp: For the spy.

GOVERNMENT'S POLICY IN TABLING LEGAL ADVICE

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, so we now know that there was an opinion by the Department of Justice, part of which was communicated to the spy, Hambleton. That is the case.

The Minister will know that on November 30 the Minister of Justice tabled in committee legal advice from the Department of Justice that implicated certain members of the RCMP. Is the Solicitor General telling us that there will now be a practice that the Government of Canada will table letters of advice from the Department of Justice, which implicate the RCMP, but will not table letters of advice which implicate a convicted spy, as in the case of Hambleton?

• (1500)

If that is the case, will one Minister or the other, and we will probably get different answers from each of them, tell us how in the world they can justify keeping from the Parliament of Canada information that was given to a convicted spy?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, when I referred to "based upon" in the Hon. Member's earlier question, I wanted to make it very clear that there was much more to the internal memorandum than just legal advice. It is a national security document. Part of it was to be shown to Hambleton. It was designed with that in mind. The rest of it is not to be made public. It is part of one whole document which I do not propose to make public.

PURPOSE IN SHOWING DOCUMENT

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I have a supplementary question for the Solicitor General. It was "designed" to be shown to Mr. Hambleton. For what purpose, as an inducement?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, it was to be shown to Hambleton to demonstrate to him the view of the Department of Justice and the decision of the Minister of Justice respecting prosecution. I should add that he was only shown one paragraph of the total memorandum. That is the paragraph which was in that letter that was waved that I was asked about the other day, and that I looked into.

Point of Order—Mr. de Jong

INDUSTRIAL AND LABOUR ADJUSTMENT PROGRAM

REQUEST FOR DESIGNATION OF SQUAMISH, B.C.

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, I have a question for the Minister of Finance regarding the economically hard-pressed community of Squamish, B.C., which now has an unemployment rate in the 30 per cent range. The community has just found out that its wood fibre pulp mill will be closed for an undetermined period of time, laying off an additional 450 persons. Will the Minister make some effort to have this community in British Columbia designated under the ILAP program, as not a single western community has so far been designated?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I will raise the Hon. Member's representation with the Cabinet Committee on the ILAP Program. The Chairman of the Committee is now the Minister of Economic Development. I will bring this representation to his attention. I am not quite sure about the Hon. Member's statement that there is not a single western community under the ILAP Program. He may be right, but I thought some had been designated. I will check into this matter.

* * *

POINTS OF ORDER

MR. DE JONG—ACCEPTABILITY OF S.O. 43 MOTION

Mr. Simon de Jong (Regina East): Madam Speaker, I rise on a point of order. I recognize that I cannot and will not question your ruling regarding the motion I introduced earlier today under Standing Order 43. You might have misheard the motion that I was trying to introduce because of the noise in the Chamber at that time. I would therefore request that you kindly review the "blues" to determine if the matter I was trying to raise falls under federal jurisdiction. I honestly believe that the matter I was raising poses a serious infringement on the federal Charter of Rights and Freedoms. I believe the matter should have been allowed to be introduced in the House.

Madam Speaker: The Hon. Member is right. I do not think I heard one line in particular in the Hon. Member's presentation which referred to the Canadian Charter of Rights. There was some noise. The Hon. Member was reading quite fast because his motion was long. I was especially struck by the motion which called for some kind of redress in the Parliament of Saskatchewan. I therefore gathered that he was dealing solely with a matter under provincial jurisdiction. I think I can do him right by asking if he will come back with the motion tomorrow, and then he can put it to the House.

Mr. Deans: Madam Speaker, I might say that if you were to put the motion under Standing Order 43 now, the Tories would be delighted to say no.

Madam Speaker: I could not possibly go back to motions under Standing Order 43 without the unanimous consent of the House. Is there unanimous consent?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Madam Speaker: If the Hon. Member can come back with his motion tomorrow, that would be very helpful.

MR. KAPLAN—CORRECTION OF EARLIER REMARK

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, I rise on a question of privilege. I would like at the first opportunity to correct one word of an answer that I gave to a question from the Leader of the Opposition (Mr. Clark). I referred to a letter which had been exhibited in a courtroom in Great Britain. I meant to say "an envelope".

MR. STEVENS—ALLEGED IRREGULARITY OF ESTIMATE BEFORE STANDING COMMITTEES

Mr. Sinclair Stevens (York-Peel): Madam Speaker, I rise on a matter with respect to the estimates that will be before us tomorrow evening for voting purposes. This is the first opportunity I have had to speak to my point of order since getting the electronic transcript with respect to certain evidence given by Senator Austin in the Committee of this House known as Finance, Trade and Economic Affairs touching specifically on the estimates that we will be considering tomorrow night. The estimate that I refer to specifically is the one appearing in Supplementary Estimates B for the fiscal year ending March 31, 1983 under the Ministry of Industry, Trade and Commerce and known as Vote 26b, being a payment to Canadair Limited as equity of $200 million, and Vote 27b, being a payment to The de Havilland Aircraft of Canada Limited as equity of $200 million.

Where the irregularity appears to have arisen is that subsequent to the estimates being tabled in this House, events have transpired which now make the estimate on its face incorrect and certainly not in a form that could be properly voted on tomorrow evening.

What I am referring to is that on November 24 of this year the Prime Minister's (Mr. Trudeau) office stated in a press release:

> The Prime Minister announced today that the Government has approved the transfer of certain commercial assets and enterprises to the Canada Development Investment Corporation (CDIC) and its responsible Minister, Senator Jack Austin. In addition to the Government's Canada Development Corporation (CDC) shares, the transfer is to include: Canadair Limited, The de Havilland Aircraft of Canada—

And certain other corporations.

This transfer was subsequently confirmed on the same day in another press release issued by the Government of Canada in which it was stated:

The CDIC was incorporated under the Canada Business Corporations Act in order to hold the Government's 85 per cent share . . . of the common shares of the Canada Development Corporation (CDC)—

Later in the press release it states, and I emphasize the reference to legislation:

Legislation will be introduced in Parliament to seek statutory affirmation of the reorganization of CDC of CDIC, Senator Austin said today. In the meantime, the Government has given Senator Austin and the CDIC responsibility for the following assets and enterprises in addition to the CDC shares: Canadair Limited, The de Havilland Aircraft of Canada, Limited—

And certain other corporations. The release put out by Senator Austin concludes with this paragraph:

Legislation will be introduced in Parliament to carry out obligations to confirm the Government's agreement with CDC, rendering it an ordinary commercial corporation which will adopt a new name.

I would like to emphasize the reference to legislation. It goes on to read:

• (1510)

The legislation will also reflect the CDIC's role in succeeding to CDC's original statutory mandate, and seek formal approval of Parliament for the structure of the Crown Corporation, and a requirement that CDIC obtain the approval of the Government for its corporate strategies, plans, and specific commitments.

In short, Madam Speaker, we have in those two releases notice, subsequent to the estimates being tabled in this House, that the Government has shifted its asset to a new corporation which has been incorporated under the Canada Business Corporations Act, and that the responsible Minister is no longer the Minister of Industry, Trade and Commerce, but is the Minister of State for Social Affairs, Senator Austin.

As further confirmation of what I am saying, Madam Speaker, when Senator Austin appeared before our Finance Committee, I asked him this question, and this is recorded in the Minutes of Monday, December 5:

MR. STEVENS: Who at the present time technically owns the shares of de Havilland and Canadair?

The reply, in part, was as follows:

SENATOR AUSTIN: It is a matter of PCO paperwork, but in law the responsibility is now mine through CDIC. The responsibility speaks from the time of the order by the Governor in Council.

MR. STEVENS: So to all intents and purposes, the shares and the ownership then of the de Havilland and Canadair are CDIC's?

SENATOR AUSTIN: Yes, indeed.

The evidence then goes on to the point where I asked Senator Austin whether he felt that the vote reference in the estimates that were then before us was a fair reference. Did it accurately reflect what we were being asked to vote on? And the Senator replied:

SENATOR AUSTIN: I do not wish to change the vote wording in any way and they remain wholly owned by the Government of Canada through another wholly-owned Crown Corporation, so I see no difficulty.

The Senator then went on basically to say that he felt that whatever had transpired, indeed had transpired, but he did not feel it affected this estimate and the vote in it which I have referred to.

Point of Order—Mr. Stevens

The reason I rise on this point of order, Madam Speaker, is that I feel you may well want to consider whether the two votes which I have referred to under the Ministry of Industry, Trade and Commerce are in the estimates properly, or whether they should both be deleted. I say that, first of all, bearing in mind that we are being asked to approve funds on behalf of a minister of industry, trade and commerce who has now lost the responsibility for the very entities for which he is requesting funding. Second, I would suggest, Madam Speaker, you might consider, based on the various rulings you have given, whether in fact we are dealing with a legislative matter here because, as Senator Austin pointed out, they are contemplating legislation to deal with CDIC which will give them authority to do what the Order in Council has presumably already anticipated, and has put in place. In short, we are being asked to approve a $200 million equity injection into de Havilland and also a $200 million equity injection into Canadair Limited on behalf of a Minister who no longer is responsible for those companies. If we did approve that appropriation, I would suggest to you it should be in the form of legislation.

In addition, think of the dilemma that both the Government and this House will be in if that estimate is approved, because here we have entities which are now no longer owned by the Government of Canada. The $200 million will go into those two entities after the Prime Minister of the country has indicated they are to be wholly owned subsidiaries of CDIC. What exactly does the Government do then? We have authorized it to put $200 million in the form of equity into each of the two companies, but those two companies in turn are to be owned by CDIC.

I would suggest, therefore, Madam Speaker, that if we were to approve the estimates in their present form, it would be a nullity because, in truth, the money, under the present Government's intentions, should be voted to CDIC, and then CDIC may see fit to put the money into their two wholly-owned subsidiaries, de Havilland and Canadair Limited.

I raise this, Madam Speaker, because I think it is a very fundamental matter. Senator Austin informed us that he is going to be requesting at least $100 million more in further estimates for each of these two companies, de Havilland and Canadair, and my feeling is that if we chose, and in your discretion you decided, that the two votes should be deleted, there will be ample time for the Government to request, in a proper way, the funding, which apparently they should have requested a few weeks ago, that is, funding to go into CDIC with an explanation that it intends to use the funds to put further equity into de Havilland and Canadair Limited.

In conclusion I simply say that it appears that these estimates, having been approved it seems well in advance of CDIC even being incorporated, cannot be accepted at the present time as reflecting what in reality is the Government's position with respect to these entities. I would ask you, Madam Speaker, to consider the deletion of the two votes before we deal with the estimates in general tomorrow night.

Point of Order—Mr. Stevens

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I do not think that the remedy being sought by the Hon. Member should be to simply strike out the two votes in question. He is saying that his argument is based on testimony given by the Minister before the Committee, and there is nothing in what he said that proves the two items are likely to have any legislative effect. I think they have their raison d'être. These two items in the supplementary estimates meet all the requirements of the Chair's previous ruling on admissibility of items in the estimates. I understand that the Hon. Member may disagree, and that eventually legislation might be tabled in Parliament for other purposes, and this legislation would then form the basis, if necessary, of future estimates. However, despite the testimony of Senator Austin to which the Hon. Member is referring, at the time the estimates are tabled, these items are based on practical considerations and meet the requirements of the Chair's ruling, because they do not seek to create a new legislative authority but in fact exist because that authority exists already. I think that the remedy the Hon. Member should be seeking is to object to these items and not to ask that they be deleted. If he does not like them, he can object, and according to parliamentary procedure the House will be voting tomorrow. However, I do not believe he has shown that the items were infringing some regulation or were at odds with the Chair's previous rulings or with parliamentary procedure, and therefore, the only way to express objection to these items is not to ask for their deletion but to object formally and to put the matter to a vote.

[*English*]

Hon. Erik Nielsen (Yukon): Madam Speaker, I have a couple of points which have not been covered. The Government House Leader (Mr. Pinard) refers to previous rulings. I would agree with him that there might be some remedy in curing the very valid point that is raised by the Hon. Member for York-Peel (Mr. Stevens), that if there were to be further supplementary estimates, the problem might be cured in the next set. We are not in that position. We are in the position now where estimates are deemed, under the Standing Orders, to have been reported yesterday, and we are voting on all of them tomorrow night.

The Government House Leader also says that the case which has been very reasonably made by the Hon. Member for York-Peel is based on testimony in committee. That is not the case at all, Madam Speaker, and you should, when considering the matter, take into account two press releases. One of them is in the name of the Government of Canada. That is on the front page of the news release, which was dated November 24, 1982, announcing that:

• (1520)

The CDIC was incorporated under the Canada Business Corporations Act in order to hold the Government's 85 per cent share (48.6 per cent of voting control) of the common shares of the Canada Development Corporation (CDC), as part of a reorganization permitting CDC to operate as a purely commercial venture and the CDIC to succeed to CDCs public policy mandate.

That press release, taken together with another press release dated the same day, issued on the stationery of the Office of the Prime Minister, outlines the names of the companies involved here. It reads as follows:

The Prime Minister announced today that the Government has approved the transfer of certain commercial assets and enterprises to the Canada Development Investment Corporation (CDIC) and its responsible Minister, Senator Jack Austin. In addition to the Government's Canada Development Corporation (CDC) shares, the transfer is to include—

And then among others appear Canadair Limited and de Havilland Aircraft of Canada Limited, the two companies mentioned by my colleague in making his point with respect to the two items in the estimates.

So, Madam Speaker, it is not based merely on testimony in a committee; it is based on a news release of the Government of Canada and a companion release by the Prime Minister (Mr. Trudeau) stating that CDIC has come into being for certain specific purposes, one of which was to assume the responsibilities outlined by my colleague, the Hon. Member for York-Peel. I think he has hit the nail on the head when he says that in all probability the estimates, including these two items, were prepared before the creation of CDIC and before the transfers had taken place. The transfers are there.

I see more of a problem with respect to the dilemma mentioned by the Hon. Member for York-Peel, because I do not think, with respect to his submission, that the voting of the $200 million in each case to each of these Crown corporations would be a nullity in view of the events which have over-run the purpose of the estimates; rather, I think probably the votes would go forward, but wrongfully, and they would be untouchable legally by the new Crown corporation. What is more, Madam Speaker, I think the end result would be that there would be no machinery to get those moneys back to the Government of Canada. That has happened in the past, too. So there they would sit.

I think it is a very serious question that should be taken under consideration. I suggest it is curable, not by the estimates any more because we are at the end of the supply period, but by proper legislation. Indeed, we can deal with it fairly quickly if that is the course the Government intends to follow in order to meet the impossible situation outlined by the Hon. Member for York-Peel.

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I think the House must appreciate that somewhere along the line the Government changed course. It gave its shares in these two Crown corporations, Canadair and de Havilland, to CDIC. The Government no longer has a direct interest in those two corporations. That being so, to be proper, this vote would have to be a vote granting money to CDIC so that it could fulfil certain requirements with respect to investment in Canadair and de Havilland. On that basis, the Hon. Member for York-Peel (Mr. Stevens) is quite correct. There has been a change in the corporate set-up reflected in the estimates. So what we are being asked to do is to make advances to two Crown corporations which the Crown no longer owns. On that

basis the Government has created the problem, and these two estimates must be withdrawn or disallowed.

Now, the Government can, as pointed out by the Hon. Member for Yukon (Mr. Nielsen) introduce a Bill, or perhaps a new set of Supplementary Estimates, for $400 million or whatever it needs, which would probably be more than that. But the way it is now, the Government has created a corporate mess and it cannot now come before the House and ask for advances for the purpose of capitalization of two Crown-owned corporations because those corporations are no longer directly owned by the Crown. Our submission, then, is that these votes are no longer proper. The Government's own action has made them improper.

[*Translation*]

Madam Speaker: Since this is a very technical matter, I shall have to take this point of order under consideration I wish to thank the Hon. Members for the points they have made.

ROUTINE PROCEEDINGS

[*Translation*]

STANDING COMMITTEES

EXTERNAL AFFAIRS AND NATIONAL DEFENCE—PRESENTATION OF FIFTEENTH REPORT OF STANDING COMMITTEE

Mr. Marcel Prud'homme (Saint-Denis): Madam Speaker, as Chairman of the Standing Committee on External Affairs and National defence, I have the honour of tabling the Fifteenth Report of the Standing Committee on External Affairs and National Defence, which examined Bill C-130 on behalf of the House.

HEALTH, WELFARE AND SOCIAL AFFAIRS—PRESENTATION OF FIFTH REPORT OF STANDING COMMITTEE

Mr. Marcel Roy (Laval): Madam Speaker, I have the honour of tabling, in both official languages, the Fifth Report of the Standing Committee on Health, Welfare and Social Affairs, concerning a study made of urea formaldehyde foam insulation.

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

* * *

[*English*]

PETITION

MR. BRADLEY—OPPOSITION TO BILL C-10

Mr. Bud Bradley (Haldimand-Norfolk): Madam Speaker, it is my duty to present a petition signed by 76 members of the

Congregation of the Selkirk Church of Christ Christian Chapel which is in my constituency of Haldimand-Norfolk, who are very concerned about the provisions of the proposed Non-Profit Corporations Act, Bill C-10. The purpose of this petition is to protest the Government's proposed changes in Bill C-10, which allows a court of law to interfere in the affairs of the Church body. The nature of the petition is to urge the Government to drop the provisions of Bill C-10 which would infringe on the rights and privileges of the Church to take a moral stand on matters concerning membership of that Church body.

The petitioners hope that in your examination of the petition you will find the petition in order, and that you will exercise the discretionary powers vested in the office of the Speaker of the House to allow discussion and referral to committee at the earliest possible time, in order that the sanctity of the Church in Canadian society can be preserved.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 987 and 4,528.

[*Text*]

DEFENCE INDUSTRY PRODUCTIVITY PROGRAM

Question No. 987—**Mr. MacKay:**

1. Did the Government undertake a national advertising campaign to publicize the industrial benefits of the F-18 fighter and, if so, what is the planned expenditure for the advertising campaign?

2. Are the full benefits of the $2.91 billion in industrial offsets contingent upon Government assistance to Canadian industry to permit it to re-tool and thereby take advantage of these programs and, if so, will the Defence Industry Productivity (DIP) Program be part of such Government assistance to industry?

3. What effect did the August, 1978 round of cut backs have in the DIP budget for the fiscal year (a) 1978-79 (b) 1979-80?

4. Does the development of high technology projects require several years lead time and, if so, what effect have these cutbacks had in industry's ability to take advantage of the current industrial offset program?

5. With reference to DIP expenditures for the fiscal year ended (a) 1974 (b) 1975 (c) 1976 (d) 1977 (e) 1978 (f) 1979 (g) 1980, what was the total in grants and contributions (i) to industry (ii) when deflated by an appropriate price index?

6. Has the DIP budget for the fiscal year 1980-81 been committed since December of 1979?

7. Did the Department of Industry, Trade and Commerce receive applications totalling over $100 million for the development of industrial technology for DIP assistance in the fiscal year 1980-81 and, if so, what effect will the lack of DIP funds have on the $2.91 billion industrial offset program associated with the F-18 fighter?

Order Paper Questions

8. Will the lack of DIP funds affect jointly funded projects by the Canadian and American Governments, or other projects such as the STOL or Cruise missile?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): As of May 26, 1980, the reply for the Department of Industry, Trade and Commerce was as follows:

1. Yes. Soon after the new fighter aircraft contract was signed, the Government sponsored a series of advertisements to inform Canadians on the breadth of the CF-18 industrial benefits program and to encourage Canadian companies to take advantage of the new business opportunities the program offers, at a cost of $259,000, to be shared by the Department of Industry, Trade and Commerce and National Defence.

2. Of the $2.91 billion industrial benefits program contracted by McDonnell Douglas, $2.453 billion was firmly committed, that is to say, was not dependent on any form of federal Government assistance. The remaining $457 million, which comprises a number of structural, engine and avionics work packages on the CF-18 and F-18, was conditional on Canadian companies being competitive with existing U.S. suppliers to McDonnell Douglas. The costs of tooling, training, modernizing plant and equipment, etc., required to start up production in Canada on this aerospace and electronics works must be borne by Canadian funding sources. The Defence Industry Productivity Program may be expected to provide part of the federal Government assistance to industry in this regard. Accordingly, the Government authorized the addition of $39.5 million to the DIPP budget (19.5 million for year 1980/81; $20.0 million for year 1981/82), to support the establishment in Canada of second sources for four CF/F-18 airframe structural components. This amount would be repayable from company earnings through the standard terms and conditions of the source establishment provisions of the DIP Program.

3. In the August, 1978 budget reductions, the contribution budget for DIPP was reduced from $44.2 million to $40 million for 1978/79 and 1979/80.

4. With respect to high technology development projects arising from the F-18 aircraft industrial offsets, lead times of up to four years before production start-up were anticipated. Two years lead time would be required before most special materials and equipment are identified and procurement initiated. The F-18 contract has been signed and areas requiring development are still being defined. Accordingly, the shortage in DIPP funding had little or no effect on the ability of industry to take advantage of the industrial offset program in order to undertake high technology development.

The application of technology already developed and where specific manufacturing opportunities had been identified, much shorter time scales are involved. Where source establishment and capital assistance aspects of the DIP Program are involved, the impact will be more serious unless funding beyond the current budget levels are provided.

5. (i) The total DIPP contributions to industry were:

(a) 1973/74—$57.5 million
(b) 1974/75—$48.4 million
(c) 1975/76—$39.0 million
(d) 1976/77—$44.9 million
(e) 1977/78—$43.2 million
(f) 1978/79—$52.2 million
(g) 1979/80—$57.9 million

(ii) The total DIPP contributions when deflated by an appropriate price index were:

(a) 1973/74—$57.5 million
(b) 1974/75—$42.0 million
(c) 1975/76—$30.5 million
(d) 1976/77—$32.0 million
(e) 1977/78—$28.8 million
(f) 1978/79—$32.7 million
(g) 1979/80—$33.1 million

Note: Using the Implicit Price Index for the gross national expenditure published by Statistics Canada, the above values have been computed in terms of the FY 1973/74 dollar.

6. The DIPP budget for fiscal year 1980/81 was committed by December, 1979 to pay legal obligations under contract with Canadian industry.

7. Yes. The Department of Industry, Trade and Commerce received application for DIPP assistance in 1980/81 totalling over $100 million for development of industrial technology.

Federal Government assistance to Canadian industry on behalf of the F-18 fighter aircraft offsets are in two parts:

(a) The assistance provided as a special fund to McDonnell Douglas for high technology production involving a minimum number (six) of companies. This funding has been provided by the federal Government and is separate from the normal DIPP funding. (See reply to Part 2)

(b) Normal DIPP funding is the second source of assistance to Canadian industry. Canadian contractors will be seeking contracts under the F-18 offset program with the intention of utilizing existing plant equipment which may or may not have been acquired with DIP Program support. Other contractors will require additional advanced capital equipment and may acquire the equipment with their own resources or seek DIP Program assistance which can only be provided if funds are provided in excess of the Crown's legal commitments.

8. (a) Canadian-American Joint Projects. Lack of DIPP funding had no impact on the completion of joint projects underway as long as these projects remained within their planned budgetary allocations. Projects under discussion or negotiation were scrutinized carefully for maximum potential contribution to the Canadian economy.

(b) STOL Aircraft. The jet STOL aircraft will be a multimillion dollar development project for which foreign partners are being sought. The Canadian federal Government's share of the funding would be considered separately from the normal DIP Program budget. The activity is in the project definition stage.

(c) The Cruise Missile. The Cruise missile project had not yet received approval in principle and authority to contract by May 26, 1980. When approved, additional funding was allocated to this project.

(d) Other Projects. Other projects could not be accepted until the DIP Program funding was increased. Based on the approved levels of funding at May 26, 1980, the entire 1980/81 budget was required for legal contractual commitments in hand.

CONVERSION OF GOLF COURSES TO METRIC MEASUREMENT

Question No. 4,528—**Mr. Thomson:**

Were nine clinics, run by a Mr. Dan Halldorson and supporting the conversion of golf courses to metric measurement, paid for by the Metric Commission and, if so, what was the cost to the taxpayers?

Mr. David Berger (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): The total cost of the nine clinics run by Mr. Dan Halldorson was $55,000, $35,000 of which was paid by the Metric Commission and the remaining $20,000 paid by the private sector.

[*English*]

Mr. Smith: I ask, Madam Speaker, that the remaining questions be allowed to stand.

[*Translation*]

Madam Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

* * *

[*English*]

MOTIONS FOR PAPERS

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

[*Translation*]

Madam Speaker: Shall the remaining notices of motion be allowed to stand?

Some Hon. Members: Agreed.

• (1530)

GOVERNMENT ORDERS

[*English*]

SUPPLEMENTARY RETIREMENT BENEFITS ACT (NO. 2)

MEASURE TO MODIFY BENEFIT INDEX

The House resumed from Tuesday, December 7, consideration of the motion of Mr. Gray that Bill C-133, an Act to amend the Supplementary Retirement Benefits Act (No. 2), be read the second time and referred to the Standing Committee on Miscellaneous Estimates, and the amendment thereto of Mr. Baker (Nepean-Carleton) (p. 21305).

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, I am pleased to participate in the debate on Bill C-133 today. By way of opening, let me read from two letters from constituents that I received in today's mail concerning the Bill. In the last two weeks all of us have received dozens of letters from retired civil servants, Armed Forces personnel and members of the RCMP, seeking our assistance as Members of Parliament to stop Bill C-133. Some of these letters have been read in the speeches of Members of all Parties this week. Let me read from one written by a retired civil servant in Winnipeg who writes:

Dear Member of Parliament . . . It's not too late!!!!!!

Be fair to the Public Service Pensioners.

In good faith over many years of employment a sur-charge deduction was made from our pay cheques to cover any increase in the cost of living. This was supposed to be reflected on our pension cheques.

Now with no thought to the dedicated years of service of thousands and the foregoing understanding, —with one swift axe—GONE!!!!!

This will not only effect next years cheques but snowballs for years to come.

Please Mr. M.P.—RECONSIDER—Do a little soul searching and give the pensioner his just return.

Let me read from the second letter written by a person in Selkirk who retired from the Armed Forces after 29 years of service, part of it during the last war. He writes as follows:

Two years ago I received notification that in 1983 my pension would be adjusted upward. I was happy to hear this because it meant that I would finally get a monthly cheque that would more realistically compensate me for my long years of service to my country.

If Bill C-133 is allowed to pass, I and many others like me will feel that our country has let us down.

Please, USE EVERY MEANS AT YOUR DISPOSAL TO STOP BILL C-133 and help preserve the rights and dignity of those who served.

I am glad to have this opportunity to put on record my opposition to what I consider to be an offensive piece of legislation. Bill C-133, as we all know, is part of the Government's six and five con job and will limit pensions of federal public servants to 6 per cent next year and 5 per cent in 1984.

On Monday night, the President of Treasury Board (Mr. Gray), no doubt hoping to quell a backbench revolt in his caucus, proposed an amendment to cap these pensions at 6.5 and 5.5 per cent. This six and a bit and five and a bit amendment does not alter the fact that the Government has a commitment to continue full indexation of public servants' pensions.

Bill C-133 is different from the rest of the six and five program. In this case it is not the Government's own money that it is tinkering with. The pensions are paid out of a fund established by matching contributions from employees and the Government and its agencies. This fund belongs to the pensioner, not to the Government.

Bill C-133 is unique in the Government's six and five program because it is an act of outright robbery made legal by an Act of Parliament. Federal public servants have paid for their pensions out of their own pockets. They contributed 6.5

per cent of their salaries for their pensions. On top of that they paid an additional 1 per cent to the supplementary retirement benefits account to protect the purchasing power of their pensions by having them indexed to inflation. For the right to a fully-indexed pension, Public Service employees have paid 7.5 per cent of their salaries, one of the highest rates of contributions of any employer-sponsored pension program. The pension contributions of their employers, this Government and its agencies, are not Government handouts; they are part of the employees' over-all benefit package. It is really the deferred income of Public Service employees themselves.

Taken together, there is more than $15.6 billion in the Public Service superannuation account and the supplementary retirement benefits account. Considering that, it is clear that the combined Public Service pension plan is on a sound financial foundation. Therefore, there can be no basis for arguments which attempt to prove the Government must reduce the indexing on these pensions because the fund cannot cover the cost.

About 200,000 pensioners will be hit by the cutbacks contained in Bill C-133. Capping the indexation of Public Service pensions will rob these pensioners of about $100 million in the next two years alone. And, of course, like the rest of the six and five program, when indexing is re-introduced, after 1984 it will be on a smaller base pension. The result will be pension cuts for all time.

The average pensioner is not getting rich from the Public Service pension plan. Of course, there are exceptions. I read a few days ago that Mr. Michael Pitfield, well known to all of us, could stand to collect some $100,000 annually by the time he is eligible for retirement ten years from now. Obviously, capping Public Service pensions matters little to a man of Mr. Pitfield's financial stature. But for the average pensioner, it is quite a different story. The average annual pension for contributors to the Public Service pension plan is not in the six figure range, as Mr. Pitfield's will be. No, it is only $8,100. And the average survivor benefit paid to widowed spouses is only $3,200 per year.

Slashing the indexation of Public Service pensions will mean a loss of $1,400 in pension benefits for contributors to the plan over the next two years alone. It will mean a loss of $577 to widowed spouses receiving survivor benefits. Surely the Government must realize that the impact of this Bill, and of its whole six and five program will be to drive thousands of Canadians further below the poverty line.

I will be interested to see how many Liberal backbenchers will keep their promise to the Public Service employees they represent and vote against the Bill. How many of them will worm out of their promise with the six and a bit and five and a bit amendment of the President of the Treasury Board?

I will be interested, too, to see how many Tories will show up when it comes time to vote on this piece of legislation. I think the Tories must feel uncomfortable about having to deal with this Bill and the rest of the Government's six and five schemes. The Conservatives have promised public servants that they will oppose Bill C-133; but they have promised the Government, too, that they will deal with the Bill expeditiously. Now, how can a Party promise on the one hand to fight the Bill, while it is promising, on the other, to give it expeditious passage in the House?

I was rather amused on Monday night when the Hon. Member for Victoria (Mr. McKinnon) talked about the Hon. Member for Hull (Mr. Isabelle) appearing to be like a man trying to ride two bicycles on a high wire at the same time. What was amusing was that my friend from Victoria then jumped on those two bicycles himself. He claimed to be opposed to Bill C-133 because it upset a contract.

What did Bill C-124 do, Mr. Speaker? The Hon. Member for Victoria said that Bill C-124 provided for a small cut in the pay of Members of Parliament. That is true enough. He implied that that was all Bill C-124 was about. He did not say anything else about that Bill. He did not mention that it represented a breach of contract, or, to use his words, "upset the contracts" of some 700,000 civil servants, Armed Services personnel and members of the RCMP. I call that selective criticism, or a pretty good high wire act.

It is also worth noting that the Tories have moved an amendment for a six months' hoist on Bill C-133. In August, when Members of this Party moved a similar amendment on Bill C-124, the Tories—to a person—voted against it. It is very difficult to follow the convolutions of Tory logic, Mr. Speaker.

The Tories supported the introduction of the six and five program in August. Their Leader says they support the spirit of six and five. But now when public attention is focused on the impact of six and five on Old Age Security, Family Allowance and Public Service pensions, the Tories have discovered, by some magic no doubt, that there are poor people who are going to be hurt by the Government's restraint program.

• (1540)

What did they expect? They knew very well when we were voting on wage controls for the Public Service and armed forces personnel in August that the six and five program would attack the living standard of pensioners and the poor. It was there in the June budget for all to see. As the Hon. Member for Churchill (Mr. Murphy) said on Monday night, the Tories are working both sides of the street. To atone for their sin of voting for Bill C-124, they are now opposing the legislation to implement the six and five for which they voted.

The Tories support the thrust of the six and five program. By their own admission, the only problem they find with it is that it does not go far enough. Through the six and five program the Government is taking away from those Canadians who are the poorest and giving to the wealthiest. This they do in the name of creating a positive investment climate.

In November 1981 the Government closed a number of loopholes for the rich. To compensate, it reduced the marginal tax rate for the richest Canadians by something in the order of 10 per cent. Then, under a barrage of criticism from the Tories and lobbies for big business and the banks, the Government began to backtrack. Now most of the loopholes have been

reopened and the tax rate for rich Canadians has been kept at its reduced rate. This amounts to more than a billion dollar tax cut for Canada's wealthiest taxpayers. Contrast that to the impact of capping the indexing on income tax at six and five per cent and the 40 per cent increase in unemployment insurance premiums. That will take $3.5 billion out of the pockets of ordinary working Canadians. Tell me how this represents an equal sacrifice for all Canadians.

Or consider this: last November the Government implemented a $5.7 billion cut for medicare and post-secondary education. Only a few months later the Liberal Government, with the support of their Tory allies, boosted the handouts to oil companies through PIP to $6.5 billion. It is restraint for health care and education and increased welfare for the oil companies!

This is the kind of program for economic recovery that inspires Tories and Liberals alike. It does not matter which Party it is, both of them are quick to criticize the labour productivity of ordinary Canadians and attack our social programs, but they never utter a word to challenge the kinds of corporate investment decisions made by big business. My God, even the "Harvard Business Review" has criticized North American management for being too preoccupied with the short-run buck and not sufficiently concerned with long-run investment.

The Tories and Liberals stand solidly behind restraining the incomes of ordinary Canadians and driving thousands more into poverty. But let any of them suggest that our captains of industry and finance may not really have the best interest of the country at heart, and they are quickly brought back into line. Faith in economic decision-making in corporate boardrooms and faith in the ability of the marketplace to get us out of this economic mess are what inform the economic thinking of the Liberals and Tories. As my Leader said when responding to the mini-budget of the Minister of Finance (Mr. Lalonde), this is 1982, not 1932; the Liberals and Tories apparently have learned precious little from the depression. They insist on dealing with the myths about private enterprise and refuse to recognize, as most European Governments and the Government of Japan have done, that societies cannot rely on raw capitalism and the law of the jungle for economic stability and growth.

If the Government is guided by an irrational faith in the ability of Canadian Pacific and the Royal Bank to pull us out of economic hard times, what is the purpose of six and five? The reason for the six and five program is political, not economic, I am sure most Liberal Members opposite are hoping that this program will save their political hides. I wish them good luck. The economy has deteriorated steadily in spite of liberal doses of fiscal and monetary restraint. Already this year we have seen more than 34,000 business and personal bankruptcies in the country, and there are now more than 1.5 million people officially unemployed across the country. Given that the Government intends, by and large, to let free enterprise take its course, allowing of course for odd Dome-style bail-outs, it needed a program which would create the illusion of action against the erosion of incomes of the poor and middle-income Canadians. That is what this program does. Obviously it has been in the works for some time.

Last year we learned through a document which my Leader obtained that the Government wanted the following:

> A program of consultation and public relations aimed at changing public attitudes and expectations would be useful, even though the main advantage of the program would be that it would enable the Government to be seen doing something about inflation.

As we know the centrepiece for the six and five program is wage controls on Public Service incomes. Bashing unions, especially Public Service unions, is good corporate boardroom sport, and the six and five program was the kind of thing guaranteed to get the boardrooms buzzing. But even according to the Government's own assessment, wages were not the cause of inflation. Again I am quoting from the same document:

> We are not currently facing wage-driven inflation such as we were in 1975, instead real wages have fallen for four consecutive years.

The Government has been conning Canadians with the six and five program. It is relying on the willingness of ordinary Canadians to share and to sacrifice in order to make things better for everyone. But that gang over there has been clever to keep under wraps the transfer of wealth from the poor to the rich which accompanies this con job. Revealing that would most certainly minimize the public relations value the Government expects to reap from this program.

While it is attacking the living standards of public servants, mothers and pensioners, the Government is pulling out all stops to sell this program as good news. Last week I received, as well as did all other Members of Parliament, an attractive promotional binder on the six and five program from the Davey-Joyal Committee. It is a clever piece of work because it avoids the charge of being partisan by avoiding mention, by name, of the Liberal Party of Canada. But in substance it is no different than the Liberal Party strategy binder that the committee distributed to Cabinet Ministers and Government Members of Parliament over the summer.

This attractive document, some 150 pages in total, goes on at length about selling the program to ordinary Canadians and enlisting support of big business. As we all know, big business is flocking to six and five like lemmings to the sea. Keeping wages down and undermining Government social programs, is just the kind of thing which gladdens the hearts of corporate generals.

Mr. Murphy: And of the Tories and Liberals.

Mr. Sargeant: Yes, the Hon. Member for Churchill is correct. Senator Davey and the Secretary of State (Mr. Joyal) are proud that they have kept their promotional budget for six and five to less than $100,000, but for the majority of Canadians that $100,000 might as well have been spent on potted plants for Government offices.

The Government's six and five program is a sham. It is the kind of thing that is bound to win support from the Tory benches, but we in this Party will have no part of it. It is an attack on collective bargaining rights for public servants, on

our system of social security and on the public servants' own pension plan, as we see in this Bill before the House. At the same time it is intended to create the illusion that the Government is doing something about the declining purchasing power of poor and middle-income Canadians, while in fact money is being taken from the poor and given to the rich.

Bill C-133 is a distasteful piece of legislation. Through this Bill the Government intends to reduce the pensions of Public Service employees, derived from their own pension funds.

• (1550)

Just before I conclude, let me read a couple of paragraphs from a news release put out by the Public Service Alliance of Canada. It is dated December 7, 1982, and concerns Bill C-133. In part, this release reads:

> Again, this is a deception being perpetrated by the federal government. The same government that reneged on signed contracts with its own employees is now reneging on a legislative agreement with its former employees.
>
> Federal public service employees have been deceived by their own employer. They have contributed to a pension plan under the condition that they would receive a fully indexed allowance but the government has unilaterally changed the rules, leaving pensioners stranded.
>
> The reduction in the indexing of federal public service pensions is a punitive measure aimed at those who can least afford it and the minimal saving will do nothing to improve the economy.

That last sentence says it all.

Mr. Speaker, this Bill is a punitive measure. It represents a minimal saving to the Government but at a high cost to those who can least afford it. It will do nothing, I repeat, nothing to improve the economy. It is for these very reasons, Mr. Speaker, that I and my Party oppose this legislation, just as we opposed Bill C-124, Bill C-131 and Bill C-132. We will not be party to any legislation that breaks faith with the Public Service workers or the pensioners of this country.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I will be relatively brief in my remarks. This matter came most directly to our attention when we dealt with Bill C-124. My opposition to that Bill was expressed in the usual way here on the floor of the House by my recorded vote in opposition to it. I voted in opposition because it was abundantly clear what the Government intended to do. There was an understanding and agreement that such universal programs and commitments were made to public servants, maybe not contractually in written form and on paper, but nevertheless valid, not only in my judgment but in the minds of upwards of 200,000 retired public servants, their widows and other dependants. They were absolutely certain in their minds that there was an understanding and an agreement.

As with that measure then, the same holds true with respect to the measure currently before us, and it is my intention to vote against it as well. I do so because it does not represent, as offered by Government, the means of bold leadership on restraint in this country. It represents to me the conundrum which people must face when they are faced with decisions made in principle or on principle. Principle, it seems to me, is never changed. Frequently the method of expressing principle is changed. Here we do not have that course of action on the part of the Government but, rather, quite the opposite. The principle is of no concern whatsoever, expediency is.

I have one or two comments with respect to the silence of the junior Government Member from the electoral riding of Halifax, the Minister of State for International Trade (Mr. Regan). I wonder, as do thousands upon thousands of public sector employees in the metropolitan area of Halifax-Dartmouth why the Minister has been silent on this subject. He is derelict in his responsibility to those people. The Hon. Member for Halifax West (Mr. Crosby) and myself have taken a common stand. We have invited the Minister's participation on behalf of one of the largest groupings of public sector employees in this nation, but we have had no response. The Minister has remained silent. Eventually he will have to answer to those people in his constituency who will be most directly affected by this legislation.

It is not my intention to put numbers on the record, the numbers involved in this Bill or the number of people affected. This job has been done by many others. The amount of money involved is relatively small compared to our deficit. We have a deficit rising toward $26 billion. The amount of money that is to be saved through this legislation represents only 0.02 per cent of the deficit. The amount, when looking at total Government expenditures, is virtually nothing. We bail out CNR. We bail out CBC annually. We bail out Air Canada and any company that needs bailing out: Chrysler, Massey-Ferguson to name two, all of this in the name of saving jobs.

Surely this Government recognizes that our country will not progress with regressive legislation such as is before us. This Bill is odious. It is unjust. It perpetrates inequities upon those who place trust in it. It affects the pension base of thousands upon thousands of public servants who will be retiring in the next two to three years. This Bill seriously affects the base from which calculations will be made. All one has to do is to multiply this base throughout years of retirement.

This Bill represents a loss of many, many thousands of dollars. It represents a loss to widows and other dependants of deceased employees. This Bill is wrong. The Government was wrong to consider it. Whether or not the Government did this out of concern or to get on the bandwagon with the private sector, I do not know. Certainly the six and five program was a follow-the-private-sector role, as we now know from evidence clearly before us. It was not, as the Government suggests, leadership in the restraint program which, God knows, this nation needs. I repeat, this Bill should be opposed.

I would hope that those on the other side know the deep concern this holds for retired public sector employees, serving employees, not only in the Public Service but in Crown corporations, the Armed Forces, the RCMP—in fact, for employees throughout the public sector. Members on the other side know, they know it in their hearts. I wonder how they are going to deal with principle. I wonder whether they are going to let what they clearly understand to be principle be subjected to the view, or someone's view over there, that this Government must not fall.

Every thoughtful person would honour those who work diligently and loyally throughout their mature years. We should honour that work, respect and commitment. Hopefully those Members will later today stand up and oppose this odious, unfair and iniquitous piece of legislation.

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, we are debating Bill C-133 this afternoon, which is a Bill to amend the Supplementary Retirement Benefits Act. I would suggest that the Liberal Government is working in reverse. There are other areas upon which the Liberal Government should be focusing its sights. This Government should eliminate waste and mismanagement within the federal Government. By eliminating the waste and mismanagement which is in the billions and billions of dollars, then inflation will drop and indexing will look after itself. We will not have to worry about indexing once we get Government spending under control. The federal Government here could well look to the Province of Manitoba as to how it pays for its indexing. The Roblin Government set up a plan a number of years ago whereby pension moneys are invested to cover the indexing for civil servants in Manitoba. All the indexing comes from the investment of their funds, not from taxes or from general revenues. It is one of the best pension plans in Canada, and it is unfortunate that the federal Government did not implement a similar plan.

• (1600)

To give some examples of waste, where we could start is by considering the document I have in my hand which has just been widely distributed across Canada. It is a transcript of the Prime Minister's (Mr. Trudeau) broadcast to the nation on the economy. There was absolutely no need for this document to be printed. No one is interested in it. It is just an absolute waste of money. In the broadcast, the Prime Minister said:

> Of course I am concerned about waste, very concerned. Where we find it, we will weed it out.

Those were empty, meaningless words. The man does not mean what he says and he never has since he took over the country in 1968. We have heard these statements starting in 1968, and we are hearing them in 1982. He does not mean what he is saying because if he did, he would not allow a document like this to be printed and distributed because it will just end up in the trash-can.

Repeated reference has been made to the Joyal-Davey Report on the six and five progress. It is the most expensive Liberal householder that has been put out in Canadian history. It is just propaganda. It is not required. It is costing hundreds of thousands of dollars, and it is simply not needed.

Some Hon. Members: Hear, hear!

Mr. McKenzie: The Government should pay more attention to the Report of the Auditor General of Canada to the House of Commons.

Some Hon. Members: Hear, hear!

Mr. McKenzie: We receive this Report every year, but the only difference between last year's and this year's Report is that this one is worse than last year's. They never get any better. The Liberals have been in office since 1968 and they have no intention of eliminating waste, Mismanagement and duplication. They simply have no intention of doing it, and one must simply read this document to find that out, because it gets thicker every year, not thinner, and the horror stories mount up.

The Auditor General pointed out that about $16 billion is missing some place. An article in the Ottawa *Citizen* dated November 2, 1982, states:

> Auditor General Kenneth Dye has again proved that this federal Government is at worst not competent to manage money, and at best reluctant to let us know how they handle it.

That is the understatement of the year. So, what are we doing? We are debating a Bill to cut pensions and retirement benefits. The Government is starting at the wrong end. That is easy. Anyone can go out and cut pensions. But why does it not implement the recommendations in the Auditor General's Report? I have not heard any Liberals discuss that.

I have in my hand a research paper which is full of horror stories within the Liberal Government. I would simply like to read a couple of the examples for the records. One states:

> Spending "Cut" by Juggling the Books. In order to present the illusion of slower spending growth, the Government has changed its accounting system by netting out petroleum taxes against petroleum compensation payments. Thus, through a wave of an accountant's magic wand, spending on a public accounts basis is "cut" by $2.7 billion in the current (1981-82) fiscal year.

That is an example of the type of bookkeeping of these Liberal Governments. I guess that in order to account for this $2.7 billion, the Government will reduce old age pensions. The item continues to read:

> Perhaps the next accounting trip of the Government will be to say that "income taxes are really a public debt tax, and as such interest on the debt does not cost the Government anything." The logic of this is the same as the logic used by the Government in saying that it does not cost anything to subsidize imported oil.

That statement came from a Progressive Conservative research analysis based on the 1981 budget. That is an example of juggling the books. I say: never mind juggling the books; start balancing the books and start spending the money properly.

The classic example of horror stories is found in Public Works. It just goes on and on. There is absolutely no control in Public Works. We have empty offices all over the place. Petro-Canada has skyscrapers in Calgary which are full of empty offices and it is building another skyscraper. There is absolutely no need for Petro-Canada to be building any more skyscrapers or to be obtaining any more office space. The Government could reduce the amount of office space it has instead of starting to cut old age pensions and retirement benefits.

With reference to Bill C-133, I would like to point out the average pension income for retired Government workers. It amounts to $6,900 for retired workers and their survivors, and old age pension adds another $2,963. The national average

poverty line for a single person is $7,940 and $10,400 for a couple. These figures are derived from Statistics Canada "Low Income Cut-Offs of Family Units, 1981", adding 10.8 per cent to allow for inflation.

The Government estimates saving $85 million by restricting indexing of Public Service pensions to six per cent and five per cent. The source of this figures comes from the June budget papers. Supplementary Estimates (B), on the other hand, ask for $1.9 billion in discretionary non-statutory spending. This amount is more than the estimated $1.4 billion required to bring all senior citizens in Canada above the poverty line.

The Progressive Conservative Government of 1979-80 was able to trim $500 million from the federal budget without any income penalties to retired civil servants or senior citizens in general. About $445 million would be paid out in benefits this year, according to the Treasury Board, and $420 million will come out of the Consolidated Revenue Fund, with only $25 million covered by the contributions made by pensioners when they were employed. This is because the plan was only implemented in 1971, but benefits are extended to all retired public servants, whether or not they contributed to the fund.

As time goes on, the drain on the CRF will diminish and the supplementary retirement benefits account will pay a larger share of the benefits. The total cost of indexing the pension was about 4.5 per cent of payroll last year from regular public servants. Pensions for the Armed Forces and some other groups are administered separately.

Since the Supplementary Retirement Benefits Act was passed in March, 1970, it has been amended six times. Over the same period, the Old Age Security Act has been amended 16 times. The Government is seeking approval to reinstate the cap of indexation which was removed in September, 1973. This piecemeal, patchwork approach to pensions is an insult to the senior citizens and a waste of expensive parliamentary time. A bona fide pension fund should be considered, as the one in Manitoba I mentioned which was brought in by a Conservative Government a number of years ago. It is financially sound because pension money is invested instead of being put into general revenue. The present arrangement provides no guarantee of future financial soundness and is too open to meddling from a Government which cannot keep its accounting straight, and I gave examples of its trickery.

The present employees' contribution rate of 1 per cent of salary to the SRBA provides only for a 1.5 per cent inflation rate in the future, according to the Treasury Board. There is $15.5 billion in the basic pension account, the public service superannuation account. An actuarial analysis claims that all of this, including interest, will be required to meet future benefit payments. The level of Government-employer contributions to the PSSA and SRBA should be investigated to determine if they have been adequate. The massive amount of money in the PSSA might be able to cover the cost of pension indexation throughout the SRBA, especially if the funds were invested at a high rate of interest, as I mentioned was done in Manitoba, or some other changes were made. There is no question about the fact that the federal pension plans could stand some improvement in the way they are handled. As I mentioned earlier, the indexing in Manitoba is not a drain on the taxpayers of Manitoba. It is a sound, well-administered pension plan, and it is most unfortunate that the Liberal Government did not study this plan. If it had, we would not be in quite the same mess that we are today.

● (1610)

This is a regressive piece of legislation. The Government is working in reverse. If they were carrying out the recommendations in the Auditor General's Report, eliminating the waste and mismanagement which is costing billions and billions of dollars, this would reduce inflation and we would not have to be launching an all-out attack on pensioners, and retirement benefits in general.

I am prepared to vote against this Bill, Mr. Speaker.

The Acting Speaker (Mr. Blaker): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Blaker): The question is on the amendment (Mr. Baker) (Nepean-Carleton). Is it the pleasure of the House to adopt the amendment?

Those in favour of the amendment will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Blaker): Those opposed to the amendment will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Blaker): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Blaker): Call in the Members.

● (1620)

The House divided on the amendment (Mr. Baker) (Nepean-Carleton) which was negatived on the following division:

(Division No. 265)

YEAS

Messrs.

Althouse	Cardiff	Darling
Andre	Carney (Miss)	Deans
Anguish	Clark (Yellowhead)	Dick
Baker (Nepean-Carleton)	Clarke (Vancouver Quadra)	Domm
Beatty	Cooper	Ellis
Benjamin	Corbett	Elzinga
Blackburn	Cossitt (Mrs.)	Epp
Blaikie	Crosby (Halifax West)	Fennell
Blenkarn	Crouse	Forrestall
Bosley	Dantzer	Fraser
Bradley		Fretz
Broadbent		Friesen
		Fulton

Messrs.

Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hamilton (Swift Current-Maple Creek)
Hargrave
Hawkes
Heap
Hees
Hovdebo
Howie
Huntington
Jarvis
Jewett (Miss)
Keeper
Kempling
Kilgour
King
Kristiansen
Kushner
Lambert
La Salle
Lewis
MacDonald (Miss) (Kingston and the Islands)
MacKay
Malone
Manly
Mayer
Mazankowski
McCain
McDermid
McDonald (Ms.) (Broadview-Greenwood)
McGrath
McKenzie
McKinnon
McKnight
McLean
McMillan
Mitges
Murphy
Murta
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Oberle
Orlikow
Paproski
Parker
Patterson
Reid (St. Catharines)
Riis
Roche
Rose
Sargeant
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Speyer
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Waddell
Wenman
Wilson
Wise
Wright
Young—111.

NAYS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dubois
Duclos
Dupont
Erola (Mrs.)
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Ittinuar
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lajoie
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacGuigan
Mackasey
MacLaren
Malépart
Maltais
Marceau
Masters
McCauley
McRae
Munro (Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Pinard
Portelance
Prud'homme
Regan
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—131.

● (1920)

Madam Speaker: I declare the amendment lost.

Supplementary Retirement Benefits Act (No. 2)

Motion (Mr. Baker (Nepean-Carleton)) negatived.

Madam Speaker: Is it the pleasure of the House to adopt the main motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some Hon. Members: Nay.

And more than five Members having risen:

Madam Speaker: Call in the Members. Shall we dispense with the ringing of the bells?

Some Hon. Members: Agreed.

The House divided on the Motion (Mr. Gray) which was agreed to on the following division:

(*Division No. 266*)

YEAS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dubois
Duclos
Dupont
Erola (Mrs.)
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Frith
Garant
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Ittinuar
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lajoie
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacGuigan
Mackasey
MacLaren
Malépart
Maltais
Marceau
Masters
McCauley
McRae
Munro (Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Pinard
Portelance
Prud'homme
Regan
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—128.

Supplementary Retirement Benefits Act (No. 2)

NAYS

Messrs.

Althouse
Andre
Anguish
Baker
(Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blaikie
Blenkarn
Bosley
Bradley
Broadbent
Cardiff
Carney (Miss)
Clark
(Yellowhead)
Clarke
(Vancouver Quadra)
Cooper
Corbett
Cossitt (Mrs.)
Crosby
(Halifax West)
Crouse
Dantzer
Darling
Deans
Dick
Domm
Ellis
Elzinga
Epp
Fennell
Forrestall
Francis
Fraser
Fretz
Friesen
Fulton
Gass
Gauthier
Greenaway
Gurbin
Gustafson
Halliday
Hamilton
(Swift Current-Maple Creek)
Hargrave
Hawkes
Heap
Hees
Hovdebo
Howie
Huntington
Isabelle
Jarvis
Jewett (Miss)
Keeper
Kempling
Kilgour
King
Kristiansen
Kushner
Lambert
La Salle
Lewis
MacDonald (Miss)
(Kingston and the Islands)
MacKay
Malone
Manly
Mayer
Mazankowski
McCain
McDermid
McDonald (Ms.)
(Broadview-Greenwood)
McGrath
McKenzie
McKinnon
McKnight
McLean
McMillan
Mitges
Murphy
Murta
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Oberle
Orlikow
Paproski

Messrs.

Parker
Patterson
Reid
(St. Catharines)
Riis
Roche
Rose
Sargeant
Schellenberger
Scott
(Hamilton-Wentworth)
Scott
(Victoria-Haliburton)
Shields
Siddon
Speyer
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Waddell
Wenman
Wilson
Wise
Wright
Young—114.

[*Translation*]

Madam Speaker: I declare the motion carried.

Motion agreed to, bill read the second time and referred to the Standing Committee on Miscellaneous Estimates.

Madam Speaker: It being 7.40 p.m. this House stands adjourned until tomorrow at two o'clock p.m.

At 7.40 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, December 9, 1982

The House met at 2 p.m.

• (1405)

MOTIONS UNDER S.O. 43

[*English*]

AUDITOR GENERAL'S REPORT

SUGGESTED ADOPTION OF RECOMMENDATIONS

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, I rise on a matter of urgent and pressing necessity. Since the Auditor General has now confirmed what many of us have long suspected, that this Government has turned Parliament into a large rubber stamp, I move, seconded by the Hon. Member for Mississauga South (Mr. Blenkarn):

That the Government urgently adopt the recommendations of the Auditor General, stop creating Crown corporations and stop bailing out failing companies, before the taxpayers revolt and refuse to supply the ink for the pad.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

CN MARINE ACCOUNTING PRACTICES

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, in view of the seriousness and urgency which the Auditor General attaches to present accounting practices of CN Marine, and in light of the Auditor's concern over the limited arrangements for audit and the consequent lack of control over Government moneys spent to subsidize East Coast ferry services, I move, seconded by the Hon. Member for Central Nova (Mr. MacKay):

That, as a first positive step toward meeting the concerns of the Auditor General, the Government take the appropriate steps to have the Auditor General named joint auditor of CN Marine.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

HEALTH

NATIVE INFANT MORTALITY RATES

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, the Cree Indians of Quebec have for some time been lobbying the federal Government to invite the World Health Organization to study native health problems in Canada. In this they were supported recently by the Editor of the *Canadian Journal of Public Health*, who feels that international effort may be the only way of reversing, for instance, the appalling native infant mortality rates, which are said to be worse than those of Indonesia or Nigeria. I therefore move, seconded by the Hon. Member for Saskatoon East (Mr. Ogle):

That the Government swallow its pride and allow the World Health Organization to investigate the intolerable death rate among native people and, if it will not, that the Minister of National Health and Welfare make a statement to this House as to why not, and as to what the Government intends to do to improve the social and economic conditions that make such a study necessary.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

• (1410)

SHIPBUILDING

CONSTRUCTION OF ONTARIO DRYDOCK

Mr. Gus Mitges (Grey-Simcoe): Madam Speaker, in view of the fact that an agreement was made between the federal and Ontario Governments to assist financially in the building of a new 1,300 foot drydock in an Ontario shipbuilding yard, and in view of the fact that the decision was made to locate this drydock at the Collingwood Shipyard in Collingwood, Ontario, quite some time ago, therefore I move, seconded by the Hon. Member for Simcoe North (Mr. Lewis):

That the federal Government make good its promise and come forth with its share of the cost of the drydock. This will create much needed ship repair jobs in the area, jobs which would contribute in a positive way to our sagging economy.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

S.O. 43

CANADA POST CORPORATION

BAN ON USE OF PRIVATE COMPANY SERVICES

Mr. Girve Fretz (Erie): Madam Speaker, I rise today to point out another example of misconduct by the Post Office. It has come to my attention that the chief executive officer of the Corporation has warned dissatisfied users they cannot opt out of postal service and engage the services of private companies which provide better service at lower cost. This is a further threat to the free enterprise system. The philosophy of Canada Post is a monopolistic one, one which states in effect: "If we cannot compete with private companies, let's make it illegal for them to provide the same services." Therefore I move, seconded by the Hon. Member for Bow River (Mr. Taylor):

That, if the Post Office cannot provide better service than private enterprises, it at least permit such companies to pursue their legitimate business aspirations.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

CHARTER OF RIGHTS

APPLICATION TO SASKATCHEWAN PUBLIC SERVANTS

Mr. Les Benjamin (Regina West): Madam Speaker, apropos of a point of order which you thought was appropriate yesterday, I rise under the provisions of Standing Order 43 on a matter of a serious infringement of the Canadian Charter of Rights. Last week Regina Alderman, Harry Van Mulligan, was told by the Government of Saskatchewan either to move to a new post in Prince Albert, or lose his job. Mr. Van Mulligan had earlier spoken out in opposition to the provincial Government's restraint program, while carrying out his elected duties at Regina City Council.

The Premier has since declared that all Government employees who also serve their communities on school boards, hospital boards, and even on church boards, must carefully weigh the consequences of freely speaking their minds in public. I therefore move, seconded by the Hon. Member for Prince Albert (Mr. Hovdebo):

That this House condemn the curtailment of basic civil and political liberties of Saskatchewan public servants by the Government of Saskatchewan.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

MARINE TRANSPORT

COAST GUARD REPORT ON VULNERABILITY OF BRIDGES

Mr. Howard Crosby (Halifax West): Madam Speaker, a report entitled the "Vulnerability of Bridges in Canadian Waters" made by the Canadian Coast Guard states that the A. Murray MacKay Bridge and The Angus L. MacDonald Bridge, which span Halifax Harbour, as well as bridges spanning the St. Lawrence River and Vancouver Harbour have the highest risk of damage in Canada based on pier vulnerability and volume of marine traffic. I move, seconded by the Hon. Member for Dartmouth-Halifax East (Mr. Forrestall):

That this House direct the Minister of Transport to act immediately on the recommendation of the Canadian Coast Guard to protect the two bridges spanning Halifax Harbour from damage or destruction, resulting from a marine accident by co-operating with the Province of Nova Scotia and other agencies to construct the necessary safeguards.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

• (1415)

ORAL QUESTION PERIOD

[*English*]

NATIONAL SECURITY

CASE OF CANADIAN PROFESSOR—ROLE OF FORMER SOVIET KGB COLONEL

Mr. Chris Speyer (Cambridge): Madam Speaker, my question is for the Minister of Justice. It pertains to the spy, Hambleton. We know that Col. Rudolph Herrmann was a colonel of the KGB, that he operated in Canada between 1959 and 1968, and that he subsequently moved to New York State but returned to Canada on a regular basis and had continuous contact with Hambleton.

In determining whether he was going to lay charges with respect to prosecuting Hambleton in circumstances where the Americans were willing to make Herrmann available for interrogation, for full debriefing, and to give a sworn statement as to all the activities of Hambleton, how could the Minister's predecessor, or the Minister himself, have neglected his duty in ascertaining all of the information that this particular spy was capable of giving to Canada, especially when, in the circumstances, he was the one who tipped Canada off on the identity of Hambleton?

Hon. Mark MacGuigan (Minister of Justice and Attorney General of Canada): Madam Speaker, my hon. friend has a mistaken notice of the facts. My philosophy has been to lay out all the facts it is possible to bring forward. I have stated that there was no evidence before the Attorney General in the spring of 1980 concerning any transmission of NATO secrets,

that there was not deemed to be sufficient grounds for prosecution, but I can tell the Hon. Member that there was evidence before the Attorney General at that time that in fact Col. Herrmann had been interviewed and that that evidence was available to the Attorney General.

Mr. Speyer: Madam Speaker, there was no evidence from a Canadian source. It was all from the FBI.

INTERROGATION OF KGB COLONEL

Mr. Chris Speyer (Cambridge): Madam Speaker, I would ask the Minister whether the RCMP requested that the Department of Justice attend upon Herrmann for the purposes of getting a sworn statement that would enable the Department to undertake a prosecution.

Hon. Mark MacGuigan (Minister of Justice and Attorney General of Canada): Madam Speaker, the RCMP had interviewed Col. Herrmann. The text of that interview was available to the Attorney General and it had been ascertained that he could be made available for trial if his evidence were needed.

INTERVIEW CONDUCTED BY RCMP

Mr. Chris Speyer (Cambridge): Madam Speaker, I will put my question to the Solicitor General. In an article by Neil Macdonald in this morning's *Citizen* it is stated that at no time did Canada ever debrief the double agent who was Herrmann. I will quote from the article, which I am sure the Solicitor General has read, as follows:

> It may well be that we didn't get the full story because no one from Canada debriefed Herrmann from a Canadian perspective. We had an outline of what he would likely say, but that was provided by the Americans. He was debriefed from an American perspective.

I find it incomprehensible that Herrmann was not debriefed by the RCMP. Is the story accurate?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, I can assure the Hon. Member that in fact members of the RCMP went to New York, interviewed Herrmann, and prepared the transcript of the interview, which was shown to the Minister of Justice to assist him in making his decision. As a matter of fact, the fact of that interview having taken place was revealed by the FBI on the date that Herrmann was made available in Washington to be interviewed in public.

REASON FOR NOT LAYING CHARGES AGAINST PROFESSOR

Hon. Erik Nielsen (Yukon): Madam Speaker, the Minister of Justice knows, or should know, that the voluntary nature of a confession by an accused person is normally decided by a judge. I would assume that the Solicitor General would also be aware of that doctrine of the law of evidence, and that all that is necessary in order to lay charges is a prima facie case, and not evidence sufficient to support a prosecution. Both Ministers seem to be hiding behind the doctrine of inducement which is only one element which goes toward determining whether or not a statement by an accused person is voluntary.

It would seem that the decision here was taken by the Government acting as a judge. Why did the Solicitor General or the Minister of Justice not allow a judge to make that decision, rather than usurping the function of the court itself? Why did they not lay charges and let a judge make that decision?

• (1420)

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, the only time in which the matter was before the Attorney General was in the spring of 1980. He made a decision on April 25 that there was not sufficient evidence to lay before a court. No part of that concern had to do with what my hon. friend states. It had to do with the insufficiency of the evidence that was available at that time.

DECISION ON ADMISSIBILITY OF EVIDENCE

Hon. Erik Nielsen (Yukon): Madam Speaker, how does that square, then, with the statement of the Minister of Justice that that conclusion was reached because the judgment was made that, after having shown the telex to Hambleton, that constituted an inducement which would bar the admissibility of the subsequent statement of the accused, Hambleton, a question normally decided by a judge and not by an official, or by a Minister or anyone in the Government? Why was that question as to whether or not it constituted an inducement only one fact going toward the voluntary nature of a confession which would allow its admission in evidence? Why was that decision made by Ministers of the Crown, rather than by a court of law?

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, my hon. friend is again confused, I have to tell him, as to the facts. All the facts that he is talking about occurred after the decision by the Attorney General as to whether or not to lay a prosecution.

LOCALE OF TRIAL

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, my supplementary question is directed to the Minister of Justice. I want to ask him why we could not have had the locale of the Hambleton trial here in Canada on the basis of NATO secrets being compromised. Could we not have imported the evidence, as well as exported it to Britain? Then we would not have seen the spectacle of having to have Britain do the job for us, to the humiliation of our Security Service.

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, the only point at which the matter was before the Attorney General for consideration as to whether or not to lay a prosecution was in April, 1980. I have already made it clear that there was no evidence before the Attorney General at that time of the transmission of NATO secrets, but I have also

made it clear, as indeed it is indicated by the prosecution in the Treu case, that the Government did not consider that the transmission of NATO secrets would not have been sufficient to lay a charge, if indeed there were evidence to substantiate that. The problem was that there was no such evidence.

* * *

MISCELLANEOUS ESTIMATES COMMITTEE

RESIGNATION OF CHAIRMAN

Mr. Rod Murphy (Churchill): Madam Speaker, all this last week we have been asking only economic questions and job-related questions. However, today I have a different question which I will direct to the President of the Privy Council, because it is a matter which affects the House of Commons. Last night the Hon. Member for Ottawa-Vanier voted against the Liberal Government. Today the Standing Committee on Miscellaneous Estimates met. We were told that the Hon. Member for Ottawa-Vanier had to resign as Chairman of the Committee. We were told that as soon as he resigned he was automatically taken off that Committee. In the spirit of parliamentary reform, will the President of the Privy Council allow that Committee to select the Chairman, who was nominated by the Hon. Member for Kootenay East-Revelstoke and by the Conservatives? Will he allow the Hon. Member for Ottawa-Vanier to remain Chairman of the Committee, as both Opposition Parties insist?

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, it seems to me that all the statements made by my hon. colleague are based on hearsay, since he keeps saying: we were told. I want to make it clear that it is not up to me to appoint committee chairmen or to intervene. Committee members are free to choose their own chairman. In the circumstances, the answer to the Hon. Member's question is yes. That is, I do not intend to intervene. It is up to the Member for Ottawa-Vanier and the members of the committee to do as they see fit.

[*English*]

Mr. Murphy: Madam Speaker, it is not hearsay. It was the Hon. Member for Gloucester who said that it was a matter of Liberal discipline. He said that in the Committee; it is on the record of that Committee.

EX-CHAIRMAN'S COMMITTEE MEMBERSHIP

Mr. Rod Murphy (Churchill): Madam Speaker, will the Government allow the Hon. Member for Ottawa-Vanier to stay on the Committee? We were told that as soon as he made his resignation statement—and we got that from the Hon. Member for Gloucester—that he was automatically off that Committee. Will the Minister allow that Member to remain on the committee, and will the Minister allow the Hon. Member for Ottawa-Vanier to remain as Chairman of that committee as both Opposition Parties insist?

• (1425)

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I would be more inclined to take this request seriously if it had been made by the Member for Ottawa-Vanier.

* * *

[*English*]

INCOME TAX

RATE APPLICABLE TO UPPER INCOME GROUPS

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, my question is for the Prime Minister. The previous Minister of Finance last November, 1981, suggested that the tax system was unfair and needed adjustment. He attempted to close some loopholes, but to compensate the wealthy, who took most advantage of the loopholes, he lowered their tax rate. The Prime Minister's present Minister of Finance has now reopened the loopholes but has maintained the present lower tax rate for upper income Canadians. Is this the Prime Minister's idea and his Party's idea of a just tax system and a just society?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member has asked me to comment on past and possibly future budgets. I want to tell him that I cannot do that in the context of Question Period. If he wants to discuss over all budgetary matters, there are times and places to do that.

* * *

[*Translation*]

TRANSPORT

INQUIRY RESPECTING CHOICE OF AIR CANADA HEAD OFFICE

Hon. Roch La Salle (Joliette): Madam Speaker, my question is directed to the Minister of Transport. The Minister is no doubt aware that today, the Board of Directors of Air Canada will be asked to ratify the choice of Place Beaver Hall as the future headquarters of the corporation, even if this choice would cost about $10 million more than another proposal. My question is as follows: Has the Minister, who is aware of this proposal, asked for an investigation, considering the fact that the same accommodation is probably available for $10 million less? If so, who was asked to conduct this investigation, and since a decision is to be made today, has the Minister asked for the decision to be postponed?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, in view of the present economic situation, especially in Montreal, it was to be expected that there would be quite a bit of competition for this Air Canada contract. Offers were made by a dozen or more candidates. The Board of Directors of Air Canada, which has jurisdiction over such matters, established fourteen criteria according to which the acceptability of the tenders was to be assessed. The Government was asked whether these criteria were sufficient, and on behalf of the Government, I said yes, and a decision is to be made today. Among these criteria, cost is, of course, a major factor. I have sufficient information to know that there is no substantial difference in price between the various tenders that were made. This $10 million is pure fantasy.

Mr. La Salle: Madam Speaker, I have a supplementary. Since the press is, of course, being very vocal about a proposal that we find unacceptable, especially considering the economic situation, could the Minister publish the findings of the investigation he requested, with any considerations that might indicate the contract should be awarded to one company rather than another, even if the figure of $10 million is not entirely accurate? Could the Minister publish information that would help us to understand better the reasons for selecting Beaver Hall?

Mr. Pepin: Madam Speaker, I imagine that if the Board of Directors of Air Canada makes the decision anticipated by my hon. colleague, it will give a full explanation of its actions. I imagine that they will issue a press release this afternoon, stating why they made the choice they did. Therefore, if my hon. friend is not satisfied with the explanations Air Canada will be giving this afternoon, I shall then see whether there is a case for providing further explanations.

* * *

• (1430)

[*English*]

CANADIAN WHEAT BOARD

QUERY RESPECTING FALL WHEAT PAYMENT

Mr. Len Gustafson (Assiniboia): Madam Speaker, my question is directed to the Minister of Agriculture due to the absence of the Minister responsible for the Canadian Wheat Board from this House, and who is busy in the other place mailing out volumes of Liberal propaganda and comical cartoons. Will the Minister answer a question with regard to important matters concerning farmers and state whether there will be a wheat payment made this fall from the Canadian Wheat Board to the western grain farmer? Will that payment be made before the year's end, and can the Minister give any indication of the size of that payment?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the answer is no to both questions.

REQUEST THAT MINISTERS CONFER

Mr. Len Gustafson (Assiniboia): Madam Speaker, we received exactly the same kind of answer about three weeks ago from the Minister when asked a question in the House regarding the Western Grain Stabilization Program. Would the Minister make it a point to contact the Minister responsible for the Canadian Wheat Board and determine whether he can bring answers for the western Canadian farmers, both in regard to the Wheat Board payments and the Grain Stabilization payments?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the Hon. Member knows full well that there are time limitations on both of those Programs. Until that time is reached, then the decisions are made. The Wheat Board will make them in due course. Those payments will be made on the sales and that type of thing, and he knows that full well, if he studied the legislation and how it operates.

* * *

METRIC CONVERSION

APPLICATION TO MILK PRODUCERS

Mr. Bill Domm (Peterborough): Madam Speaker, I think everyone in the House realizes that there will be a long hard winter ahead for a million and a half unemployed, coupled with those on welfare, and not to mention those who qualify for neither, in being able to put enough bread and milk on the table. I ask the Minister of Consumer and Corporate Affairs how he justifies forcing milk producers, such as Beckers and the like, to do away with their imperial measure full quart and raise the price of milk by up to 40 cents a packaged unit in order that the administration can have its own way as a Liberal Government in forcing metric on the Canadian people?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, I suspect that the Hon. Member's statement has no more basis in fact than the petition he tabled in the House a number of weeks ago, a petition that, according to his own words, contained 135,000 names and which he tabled here in the House on behalf of the Toronto *Sun*. Upon checking the petition, we realized that there were certainly not more than 75,000 names and not even that many addresses. Furthermore, after I wrote to some of the people who signed this so-called petition, some wrote back that they had never signed the petition and that, on the contrary, they were in favour of the metric system.

[*English*]

Mr. Domm: That had absolutely nothing whatsoever to do with the 135,000 signatures, not 135 as the translation reported.

Oral Questions

INCREASE IN COST OF MILK

Mr. Bill Domm (Peterborough): To give credence to my statement about this being against the wishes of the milk producers, Mr. Lowe, President of Beckers, said that he was extremely upset that metric conversion is being forced on the industry against their wishes, and it is another case of a rip-off by this Government.

Will the Minister just answer the question that I first asked? How does he justify a 40-cent unit price increase on the cost of milk at a time when Canadians can hardly feed the mouths of the babes at their tables because of the unemployment brought about by this Liberal Government?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, I already said that I doubted the accuracy of the Hon. Member's statement. I think he is becoming the House expert on gratuitous statements that later appear to be totally false. It is not the first time the Hon. Member is rising in the House to make statements about the metric system which later were found to be untrue. In this case, I am sure that after checking the facts, we shall realize that once again, the Hon. Member has given the truth a wide berth.

* * *

TRANSPORT

REORGANIZATON OF QUEBECAIR—GOVERNMENT POSITION

Mrs. Éva Côté (Rimouski-Témiscouata): Madam Speaker, my question is directed to the Minister of Transport. Representatives of the Department of Transport, Air Canada, the Government of Quebec and Quebecair have been meeting since last Tuesday. Madam Speaker, I wonder whether the Minister could give us a progress report on the discussions being held by the various parties with respect to the restructuration of Quebecair.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, in my last instalment, I said that the question was whether we should create an entirely new company or restructure the existing one. A few days ago, the Government of Quebec and Quebecair made a presentation before a group of negotiators representing the three parties concerned, and I am told this presentation was very realistic. At the present time, its contents are being analyzed and assessed by the negotiators for the Federal Government, and I shall have more news in a few days.

[*English*]

MINES AND MINING

REQUEST FOR REOPENING OF CYPRUS ANVIL MINE

Mr. Sid Parker (Kootenay East-Revelstoke): Madam Speaker, my question is for the Minister of Indian Affairs and Northern Development. Yesterday the Yukon Territorial Assembly passed a motion calling on all parties, including the federal Government, to take whatever steps are necessary to ensure that the Cypress Anvil Mine in Faro is reopened. Will the Minister assure the House that the federal Government is actively pursuing the reopening of the mine through Dome Mines and that the aid package specifically put together for this purpose by the Government is still being pursued?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Yes, Madam Speaker, of course it has been the policy of the Government to do everything possible to ensure that this mine reopens. I am disappointed, though, that labour negotiations broke off the other day. I believe that the union has made all of the concessions that were anticipated orginally, yet Dome has still not settled. Dome indicated that if we filled in the second year of the northern benefits package which my colleague, the Minister of Finance, did, and announced recently, they would then settle. They still have not settled. That is the only discouraging element at the moment. I am very hopeful that Dome will return to the table and sign a collective agreement as soon as possible.

* * *

LABOUR CONDITIONS

YOUTH UNEMPLOYMENT IN BRITISH COLUMBIA—
AVAILABILITY OF COMPUTER TRAINING PROGRAMS

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, my question is directed to the Minister of Employment and Immigration. With youth unemployment in British Columbia having now climbed to 23.4 per cent and with many of the unemployed seeking training or retraining, can the Minister tell the House why these young people are being told by employment centres in the Province that they must wait for at least two years before any one of them can take courses in such important areas as computer programming? Why is there a two-year wait for courses which are considered by the Government itself to be top priority areas?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I would like to point out to the Hon. Member that in this fiscal year we will be spending over $85 million alone in federal funds to assist in the funding of community college programs and courses in the Province of British Columbia. We recently signed a new agreement with the Province of British Columbia under the National Training Act that will allow us to begin to shift the courses into areas of high priority such as computer training.

However, we cannot place people into facilities that do not exist. That is one reason why we, as the federal Government, have the skills growth funding being made available so that provincial Governments, which are responsible for community colleges, can plan and expand facilities in this area. That is why we have put the money forward and have a new National Training Act. This cannot be created overnight and must be worked out in co-operation with the provincial Government.

* * *

• (1440)

NATIONAL SECURITY

CASE OF CANADIAN PROFESSOR—POSSIBLE BREACH OF CRIMINAL CODE

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, my question is directed to the Minister of Justice. The Minister will know that one of the charges laid against Mr. Hambleton was remarkably similar to a charge of treason under our Criminal Code. Will he tell us if the matter was ever referred to the Attorney General of the relevant Province? The minister knows those matters fall within his or her jurisdiction.

Hon. Mark MacGuigan (Minister of Justice and Attorney General of Canada): Madam Speaker, my understanding is that the matter was not referred to any provincial Attorney General, but that the possible evidence for a charge of treason and the law of treason itself were examined before coming to a tentative conclusion that there would be no possibility of prosecution.

REQUEST FOR REFERRAL TO PROVINCIAL ATTORNEY GENERAL

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, the fact is that the Federal Government usurped the constitutional and legal authority of the Attorney General of the Province in issue and made the decision on its own terms. The horse is certainly out of the barn. Is the Minister now prepared to refer the matter to the appropriate provincial Attorney General for a second opinion?

Hon. Mark MacGuigan (Minister of Justice and Attorney General of Canada): Madam Speaker, if there is no evidence, there is no evidence.

Mr. Clark: He has just been convicted!

* * *

FINANCE

PENALTY FOR PREPAYMENT OF MORTGAGES

Mr. Paul Dick (Lanark-Renfrew-Carleton): Madam Speaker, I would like to direct a question to the Minister of Finance, and perhaps the Minister responsible for Housing may have some interest in it. The Interest Act was first enacted in 1886 and it has not been substantially changed in well over 20 years. Section 7 provides that a person can prepay a mortgage by paying a three month's penalty if the mortgage is more than five years in length. Has the Government given any consideration to changing the Interest Act, especially in these times when people have been caught by high mortgages?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I will take the question of the Hon. Member as a representation and will consider his suggestion, bearing it in mind in the preparation of the budget. I will consider whether it is possible or advisable to act in this manner. However, in the meantime, I would hope that we will be able to adopt the Income Tax Act which was introduced earlier this week and which contains provision for refunds to several millions of Canadians. I think that would also immediately help Canadians.

REQUEST FOR LEGISLATION TO AMEND INTEREST ACT

Mr. Paul Dick (Lanark-Renfrew-Carleton): The question I asked with regard to the Interest Act has nothing whatsoever to do with the budget. It can be enacted tomorrow if the Government wants to bring the legislation forward. It would help people caught in a bind in housing. For example, if they have three year or five year mortgages at 18 per cent or 20 per cent interest rates, by law they cannot pay three months' interest and get out of their mortgage commitments because they are not over five years in duration.

The Interest Act should come under the control of the Minister of Finance. Obviously, the Government has not considered helping home owners by this sort of a step so far, but I am asking whether it would consider it soon, and perhaps bring in legislation to change the Interest Act.

Hon. Marc Lalonde (Minister of Finance): I have already answered this question, Madam Speaker.

* * *

NATIONAL DEFENCE

DISAPPEARANCE OF MISSING AIRCRAFT FROM RADAR SCREEN

Hon. Allan B. McKinnon (Victoria): Madam Speaker, my question is directed to the Minister of National Defence. Canadian Forces are still looking for the two Starfighter aircraft and the pilots recently lost near Cold Lake. Would the Minister tell the House how these two aircraft were lost from radar view, when Canadian Forces Base Cold Lake is one of the six bases recently equipped with the new terminal radar and control system, at a considerable cost?

Hon. J. Gilles Lamontagne (Minister of National Defence): First of all, Madam Speaker, I would like to express my sympathy to the families of the two pilots we have lost. It was a most unfortunate accident. I can assure the House that every possible means of finding them has been put into effect. With regard to the remark of the Hon. Member for Victoria concerning the installation of a new radar system which is called, I

believe, RATCOM, which is supposed to be operational in Cold Lake, is not actually in our hands yet. It is still in the hands of the contractor for testing and we are still using the old system which is called TRAC. This will be replaced by RATCOM, which is a much better and efficient way of locating the aircraft. However, at the moment, the only way we could trace the plane was through the TRAC system which only gives communication contact not necessarily radar coverage.

NON AVAILABILITY OF EMERGENCY LOCATION TRANSMITTERS

Hon. Allan B. McKinnon (Victoria): Is the Minister telling us that over all these years there has been no radar installation at Cold Lake able to track aircraft coming in and going out of Cold Lake? I would appreciate if he would answer that question. Perhaps, while he is on his feet, he could also tell us whether these planes had any kind of emergency locator transmitters on them or anything else which would indicate the site of the crash.

Hon. J. Gilles Lamontagne (Minister of National Defence): As far as emergency location is concerned, we know very well that these fighter planes do not have what we call ELTs, emergency locator transmitters, but they do have a special device which a pilot must put into action if, in any case, he is in an emergency. Apparently, they had not been switched on in these two cases. Not knowing exactly how the accident happened, we do not know if they were flying high or low. As the Hon. Member very well knows, if pilots fly lower than a certain height, we cannot follow them by radar. At the moment, there is an investigation going on to see how this accident happened, but unfortunately, I cannot give a more exact explanation for the accident at the present time.

PROJECT TO SAVE LAST WARTIME CORVETTE

Mr. W. Kenneth Robinson (Etobicoke-Lakeshore): Madam Speaker, my question is directed to the Minister of National Defence. Will the Minister advise whether he will save the last Corvette, the *Sackville*, which has been taken out of service, and if he will make arrangements that it be given to the Maritime Museum in Halifax and the Naval Officers Association of Canada so that it can be restored to its wartime condition and put on permanent display?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I have received several representations, from both sides of the House, especially those of my colleague, the Minister of State for International Trade, who is from Halifax. I can assure the Hon. Member that my Department is currently conducting a study on how we can preserve it, and this study has my full approval. I do hope we can save the *Sackville*, which was a wartime Corvette, as it would be a very good memento for the many brave sailors who sailed on these Corvette class ships during the war.

INDUSTRY

TAX INCENTIVES REQUESTED FOR RESEARCH AND DEVELOPMENT

Hon. George Hees (Northumberland): Madam Speaker, could I have the attention of the Minister of Finance for a moment?

Mr. Lewis: Get ready, Marc!

Mr. Hees: The Prime Minister has nothing to worry about today.

Some Hon. Members: Oh, oh!

Mr. Trudeau: Or any other day.

Some Hon. Members: Oh, oh!

Mr. Hees: I would like to address a question to the Minister of Finance, Madam Speaker. As the share of the Canadian market held by foreign-made products has increased from 19 per cent 15 years ago to 31 per cent today, and as more and more Canadians have found foreign-made products more attractive in price, quality and design, would the Minister give serious consideration to introducing generous taxation incentives based and paid directly in proportion to increases in the research and development carried out by Canadian industry, so that we can lower costs and selling prices and improve our quality and design, so that Canadian products can start winning back the very large share of the market which they have lost in recent years, and start producing the extra jobs our people need?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I thank the Hon. Member for his question and his interest in this very important subject indeed. The question of increased productivity, better technology and better quality of product, is one which is uppermost in the Government's mind. As a matter of fact, I would remind the Hon. Member that this year, on the export side, Canada has increased its share of the world market, so we must not only be buying imports, but we must also be pretty good at exporting our products, and that has applied even in the manufacturing sector, I am advised.

Mr. Stevens: No, no!

Mr. Lalonde: This is the advice I have received, that we have succeeded in expanding our share of the world market in terms of exports.

Mr. Stevens: But not on manufactured goods.

Mr. Lalonde: As far as the question of research and development is concerned, the Government has attacked this issue very aggressively since 1980. In fact it is estimated that the total expenditures for R and D in Canada in 1982 will have increased from $3.7 billion in 1981 to about $4.4 billion in 1982. I am also advised that we have one of the most generous

tax incentive systems in the world for research and development. It can cost only about 20 cents on the dollar for research and development in this country if one is to use the tax incentives which are available. Thus, I think we have a pretty good record.

REQUEST THAT ASSISTANCE BE LINKED TO PRODUCTIVITY

Hon. George Hees (Northumberland): If the Minister will look back on the figures that he has received, he will find that we have increased in our exports of raw materials and so-called manufactured goods which are qualified as goods which receive one stage of processing, like iron ore which is made into iron ore pellets. That is all. It is not refrigerators, cars or anything like that. In fully manufactured goods, which are the ones which produce the jobs, we have been losing our share of the world market at about the same rate as we have lost our share of the Canadian market. Will he also take into consideration the fact that there is nothing that appeals to a businessman like an incentive that he receives in direct proportion to what he does? Having used this method with some success when I was in Government—

● (1450)

Madam Speaker: Order, please.

Mr. Hees: —I highly recommend it to the Minister.

Madam Speaker: Order, please.

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I have indicated that we have indeed a very generous tax incentive program. There is a tax credit that is available to corporations which varies from 10 per cent to 20 per cent, and up to 25 per cent for small businesses. There is a 150 per cent tax deduction for firms that increase their R and D. There is always the possibility of adding, but I again remind the Hon. Member that if firms want to use the tax incentives that are available, it can cost them only 20 cents on the dollar for their research and development. That is a pretty good bargain. I hope that more and more Canadian firms will use the incentives that are available.

* * *

BANKS AND BANKING

ROYAL BANK FORECLOSURE OF SACKVILLE, N.B. FOUNDRY

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, my question is for the Prime Minister. The Prime Minister will know that Enterprise Foundry of Sackville, New Brunswick, was on the upswing when the Royal Bank decided to foreclose. Sackville then lost its second largest employer. Out of this wreckage has emerged a new owner who is seeking to save those jobs, but the bank remains an obstacle. It is simply walking off with more company assets than is necessary. Will the Prime Minister call on the Royal Bank, ask them to reverse their foreclosure decision, or at least dispose of the company assets in a way that will preserve jobs? Will he say this time to the Royal Bank:

> Those of you, bankers, who see farmers and small businessmen struggling to keep the land alive and the doors open for a better time, ask yourselves what will be served by a bailiff's padlock. Why don't you take a chance on a Canadian? You may be surprised.

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, I would like to inform the Hon. Member that our officials did meet with the previous owner of that particular operation, as did my colleague, the Minister of Public Works. On several occasions we asked for a viable operating plan on which we could make a decision as to whether to provide financial assistance. That viable operating plan was not forthcoming. We now understand there are new people interested in the company. We are looking seriously into that operation to see if we can salvage it.

* * *

PENITENTIARIES

PROPOSED EDUCATION ADVISORY COMMITTEE

Mr. David Orlikow (Winnipeg North): Madam Speaker, I wish to direct a question to the Solicitor General. The Canadian Corrections Service comes under his jurisdiction. Some time ago its officials arranged with the Ontario Institute for Studies in Education to make a survey of educational facilities in the correctional institutions. They received a series of recommendations, one of which proposed the establishment of an education advisory committee to the Commissioner. Will the Minister advise why those recommendations, particularly the one calling for an advisory committee, have not been implemented?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, I can only say that I will look into the matter and report to the Hon. Member as soon as I have done that.

* * *

NATIONAL SECURITY

CASE OF CANADIAN PROFESSOR—AVAILABILITY OF EVIDENCE

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I have a question for the Minister of Justice. Is the evidence that was available to the British courts which led to the conviction of the spy, Hambleton, available to Canadian authorities?

Hon. Mark MacGuigan (Minister of Justice and Attorney General of Canada): Madam Speaker, I have just agreed to provide the funds for acquiring a transcript of that trial. In addition to that, some of the proceedings were conducted in camera. We hope to be briefed on them by British authorities.

Oral Questions

MINISTER'S KNOWLEDGE

Right Hon. Joe Clark (Leader of the Opposition): Does the Minister know if the evidence that was available to the British courts that led to the conviction of Mr. Hambleton is available to Canadian authorities?

Hon. Mark MacGuigan (Minister of Justice and Attorney General of Canada): Madam Speaker, that is the question I just answered.

ADMISSIBILITY OF EVIDENCE IN CANADA

Right Hon. Joe Clark (Leader of the Opposition): Is it the position of the Government of Canada that there is any bar to the admissibility in Canada of the evidence that led to the conviction of Mr. Hambleton as a spy in Great Britain?

Hon. Mark MacGuigan (Minister of Justice and Attorney General of Canada): Madam Speaker, I am not in a position to answer that question.

Mr. Nielsen: You were yesterday.

* * *

ST. LAWRENCE SEAWAY

INCREASE IN TOLLS—REQUEST FOR TALKS WITH UNITED STATES AUTHORITIES

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, the Minister of Transport will be aware that significant toll increases in the St. Lawrence Seaway will come into effect in 1983. They are far and above the six and five goal set by the Government. Will the Minister consider reopening talks with his United States counterparts with respect to this unduly heavy increase in tolls? Will he do this from the perspective of the very serious impact this will have on Canadian registered ships using the Great Lakes and the Seaway system next year?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, in the second year of the agreement between the Canadian and American authorities there was to be an increase of 10 per cent. I understand that an exchange of views took place between the two authorities on this matter and they were not particularly fruitful. The Americans are not particularly eager to reduce that 10 per cent. At the moment I am looking to the special committee which makes the decision on this matter in order to obtain a recognition of the 10 per cent as being an exception, on the basis of an international agreement.

EXEMPTION SOUGHT FOR CANADIAN REGISTERED SHIPS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, given the apparent failure, will the Minister give consideration to an exclusion for Canadian registered ships plying between Canadian ports?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I am not sure I understand the question. Maybe the member and I could have a conversation later.

* * *

CANADIAN TRANSPORT COMMISSION

CONDUCT OF RAIL LINE ABANDONMENT HEARINGS

Mr. Arnold Malone (Crowfoot): Madam Speaker, I have a question for the Minister of Transport. It deals with the process by which the rail line abandonment hearings are initiated and conducted. As the Minister knows, either CN or CP rail have as much time as they deem necessary, perhaps even years, to present the case that they believe a branch line ought to be abandoned. Having come to this conclusion, they then submit to the CTC an appeal for abandonment. After all of that period which the railway companies have, does the Minister judge it to be fair that the communities along those railway lines are then given as little as 30 days in which to prepare a case to defend themselves against the railways, against something which affects the life of the communities? Indeed, it is the umbilical cord of their economic life for the remainder of the existence of those communities.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I have no way of judging whether 30 days is too long or not. I do know that these hearings take a very long time. Usually the community is quite aware of what is going on. Without being theoretical, I would think that 30 days after the decision is made would constitute a sufficient time in view of the existing awareness in the community.

REQUEST THAT AFFECTED COMMUNITIES BE GRANTED PROFESSIONAL ASSISTANCE

Mr. Arnold Malone (Crowfoot): Madam Speaker, I have a supplementary question for the Minister of Transport, setting aside for a moment the fact that he presumes 30 days is long enough for these communities, many of which have a population of 100 or less. And bearing in mind that when the Commissioners enter the hearing room, which is referred to as a judicial court and is court-like in style, there is a battery of lawyers, accountants and other experts for the Commissioners, in what other court situation is it the judge who has the lawyers and the expertise?

If the communities are the defendants, why does the Government of Canada not grant to the individual communities across the Prairies the money or the experts so that the communities can have the expertise to bring an appropriate defence, rather than the judge having the assistance, against the slick CN and CP Rail with their lawyers, accountants and economists? These communities of 100 people have only 30 days and no expertise. Can the Minister justify that behaviour?

• (1500)

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, that is a big question indeed; it applies to the whole legal and regulatory system and is far too wide for me to try to tackle this afternoon. However, if I judge by the extent of the branch line system which is still open in Canada, and by the rather low level of branch lines which have been abandoned, I suggest that the communities have done a damn good job against the lawyers.

* * *

IMMIGRATION

RECOMMENDED AMNESTY FOR ILLEGAL IMMIGRANTS

Hon. Bud Cullen (Sarnia-Lambton): Madam Speaker, my question is for the Minister of Employment and Immigration.

Some Hon. Members: Gone!

Mr. Cullen: Well, perhaps someone can take notice of the question.

As the Minister will know, some 600,000 to 800,000 people apply every year to come to Canada by legal means, adopting legal procedures. Now there is a recommendation from the Advisory Council that a general amnesty should be granted to those who are here illegally. Can the Minister confirm that he will not accept this advice and that he will not even entertain the idea of an amnesty for illegal immigrants.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I think it would be much too early to draw any conclusions because the report was just issued yesterday and it is obviously a very delicate and sensitive matter. We will not be making any judgments until we have had an opportunity to get a full response from all affected organizations and individuals in the country, including provincial Governments and others.

The Advisory Council has undertaken the study and I want to review its report in consultation across Canada. I would think this would be an area where Members of Parliament in particular could be particularly helpful by taking soundings in their own areas and giving me the results, so that I can make a judgment based on those results. It is a problem, Madam Speaker, and as in most areas of immigration we are prepared to deal with those problems in an effective and fair way.

* * *

PETITION

MR. BRADLEY—OPPOSITION TO BILL C-10

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table the three hundred and fiftieth report of the Clerk of Petitions stating that he has examined the petition presented by the Hon. Member for Haldimand-Norfolk (Mr. Bradley) on Wednesday, December 8, 1982, and finds that the petition meets the requirements of the Standing Orders as to form.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Nielsen: Madam Speaker, I thought for a while the Minister of Employment and Immigration (Mr. Axworthy) was going down for the third time!

My question is to the Government House Leader. He has informed us that we will be proceeding with Bill C-131 on the final designated day under Standing Order 75C for the Old Age Security Act. Could he confirm that and confirm as far as he can into next week the business that the House will be dealing with?

[*Translation*]

Mr. Pinard: Madam Speaker, today is the last opposition day in the current supply period. Tomorrow, we shall indeed complete second reading of Bill C-131 and, beginning Monday next week, we shall undertake second reading of the bill to amend the Income Tax Act. As usual, of course, all that is subject to change.

[*English*]

Mr. Nielsen: There was some thought, I believe, that debate might be interrupted on Bill C-139 if, as and when the capping Bills, C-131, C-132 and C-133, came back from committee. Is it the intention of the Government to interrupt debate on Bill C-139 should those other Bills come back from committee next week?

[*Translation*]

Mr. Pinard: Yes, Madam Speaker, my colleague fully appreciates how most urgent it is to have Royal Assent given to Bills C-131, C-132 and C-133 before December 22. That is why, under the circumstances, should these bills be reported to the House in the middle of next week or even earlier, I will seriously consider giving the Hon. Member reasonable notice with a view to completing the study of those bills before December 22.

[*English*]

Mr. Murphy: Madam Speaker, my question is also for the Government House Leader and relates to the question I asked earlier in Question Period. I understand that at 3:30 today in Room 209 of the West Block the Miscellaneous Estimates Committee will meet again. Looking at the fact that he said we are going to adjourn December 22 with all these Bills passed, is he planning on calling us back on December 23? Because we are not going to let that Bill pass unless we have an open election of the chairman of that Committee.

Point of Order—Mr. McKnight

[*Translation*]

Mr. Pinard: Madam Speaker, I will take the request of the Hon. Member under serious consideration. With respect to the election of the committee chairman, as I said earlier, I will not get involved. That is the responsibility of the members of the committee and I am sure that Hon. Members are responsible enough to make a judicious choice of a successor to the Hon. Member for Ottawa-Vanier (Mr. Gauthier) who has tendered his resignation as committee chairman.

[*English*]

Mr. Murphy: Madam Speaker, will the Government House Leader allow the Hon. Member for Ottawa-Vanier to stay on the committee, and will he and the Government majority allow that person to remain as chairman?

[*Translation*]

Mr. Pinard: Madam Speaker, I answered that question during the Oral Question Period.

* * *

[*English*]

POINTS OF ORDER

MR. DOMM—PROCEDURE RESPECTING PRESENTATION OF PETITIONS

Mr. Bill Domm (Peterborough): Madam Speaker, the procedure followed in this House for presenting petitions has been questioned by a Minister. It is my understanding that when a petition is collected and given to a Member of Parliament to present on behalf of the constituents who signed or printed their names on the petition, it is not the responsibility of the Member who presents the petition to verify every signature on the petition. During Question Period today the Minister of Consumer and Corporate Affairs (Mr. Ouellet) made the statement that a petition was presented which you, as Speaker of this House, examined and accepted and reported that it was found to be in order. The Minister has questioned your judgment.

Madam Speaker: Order, please. I am sure the Hon. Member is very conscious of the fact that he is debating this question. I did examine the petition and declared to the House that it was in order as to form. That is the limit of the speaker's duty. Whatever other members' opinions are on that particular petition belongs to them. It can be debated in the House, and possibly will be, but it is not a point of order.

MR. McKNIGHT—S.O. 43 MOTION OF MR. DE JONG

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, my point of order arises out of a motion under Standing Order 43 presented by the Hon. Member for Regina East (Mr. de Jong) yesterday and the Hon. Member for Regina West (Mr. Benjamin) today. It would appear that the national interest implicit in those Standing Orders is that Gretta de Jong was the campaign manager for Mr. Van Mulligan; and is it in the national interest that when the Hon. Member for Regina East goes back to Regina, he stay with Mr. Van Mulligan? Is that why it is—

Madam Speaker: Order. Is that a point of order? It is a great point of debate but not very much a point of order.

ROUTINE PROCEEDINGS

[*Translation*]

PENSIONS

TABLING OF GREEN PAPER ON PENSIONS AND TWO RELATED DOCUMENTS

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, pursuant to Standing Order 41(2), I am pleased to table in my name and on behalf of the Minister of Finance (Mr. Lalonde), in both official languages, the Green Paper on Pensions entitled "Better Pensions for Canadians", along with two related documents, "Focus on Women" and "Highlights".

* * *

[*English*]

PETITION

MR. HALLIDAY—GENERAL DISARMAMENT

Mr. Bruce Halliday (Oxford): Madam Speaker, it is an honour today to present to the House a petition signed by 1,088 residents of Oxford County and the surrounding area. The petitioners call upon the Government of Canada to negotiate and implement, with other Governments, the balanced steps that will lead to the earliest possible achievement of general disarmament, and in particular, nuclear disarmament.

Dr. Tom Mayberry of Ingersoll, Ontario, has been the driving force behind this petition, working hard to amass these many signatures and giving the issue of disarmament a high profile in Oxford County.

* * *

• (1510)

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,127, 4,348 and 4,473.

[*Text*]

PAMPHLET "BUDGET 1981: WHAT IT MEANS FOR SMALL BUSINESS"

Question No. 4,127—**Mr. Baker (Nepean-Carleton):**

1. Is the Government mailing out brochures or pamphlets entitled "Budget 1981" to Canadian business firms and, if so (a) how many are being mailed (b) what are the mailing costs?

2. Are envelopes being used for the brochure and, if so, what is the cost?

3. What is the source of the list of firms and their respective addresses?

4. Is the list compiled from information filed in pursuance of the Income Tax Act and, if so, who has access to the list?

5. What is the statutory authority for the use of such information for government propaganda purposes?

Hon. Paul J. Cosgrove (Minister of State (Finance)): 1. The Government has mailed out approximately 202,000 brochures entitled "Budget 1981: What it Means for Small Business". The mailing costs of this brochure at 13 cents each were approximately $26,260.

2. The brochures were mailed in kraft envelopes which cost approximately $21 per 1,000 for a total cost of approximately $4,250.

3. The list of firms with their respective addresses were randomly chosen by Revenue Canada.

4. The list was compiled from information filed in pursuance of the Income Tax Act. Revenue Canada officials have access to this list.

5. Appropriation Acts. Democratic accountability requires that the public understand policy changes. Thus, it is the government's responsibility to inform the public of policy changes which may affect them. The brochures mailed to small businesses are informational in nature and were designed to help correct much of the misunderstanding which has been prevalent in the small business community with respect to the 1981 budget provisions.

DRUG INFORMATION PACKAGE

Question No. 4,348—**Mr. Robinson (Burnaby):**

1. Did the Bureau of Dangerous Drugs in the Department of National Health and Welfare distribute to doctors throughout the country an information package entitled "Drug Abuse/Misuse is a Serious Problem" and, if so, on what date?

2. Who within the Bureau (a) conceived of (b) drew up the information package or any element of it?

3. Was the package submitted to or approved by the Canadian Medical Association or any other recognized, independent body in the medical field in Canada before it was released?

4. What was the total cost of (a) producing (b) distributing the package and is it still being produced and distributed?

5. How many packages were (a) produced (b) distributed?

6. Was the package distributed on a regional basis and, if so, what was the distribution?

7. (a) To whom was the package distributed (b) how many (i) doctors (ii) medical institutions (iii) hospitals (iv) other institutions, groups or persons in the medical field received the package?

8. Does the pamphlet "The Physician and Psychoactive Drugs", contained within the package, represent Government policy (b) what is the statutory or regulatory authority for the pamphlet?

9. Did the Government receive any reaction to or comments about the package from the medical community or any other element in the public and, if so (a) what were the comments and did the Government respond to them (b) does the import of the comments generally favour or oppose the package or any element of it?

Hon. Monique Bégin (Minister of National Health and Welfare): 1. Yes, the Bureau of Dangerous Drugs of the Department of National Health and Welfare's Health Protection Branch began a phased distribution of the drug information package to medical practitioners, residents and interns in Canada between April and June, 1982.

2. (a) and (b) The senior personnel of the Bureau of Dangerous Drugs with input and concurrence from the Provincial Registrars of Medicine and the Canadian Medical Association.

3. See 2.

4. (a) Production costs, $26,000; (b) distribution costs, $28,000.

5. One printing only was made. Reprints may be considered depending on demand and follow-up assessment.

(a) 50,000 packages were produced. (b) 47,700.

6. The distribution plan provided for national mailings to the 40,000 medical practitioners. Regionalized distribution took place only to offices of medical registrars and certain hospitals where drop shipments could be made for distribution to the medical residents and interns.

7. (a) and (b) The packages are being distributed to the following: (i) Medical practitioners (to the end of May, 1982)—40,000; Hospital residents and interns (by mid-June, 1982)—4,000.

(ii) and (iii) The kit is not being distributed to hospitals except in cases where the Director of Programs agreed to distribute a drop shipment directly to the medical residents and interns serving at the hospital.

(iv) Two thousand seven hundred packages are being distributed among the Provincial Registrars of the Colleges of Physicians and Surgeons at their request for use as hand-outs to new medical registrants during the coming year. One thousand packages are being distributed to health related associations and internal use within Department of National Health and Welfare.

8. (a) Yes. The pamphlet "The Physician and Psychoactive Drugs" does represent long-standing Government policy in the area of distribution and use of mood-modifying prescription drugs. More specifically it contains guidelines for the issuing of prescriptions for psychoactive drugs, definitions of categories of drugs that require different procedures for issuing prescriptions and information concerning the ways in which both physicians and patients may avoid contributing to the abuse and misuse of psychoactive drugs.

(b) The pamphlet supports the established departmental policy of providing information to health practitioners regarding abuse/misuse of drugs and guidelines/interpretations regarding the drug regulations. Appropriation Acts. The authority for control over mood-modifying drugs is the Narcotic

Order Paper Questions

Control Act and Parts III and IV of the Food and Drug Act and the Regulations thereunder.

9. (a) Yes, 70 per cent of the letters received from physicians supported the initiative and several recommended a continuation in future years. Some letters expressed concern about the cost/benefit ratio for the project. Replies have been prepared in response to all letters received. (b) Generally favour.

CUSTOMS PORT AT WOODSTOCK, NEW BRUNSWICK

Question No. 4,473—**Mr. Crosby:**

1. Who were the officers or employees of the Department of National Revenue (Customs) on duty or present at the border point between Woodstock, New Brunswick and Houlton, Maine, United States on July 31, 1982 from approximately 11.35 p.m. until midnight on that date?

2. What is the age, educational qualification, rank and position, and length of service of each officer or employee on duty or present at the border point?

3. In the case of each officer or employee on duty or present at the border point, have there been any complaints of improper or abusive treatment by or on behalf of persons crossing at the border point or has any such officer or employee been accused of uttering threats against any persons crossing at the border point?

4. Does the Department keep a record of persons who cross at border points between Canada and the United States and, if so, does the record identify the person by name and address and does it stipulate the goods brought into Canada?

5. Does the Department keep and maintain a list of persons who the officers of the Department claim have committed an infraction of any rule or regulation that applies to customs or excise or any other matter relevant to border crossings?

6. What kind of record does the Department keep and maintain that is consulted or applied when a person mentioned in the record crosses the Canadian border?

7. Which Cabinet Ministers have crossed the border into Canada since March 1, 1980 and, in the case of each crossing, what declaration was made by the Minister and, where goods were declared, what was included in the list of goods?

Hon. Pierre Bussières (Minister of National Revenue): 1. Officers on duty at the Port of Woodstock, N.B. on July 31, 1982 between 2335 and 2400 hours were as follows:

One—A/Superintendent (PM-2)
Three—Customs Inspectors (PM-1)
One—Student Customs Officer

2. The requested information is protected by the Access to Information Act. However, below are the Statements of Qualifications for the officers involved.

3. Complaint concerning the conduct of all officers at the Port of Woodstock for the following fiscal years were:

1982/83—	None
1981/82—	One valid and one invalid
1980/81—	None
1979/80—	Two valid and one invalid
1978/79—	One valid, three invalid and one where complainant and officer at fault

There have been no complaints received where an officer or employee was accused of uttering threats against any persons crossing at the border point.

4. A record is not kept of every person crossing the border. However, where duties and taxes are assessed and collected, a copy of the declaration form is retained for accounting purposes. See answer to part No. 5.

5. Yes, the Department maintains a record of those persons against whom seizure action has been taken.

6. Any information concerning the format of these records and any information contained within these records is protected by the Access to Information Act.

7. No record available. See answer to 4 and 5 above.

Statement of Qualifications

PM-2 Customs Superintendent

Essential Qualifications

Basic Requirements:	
Education:	Successful completion of secondary school or equivalency.
Language:	A knowledge of the English language is essential for some positions. A knowledge of both the English and French languages essential for other positions.
Experience:	Experience in the interpretation, application and enforcement of acts, regulations and directives related to customs operations, involving the use of individual discretion and judgement.
Rated Requirements:	
Knowledge:	Knowledge of acts, regulations, policies, procedures and techniques related to the control of the international movement of goods and people.
	Knowledge of the regulations, procedures and techniques related to personnel management in the Public Service.
Abilities:	Ability to supervise staff including the interpretation and application of collective agreements, counselling and training staff, monitoring and assessing employees' performance, and disciplining staff.
	Ability to plan, co-ordinate and control the operations of a designated customs operations area including determining staff requirements, assigning resources and verifying that standards of enforcement and control are being adhered to.
	Ability to conduct interviews and meetings and prepare reports and correspondence.
Personal Suitability:	Initiative, discretion, thoroughness, dependability, adaptability.
	Effective interpersonal relationships, especially when interacting with representatives of other government departments, police force clientele and the general public.

Statement of Qualifications

PM-1 Customs Inspector

Essential Qualifications

Basic Requirements:	
Education:	Successful completion of secondary school or equivalency.
Language:	A knowledge of either one or both official languages is essential for this position.
Experience:	Experience in the enforcement of acts and regulations. or

	Experience in the use of interviewing and examining techniques. or Experience in processing or handling import or export documentation.
Rated Requirements:	
Knowledge:	Knowledge of interviewing and examination techniques.
	Knowledge of enforcement principles and techniques.
	Knowledge of customs activities.
Abilities:	Ability to communicate effectively, verbally and in writing.
	Ability to analyse situations and information obtained in the conduct of interviews or inspections and decide upon appropriate courses of action.
	Ability to interpret and enforce legislation and policies administered by the Department.
Personal Suitability:	Effective personnal relationships.
	Motivation, reliability, discretion and judgment.

Statement or Qualifications

Student Customs Office

Rated Requirements:	
Education:	Enrolment in post-secondary studies with one of the following specializations, listed in order of preference:
	1. Law and security administration
	2. Social sciences, administration or commerce
	3. Other specializations in arts
	4. Other specializations.
Language Requirement:	A knowledge of either one or both official languages is essential for this position.
Experience:	Experience in one of the following types of work, listed in order of preference:
	1. Experience in customs
	2. Experience in enforcement or security
	3. Other related experience
	4. No related experience.
Knowledge:	Knowledge of the customs function.
Abilities:	Ability to analyse information and to recommend appropriate action;
	Ability to interview the public;
	Ability to communicate orally and in writing.
Personal Suitability:	Effective interpersonal relations;
	Attitude, motivation;
	Maturity.

[*English*]

Mr. Smith: I ask that the remaining questions be allowed to stand.

Point of Order—Mr. Stevens

Madam Speaker: The questions enumerated by the Hon. Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

* * *

POINT OF ORDER

MR. STEVENS—ALLEGED IRREGULARITY OF ESTIMATE BEFORE STANDING COMMITTEE—RULING BY MADAM SPEAKER

Madam Speaker: Before we proceed to the Orders of the Day, I would like to rule on the matter that was raised by the Hon. Member for York-Peel (Mr. Stevens). He raised a point of order on the propriety of votes 26b and 27b under Industry, Trade and Commerce in the Supplementary Estimates (B) for the fiscal year ending March 31, 1983. The two votes concern payments of an equal amount of $200 million as equity each to Canadair Limited and the de Havilland Aircraft of Canada, Limited. The Hon. Member argued that they are incorrect and not in a proper form to be voted on, and should therefore be deleted from the Estimates. I would like to thank all Hon. Members who contributed arguments on this very technical question.

I should remind Hon. Members once again that the Chair's responsibilities lie strictly within the realm of parliamentary procedure and not within the sphere of legality. With respect to the items in the Estimates, it is the Chair's duty to ensure that such items are based upon legislative authority. In the case before us, I have examined each item carefully and can conclude that each is based upon a legislative authority; namely, vote 26b upon Appropriation Act No. 3, 1975 and vote 27b upon Appropriation Act No. 4, 1973. Both votes are therefore properly before the House. In any case, there were no procedural objections raised against them as they appear in the Blue Book.

Hon. Members have argued that the announcement of the transfer of certain commercial assets and enterprises of Canadair and de Havilland to the Canada Development Investment Corporation would have the result, in their words, of nullifying votes 26b and 27b. But in so far as the Chair is able to determine, the announcement of the creation and involvement of the CDIC does not appear to change the existence of Canadair or de Havilland. It is my view that this aspect of the question resolves itself into a matter of debate and, as Hon. Members are aware, the role of the Chair is not to become involved in any such debate.

The question of the two Crown corporations being placed under the responsibility of a new Minister has also been raised. Let me put that argument to rest by stating that the transfer of the responsibility from Industry, Trade and Commerce to Social Development has no bearing upon the actual items or under which headings they are placed in the Blue Book of Estimates. For the benefit of all Hon. Members, I should quote, in part, from Beauchesne, Citations 484 and 487(2):

Supply

The proposals with respect to items which the House may vote upon are conveyed formally in these Estimates in the wording and amount of the Votes which, when included in Appropriation Acts, become the governing conditions under which the expenditures may be made ... as far as possible, connected services appear together and all the Estimates for the services controlled by a particular Department are mainly grouped in the same class.

In other words, what is important here is that the items must be clearly set out in the Estimates and the grouping of any such items under a particular title or heading is immaterial.

In conclusion, I appreciate the points raised by Hon. Members yesterday, but after careful examination I must rule votes 26b and 27b under Industry, Trade and Commerce to be in order and properly before the House.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—NON-CONFIDENCE MOTION—CROWN CORPORATIONS

Right Hon. Joe Clark (Leader of the Opposition) moved:

That this House condemns the Government for its deliberate proliferation of Crown corporations accountable to the Government rather than to Parliament and the taxpayers who, in the words of the Auditor General, "have every right to consider themselves the principal shareholders of these corporations", and instructs the Government to immediately introduce a Bill substantially the same as Bill C-27 in the Thirty-first Parliament so as to make such corporations properly accountable to the people.

Madam Speaker: Before we proceed with the Orders of the Day and since this is the final allotted day, the House will go through the usual procedures this evening to consider and dispose of the Supply Bill. It is usual practice to distribute the Bill ahead of time, and I would ask the consent of the House to do just that.

Some Hon. Members: Agreed.

&ws3308;-1 **Mr. Clark:** Madam Speaker, the seconder of the motion and my seatmate from the Yukon (Mr. Nielsen), along with several other Members of this House, served and fought in the Second World War. I have only read about that period in our history, but I know from my readings the way that nations prepared the state of mind of their people for sacrifice and suffering at home and to make them think the worst of their enemies away from home.

That same psychology is being used today deliberately by the Government of Canada in the face of our economic problems. The Government blames international forces which it says we must fight, but which it says we cannot control or really influence. It has mounted a propaganda campaign at home which asks pensioners to sacrifice, and it is pretending that the Canadian Government is doing everything it can to survive the problems it claims that other people have somehow created.

We in this House unhappily have become numbed to the reports of casualties—the bankruptcies, lay-offs, suicides, the destruction of families. I am shocked, Mr. Speaker, that while I speak of destruction of families, while I speak of the tragedies that are caused by economic hardship in Sudbury and elsewhere in this country, some Members of this House are laughing. I am shocked at that kind of callous indifference to the plight of Canadians in deep trouble. To our shame, this House knows that in November 1,438,000 Canadians were out of work.

[*Translation*]

Another 379,000 Canadians are working part time because they were unable to find full-time employment. These figures do not include at least 130,000 people who have stopped looking for employment because there are simply no jobs available. From 1981 to 1982, bankruptcies in Canada's primary industry have increased by 58 per cent. In our manufacturing industry, the bankruptcy rate has increased by 77 per cent, in the service sector by 37 per cent and in the finance, insurance and real estate sectors, by 113 per cent.

Mr. Speaker, during the first ten months of 1982, farm bankruptcies totalled 344, an increase of 50 per cent over last year.

[*English*]

Everyone who travels in Canada knows that these figures simply yield shocking increases in break-ins, family violence, suicides, in the kinds of tension that can drive families and communities apart.

In the face of all of that, in the face of an obvious depression, family tensions, suicides, social problems and criminal problems whose like we have not seen before, what happens? What is the response of the Government of Canada? What is the policy of the Government of the richest nation in the world? The considered response of the Minister of Finance (Mr. Lalonde) is to say that he is sorry, that it will probably get worse and that the Government has a policy—its Maginot line of six and five—that there is really nothing else that he can do. There is nothing he can do—as Minister of Finance in the richest country in the world!

Then his Leader, who walks out when the lights fail, sounds the bugle notes of patriotism, asking for trust, asking that the unemployed in Canada be patient. A plan like that will work only if it is true.

• (1520)

The news this week from the Government's own policeman, the Auditor General, is that the Government has not been honest with Canadians. It has asked pensioners and unemployed Canadians to sacrifice, but it carries on itself, deliberately, with programs and practices which waste hundreds of millions of dollars and drive away investment and jobs.

From among all the extravagance that exists in this Government, the Auditor General has identified one area which he believes provides "significant opportunities for improvement". He says:

—the most important of these matters . . . has to do with the accountability of corporations owned by the Government of Canada . . . the citizens of Canada have a right to consider themselves the principal shareholders of these organizations; Parliamentarians speak for them. Crown-owned corporations must be held accountable through Parliament.

These organizations have a greater impact on the economy and the life of Canadians than ever before. There are now more people working for crown-owned organizations then there are working in government departments and agencies, when the RCMP and the Armed Forces are excluded. A sub-government has been created to fulfil some of the social and economic aims of government.

The Auditor General has called them a sub-government. But if you believe in our system of parliamentary democracy, where elected representatives of the people control public spending, then these uncontrolled Crown corporations constitute, in effect, a separate country, to whom we send $30 billion of Canadian money each year, but over which the people of Canada have virtually no control.

We are all aware of the sickening individual abuses by some of these Crown corporations. For example, when Petro-Canada pays roughly double what it should for Petrofina and individual Canadians pay the difference at the gas pump, or when parts of BP are bought for $400 million more than was first reported — both transactions being outside the mandate Parliament gave to that Crown corporation — it was doing something Parliament did not authorize it to do and it is doing it in an inexcusable and extravagant way.

Those are the abuses, but I am not going to read a list of abuses because I want to deal with the principles of this. Those are just peaks on the horizon of the uncontrolled, subsidized, separate country that we have let Crown corporations become. That separate country of Crown corporations spends $30 billion each year. That is a larger annual budget than Spain, a larger annual budget than Greece, a larger annual budget than Austria, a larger annual budget than Finland, a larger annual budget than Ireland and a larger annual budget than Switzerland. Yet those real nations all have governments which let their people exercise some control over their spending. Canada's Crown corporations, spending Canada's money, simply ignore that democratic requirement. Their relation to the people is exclusively to spend the people's money. They operate outside democracy. They have, and they exercise, more arbitrary, uncontrolled power than the countries of Switzerland, Ireland, Greece, Spain, Finland, Austria and several others.

The Liberal Government, which is the architect of separatism in the Province of Quebec, pretends to worry that Quebec will remove itself beyond the jurisdiction of Canada. Quebec's budget last year was slightly more than $20 billion. The budget of that already separate country called Crown corporations was $30 billion, and there is literally no limit on the size to which that spending can grow—literally no limit at all. The Liberal Government has deliberately, not by accident but deliberately, used its power to allow the creation of unlimited Crown corporations—unlimited additions to this expensive, subsidized, separate country that operates beyond the control of Canada's Parliament and Canada's elected representatives.

[*Translation*]

We do not know how many millions of dollars have been wasted by Crown corporations. In one case, the Auditor General pointed out, and I quote:

We have not yet been able to assess whether the $1.7 billion invested by the Government of Canada for the purchase of the shares of Canadian Petrofina Inc. was expended with due regard to economy.

In another case, referring to Letters of Comfort, he commented as follows, and I quote:

In the last six years, more than a billion dollars has been advanced to Canadair through a sequence of Letters of Comfort . . .The authorized limit is $1.35 billion. This amount of taxpayers' money is at risk without what I would consider clear criteria and objectives for providing, continuing, or terminating support.

Mr. Speaker, the Auditor General's testimony is clear. He is saying that $1.35 billion are, and I quote:

—at risk.

[*English*]

The price for BP turns out to be at least $400 million more than first reported. That is nearly $2 billion covering just two agencies. That money is gone; it was allowed to drift away by the Government. Yet senior citizens are forced to cut back $290 each, and the Government says it cannot find money to create jobs.

The Auditor General put it well when he said:

There are more than 300 of these corporations, including subsidiaries, employing some 263,000 Canadians. Revenues of Crown corporations in the most recent fiscal year were $31.9 billion, and expenses were $33.6 billion. Most of these corporations are virtually unknown even to the best informed members of the taxpaying public. Yet, in the aggregate, they represent a hole in the taxpayers' pocket, resulting, as they often do, in a consistent negative return on investment.

That is the hole in the pocket—the hundreds of millions of dollars that are taken from pensioners, that are taken from small businessmen in taxes, that are taken from Canadians who buy gas at the pumps, and the money given to unaccountable Crown corporations to waste as they will. If that money were being properly used, it could create jobs in Canada, it could create growth in Canada and it could create hope in Canada.

Some Hon. Members: Hear, hear.

Mr. Clark: That is actual money, actual dollars and cents, being wasted at the same time as the Government comes before the House and seeks permission to pick the pockets of Canadian pensioners in the amount of $290 over the next two years. It wastes $2 billion on two Crown agencies and it picks the pockets of Canadian pensioners.

Let me put this in the broader context of what it does to confidence, what it does to our ability to attract investment, to create jobs and to create growth in the country. This kind of situation sends a very clear signal to investors here and around the world.

Not only do we have a massive deficit which the Government admits exists, although it is never really sure how large the deficit is, but the Government's carelessness about Crown

corporations means that we are incurring even more losses, losses that we do not know about, losses that we cannot put a figure on and losses that are hidden, and deliberately hidden, from Parliament. Those hidden losses are one more reason investors stay away from Canada and Canadian investors sit back or move their money out of the country. Nobody trusts a Government which hides its losses and sets up an uncontrolled, unaccountable private spending empire.

• (1530)

The Government pretends that six and five is an economic program. The only advantage of six and five is that it has helped keep administered prices in the public sector from outrunning wages more than they were already, and it has freed up some money for short-term job creation or preventing the federal deficit from going higher. That is it; that is all it does. Otherwise, six and five is a slogan. It is a fraud and, most important, it is a hide-out which lets the Government pretend that there is nothing else it can do. Dealing with Crown corporations is just one field in which the Government could act if it truly cared about jobs for Canadians and recovery for Canada. There are immense savings to be made if we had a system which held them accountable to Parliament, that stopped that kind of regular, consistent, authorized waste by this Government, which prefers to pick the pockets of pensioners while it finances Crown corporations with a mandate to waste.

Let me list some of the other actions which could achieve a climate of confidence, a climate of trust, which the Prime Minister (Mr. Trudeau) pretends he wants. For example, a Government that wanted to encourage investment in Canada could make it clear immediately that it intended to reinstate the previous tax provisions on the capital cost allowance, to reinstate the previous tax provisions on the employee share purchase loans, on the soft costs on MURBs and on interest deductibility relating to RRSPs, DPSPs and registered pension plans. That statement of policy would create jobs and investment immediately in Canada. It can be done today by the Government of Canada if it chose to do it.

The Government could, and we believe should, announce that it will eliminate the extension of the corporate surtax. It should withdraw its proposal to tax accrued income on new whole life insurance policy. It should renounce absolutely the proposed capital gains tax on corporate reorganization. Those declarations made today would create investment and jobs immediately in Canada. They would help Canadians who are suffering in the country.

The Government, if it wanted to, could and should, renounce the plan of the Minister of Finance, which he made very clear after he brought in his first budget, to apply the principles of the National Energy Program to other industrial sectors. A statement renouncing that plan to apply the NEP to other now healthy sectors of the Canadian economy would remove some of the uncertainty the Minister has created in the country. That, too, would lead directly to the creation of investment and jobs for Canadians in need.

The Government should, and certainly could if it wanted to, identify what parts of our unproductive spending on unemployment insurance, welfare and on revenue lost because the unemployed and the bankrupt cannot pay taxes, can be turned to productive public purposes; what infrastructure should be put in place; what public works could be financed. Canadians would prefer to work on public projects like that, rather than subsist on unemployment insurance and welfare. An action of that kind would create both jobs and a renewed sense of worth on the part of the citizens of the country.

The Government could abandon its headlong rush to impose Bill S-31 which, in a single blow, has given the lie to the pretence of the Prime Minister that he is seeking co-operation. It has destroyed the hopes of federal-provincial co-operation and it has, incidentally, frustrated the possibility of direct provincial investment, which could be creating jobs and growth in Canada today but will not be until Bill S-31 that hangs like a menace over the heads of Government Members is withdrawn.

That is part of a list on which a Government that cared about coming to grips with Canada's economic problems could act immediately. In many cases all that is required is for the Liberal Government to stop doing things which cause problems, frustrate growth and throw Canadians out of work. One of the unassailable realities of the country is that if the Government would back away and stop causing problems we would have more jobs for Canadians, we would have more growth, and we would have more investment in the country.

Some Hon. Members: Hear, hear!

Mr. Clark: The Prime Minister claims that our problems are all caused externally. I seldom accuse him of modesty, but there is no doubt that he is far too modest when he blames others for Canada's situation. The principal cause of Canada's unemployment, the flight of investment from the country and the depression into which we are sinking, is the policies and attitudes of the Government across the way.

Some Hon. Members: Hear, hear!

Mr. Peterson: Absolute nonsense.

Mr. Clark: I hear the temporary Hon. Member for Willowdale (Mr. Peterson) saying that this is absolute nonsense. I would be interested in knowing where the temporary Member for Willowdale stands on the principle of accountability to Parliament of Crown corporations. Will he join the flock of sheep again and vote against his principles, or will he stand tonight and vote for a principle which restores to the people and to the—

Mr. Fisher: Where does Peter Worthington stand? Tell us about the next Member for Broadview.

Mr. Clark: I will come to the Member from Scarborough in just a second.

Mr. Epp: He is next.

Mr. Deputy Speaker: Order, please. The Right Hon. Leader of the Opposition (Mr. Clark) has the floor.

Mr. Harquail: Where do the Premiers stand on this?

Mr. Clark: I am being asked a few questions. First, I am being asked about Premiers by a Liberal. It is natural that a Liberal should ask about the Premiers because they do not know any; they do not have any.

Some Hon. Members: Hear, hear!

Mr. Clark: They do not have any because there is not a provincial politician in the land strong enough to carry the weight and the burden of the reputation of this Government to the polls.

Some Hon. Members: Hear, hear!

Mr. Clark: Ask Allan Blakeney about that; ask Mr. Doug Young about that. Pose that question to those individuals.

Let me come back to the Member for Willowdale and ask him where his principles are. I ask him whether he would prefer to be picking the pockets of pensioners or to have parliamentary control over Crown agencies which are now wasting literally billions of dollars. Will he vote for his principles and support this motion, or will he sink back into that flock of sheep which has been sitting over there and leading the country into such difficulty for so long? The Member from Scarborough—

An Hon. Member: It was the Hon. Member for Mississauga North (Mr. Fisher).

Mr. Clark: I am sorry; he was not the Member who was displaced by Maurice Strong, but if he is interested in discussing questions of democracy, perhaps he can consider what happened to the Canadians of Greek origin who sought nomination in the Liberal Party and were "strong-armed" aside, if I may coin a phrase.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Mazankowski: What about Gauthier?

Mr. Clark: Indeed, if he finds the heat is too great in the House, let him go and sit on the Standing Committee on Miscellaneous Estimates. His colleague, the Hon. Member for Ottawa-Vanier (Mr. Gauthier), had the courage to stand up last night on behalf of the people who sent him here and, in response to that courage, was thrown out of his right as a Member of Parliament to serve as the chairman of a standing committee of the House.

Some Hon. Members: Hear, hear!

Mr. Epp: More, more!

Mr. Rossi: What did you do with Yurko?

Mr. Harquail: What about Thomson and Gamble?

• (1540)

Mr. Rossi: Where is John Crosbie?

Mr. Clark: He is running to be Chief of Police for Montreal, Carlo, my boy.

Some Hon. Members: Oh, oh!

Mr. Rossi: What did you promise Mulroney?

Mr. Deputy Speaker: Order, please. The Right Hon. Leader of the Opposition (Mr. Clark) has the floor.

[*Translation*]

Mr. Rossi: What did you tell Mulroney?

Mr. Clark: I told Mr. Mulroney that he was free to run against the Member for the time being, Mr. Rossi, and that he was sure to win. That is what I said.

Mr. Deputy Speaker: Order, order. I would ask the Right Hon. Leader of the Opposition (Mr. Clark) to observe the customs of the House of Commons. Members are not mentioned by name but by riding or by their function here in the House.

Mr. Clark: I apologize, Mr. Speaker, you are absolutely right. However, the Hon. Member who spoke from his seat has acquired such a formidable reputation in the House that his name is quite unknown in Quebec, so that before he leaves after the next election, I want to give him a chance to make himself known to the public. I think he referred to the rights of Quebecers, and perhaps we could discuss some issues that relate to Bill S-31, a piece of legislation that has aroused Quebecers against his Government, but I suppose he will not open his mouth and will meekly toe the party line—

Mr. Deputy Speaker: With due respect, once again, I would ask the Right Hon. Leader of the Opposition to speak to the motion.

Mr. Clark: Thank you, Mr. Speaker. I apologize. However, the only Quebecers who are against me are the Liberals here in the House, and since I so seldom see any Quebecers who do not agree with me, I am going to challenge them here where I can find them.

Mr. La Salle: Put that in your pipe and smoke it, Rossi!

[*English*]

Mr. Clark: Mr. Speaker, I have to take some satisfaction in passing that we have managed to arouse that group of Members of Parliament who are best known in the country for their dormancy.

Some Hon. Members: Oh, oh!

Mr. Clark: I ask the Member from Montreal—

Supply

[*Translation*]

What is his riding? Does he have one? He has forgotten the name of his riding because all his constituents have forgotten his name. That is why!

Mr. Rossi: Try your stuff in Bourassa and they will cream you!

Mr. Clark: So his riding is Bourassa!

[*English*]

An Hon. Member: It is Bourassa.

Mr. Nielsen: Order.

Mr. Clark: Mr. Speaker, I apologize for letting myself be diverted by the gentleman from Bourassa (Mr. Rossi), but I understand the frustration he feels as a Member of the Liberal Party caucus. He has no place else where he can speak, so he has to shout from his seat here in the House of Commons.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Clark: Mr. Speaker, let me leave aside the Hon. Member for Bourassa and come back to serious matters. The Reports of the Auditor General of Canada always do this country a great service, but perhaps no Report has been more important for the country than this last one, not just because of its contents but because it serves to dramatize the fact that there is action within Canada that we can take—action to stop waste, action to create jobs and action to restore confidence—if only the Government has the will to act.

If the Auditor General's Report is new, fresh on the Table, then the problem is not new; nor is the opportunity to solve that problem. The Government itself has a Bill dealing with Crown Corporations. In essence, it gives control to the Government, not to Parliament. My colleague, the Hon. Member for Wellington-Dufferin-Simcoe (Mr. Beatty), introduced a very different kind of Bill when he was the Minister responsible, different because it gave control to Parliament and thus to the people which Parliament represents. He will speak in more detail of the dangers that are involved, of the actual situation and of the changes that we will make to meet those dangers.

Because we trust Parliament and we believe that a Parliament with real powers can become trusted again by the people, that will be another step forward toward the co-operation and the confidence upon which our future is founded. That kind of change is an abiding interest. But our urgent interest today is in having this institution act to help Canadians whose lives are quite literally coming apart. We in this Parliament are the only ones who can help. It is no help to those people to send out propaganda on the six and five program. It is no help for the Minister of Finance to sympathize and then go on to say that things are going to get worse. It is certainly no help to take money from pensioners. But there are things that we can do. I have suggested some of them today. Others in this debate will suggest others. The Auditor General has shown one way to make a major change that will stop waste and build confidence.

We are here to act, sir. We have to act. For God's sake, let us do that.

Some Hon. Members: Hear, hear!

Mr. Doug Anguish (The Battlefords-Meadow Lake): Mr. Speaker, it is an honour for me to follow the Leader of the Opposition (Mr. Clark) in this very important debate concerning the accountability of Crown corporations. It is certainly a bit disheartening for me to see the jaws of some of the Members of the Liberal Party flapping on the other side at a time in our history when they should be listening to some of the constructive criticism that is being made of the lack of accountability by Crown corporations.

Before getting into the delivery of my remarks this afternoon, I would like to compliment the Hon. Members for Capilano (Mr. Huntington) and the Hon. Member for Rosemont (Mr. Lachance) for the work they did over the summer preparing the paper on parliamentary accountability, which they submitted to the Special Committee on Standing Orders and Procedure. Some of the things that have been reflected in the recommendations have been adopted by this Parliament and will come into force on December 22, 1982.

In this document entitled "Accountability: Closing the Loop," the Hon. Members for Capilano and Rosemont point out:

> The Government must seek approval from Parliament for its spending program, and it should account to Parliament for its spending performance.

The Government should account to Parliament for any tax dollars that are spent. Members of Parliament must look at fulfilling their responsibilities in several areas. They must then examine the proposal for expenditure and when doing so not only establish the results to be expected but examine the effectiveness of past expenditures against results achieved in the program and the envelope sectors.

• (1550)

Finally, I think they must hold the Government accountable for accomplishing what was intended to have been accomplished with the complete ability to point out areas of waste and inefficiency. The Government has moved a long way, through the office of the Comptroller-General, to assist in some of those areas in which Members of Parliament and Parliament itself should be much more involved. I am talking about the revised form of the Estimates which are presently coming about and will be completed within the next couple of years. While this is not soon enough, it is a step in the right direction.

These revised Estimates concern three main areas. When I first came to the House, all that Members had available to them when the Estimates were tabled was the Blue Book, which was a comprehensive document that lacked the information which Members of Parliament needed in order to do their

job in holding the Government and its expenditure of tax dollars accountable.

We have now moved to the point where we not only have the Blue Book as part of the Estimates, but a guide as well to show us how to use the Blue Book. It shows Members how to use the Blue Book in connection with two other very important documents, which are the Government's expenditure plans and the departmental expenditure plans which are hopefully being developed by all Government departments within the very near future.

If this information is compared to what is available with respect to Crown corporations, all that Parliamentarians have to review with regard to Crown corporations are the annual reports of those Crown corporations which are, indeed, lacking in terms of the information that should be available to Members.

There was a great deal said in the paper on accountability about restructuring some of the committees so that we do not only look at the pre-expenditure of tax dollars but also are able to review and monitor programs and expenditures on an ongoing basis, to examine the mandate versus the actual role of some of the Government departments and its agencies as well as to conduct a close examination of the post-expenditure so that we can tell whether or not Government departments have met the objectives that they set out earlier. In this manner we can determine if we have received the true value for the dollars that were actually spent.

I am very interested in one recommendation that I would make, which is that we should have a standing committee of the House examine all quasi-governmental bodies, including Crown corporations, on an ongoing basis. We find that Crown corporations have grown far beyond anyone's expectations. When one sees the facts which were compiled by the office of the Comptroller-General on November 30 of 1981, we see that in our country today there are some 306 Crown corporations which are either totally or partially-owned by the people of Canada. Shares of these corporations are held by the Minister in trust for the people of Canada. We do not have any real input into how those expenditures are made. We do not have any valid information to ascertain whether or not Crown corporations are fulfilling a meaningful role.

When I mentioned that we have 306 federal Crown corporations, I should point out further that in 1982 the Crown-owned corporations employed over 263,000 Canadians. They had record assets of approximately $67 billion, expenditures of more than $30 billion with liabilities of some $57 billion.

These figures can be compared to the Government itself. Government departments employed approximately 221,000 public employees, excluding those employed by the Armed Forces and the RCMP. These departments spent over $75 billion in 1982. This shows that the Crown corporations play almost or possibly as much as an important role as Government departments play. Yet we find very little information available for Parliament to scrutinize the activities of Crown corporations.

I was somewhat distressed to see the jowl-flapping back and forth between the Liberals and the Conservatives. I thought that the Leader of the Opposition was delivering a good speech on accountability of Crown corporations. As I have already indicated, I believe that the Liberals should be listening to the Opposition since it is in the interests of every Member of Parliament to see that the taxpayers' money is used to its best value. We must carefully scrutinize how the taxpayers' dollars are spent to ensure that Crown corporations are using their funds efficiently.

In the majority of Crown corporations that were audited by the Auditor General, financial management and control has been found too weak and very ineffective. Moreover, the co-ordination and guidance by central Government agencies of financial management and control practices in these Crown corporations were virtually non-existent, as the Auditor General points out. This, together with the results of the previous years' study of similar practices in the departments, led the Auditor General to express the deep concern that Parliament and, indeed, Government have lost control of the public purse. I suggest that this is a sad fact.

We are here to represent those who elected us. I have found that the only real control exerted on Government and Crown corporations is by the executive arm of the Government, the Cabinet. Backbench Liberals have very little say about how Canadians' tax dollars are spent. Members of the Opposition have very little input as to how tax dollars are spent. Even more importantly, we have little say in assessing whether Canadians have received good value for the dollars that are spent by the Government of Canada.

Six years have passed since the office of the Auditor General pointed out the existence of major weaknesses in the control and accountability of Crown corporations. The legislative framework urgently required is still, in fact, not in place. We do not believe that there will be effective legislation with respect to Crown corporations for quite some time to come.

There are a number of recommendations that the Auditor General made in his recently tabled Annual Report that I believe should be pointed out for the record. He said that there is a need for broad legislation respecting the accountability of Crown corporations and that it should include provisions relating to each of the elements of authorization and mandate, financing, directing, controlling and reporting. Such legislation should provide that these corporations be subject to comprehensive audits.

Unless a Crown corporation allows the Auditor General to conduct a comprehensive audit as a result of the establishment of a good relationship, the Auditor General can only conduct an attest audit on the figures that are given by the accountants of a Crown corporation. A comprehensive audit should be required of all Crown corporations. This comprehensive audit would include a review of the original mandate and objectives of the Crown corporation. I would also consider the questions whether these are procedures which can measure the effectiveness of those objectives and whether the corporation is truly operating with due respect for economy and efficiency. The

Auditor General cannot judge its effectiveness, because that would be a policy decision which would not be within his jurisdiction. However, it certainly should be within the jurisdiction of the Parliament of Canada. We should consider whether there is such effectiveness based on studies on economy and efficiency carried out by the Auditor General.

• (1600)

I want to point out some errors, or illustrations, I suppose I should say, showing how Parliament has lost control of the taxpayers' dollar. I think Parliament has the responsibility of bringing this matter to the attention of the Government and the people of Canada, and the Government has the responsibility of listening to the recommendations which are being made.

An illustration of where we have lost control of the taxpayers' dollar is found in the area of letters of comfort. The amounts involved can be very insignificant indeed. In the last six years, more than $1 billion has been advanced to Canadair through a sequence of letters of comfort. These were authorized by Parliament on March 31, 1982, after the fact. The authorized limit was some $1.35 billion. This amount of taxpayers' money is at risk without what I would consider to be clear criteria or objectives for the guarantee of money coming into Canadair. We do not know whether there is due regard for economy and efficiency or whether that money was spent in an effective sort of way, because we do not have the facts before us to tell us that that money was spent wisely or very poorly by the federal Government in extending letters of comfort to Canadair.

Another area where mandates are overstepped and also where money is spent without any consideration of the poor taxpayer involves Atomic Energy of Canada Limited. Atomic Energy of Canada Limited was created back in 1952 and its mandate was to conduct nuclear research and development. "Development" means increasing the state of the art in nuclear technology. We now find that it is in a position where it has gone beyond the research and development aspects into production and sales. I would first point out that it has gone beyond its mandate without coming back to Parliament, without Parliament having any say in what AECL should be doing. As well, it has no regard for the taxpayers' dollars. It is very difficult to determine the actual amount spent by AECL, which is in the billions of dollars. Every time it sold a Candu reactor, we lost millions of dollars. Every time it opened a new heavy water plant, we had to subsidize it with millions of dollars more, and Liberal and Conservative Governments have done nothing to stop that.

I ask the people of Canada to keep in mind that, for the last 115 years, since Confederation, there have been Conservative and Liberal Governments running the country. In the case of AECL, it is likely that every person employed in the industry could have been given $50,000 to start their own businesses and there would still have been a savings to the taxpayers of Canada in light of the waste of money by that Crown Corporation with no parliamentary scrutiny whatsoever.

At this point in time I would like to move an amendment to the motion that we have before us today. I would move:

That the motion be amended by deleting the period at the end and adding the following:

"and that this House affirms the past and future role of Crown corporations in developing an independent and socially responsible Canadian economy".

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: Order, please. The Hon. Member has moved an amendment.

Mr. Anguish: Mr. Speaker, there has been some dissension with the Conservative Party involving the role of Crown corporations.

Mr. Nielsen: Really?

Mr. Anguish: The speech of the Right Hon. Leader of the Opposition today was very supportive of the accountability of Crown corporations. Then one hears the Hon. Member for York-Peel (Mr. Stevens), who is sometimes referred to as "The Slasher", talking about knee-capping many Crown corporations. I cannot say that all Crown corporations should be slashed or held up, although many Crown corporations—

Mr. Nielsen: Nothing in the till, anyway.

Mr. Anguish: —have abused the funds gained by taxpayers' dollars because they were not scrutinized by this Parliament.

Mr. Blenkarn: Would you like to knee-cap Atomic Energy?

Mr. Anguish: This Parliament should have the ability to assess whether or not Crown corporations are doing a good job. However, in the Bill introduced by the Conservatives in the last session of Parliament, Clause 33(2) stated:

The board of directors shall, in the exercise of its powers and duties, have due regard to sound business principles.

If this means that Crown corporations must be self-funded or make a profit and, if they do not, they face closure, then we in the NDP would disagree. From what the Leader of the Opposition said today, I think he would agree that most Crown Corporations need a social mandate or else one of promoting national policies and objectives. This must be taken into account as well, beyond consideration as to whether Crown corporations are sustaining themselves or making a profit.

I think that the motion involving accountability of Crown corporations is very timely. Certainly the Government has lost control of the public purse and Parliament is lagging behind as well. Parliament must have the mandate to consider accountability, not only the expenditures of Crown corporations but also of the Government.

Hon. Herb Gray (President of Treasury Board): Mr. Speaker, the motion presented by the Leader of the Opposition (Mr. Clark) certainly raises an important topic. It is unfortunate that, rather than addressing this topic, he spent his time

on rather fanciful and incorrect assertions about Government action with respect to the economy and a number of other areas of policy.

The fact is that the Government has been taking important and substantial steps to assist in bringing about economic recovery and renewal in Canada. Its six and five program is a basis for bringing down inflation and bringing our costs under control. At the same time, in the budget of June 28 and in the economic statement of October 27, the Government has allocated more than $2 billion to job creation in the private sector. The Government is carrying out these efforts in spite of the fact—and it is a fact, no matter what the Leader of the Opposition says—that the major markets for key Canadian industries like forest products, minerals and auto parts are outside of our borders, and these markets themselves are suffering the most severe recession in some 30 or 40 years. In spite of this, the Government is taking steps and developing programs to reverse the present recession in Canada and, as I have said, to create jobs and bring about a healthier and stronger economy.

Mr. Blenkarn: That is right. Spend and waste money.

Mr. Gray: When the Leader of the Opposition finally got around to the topic of his motion, he seemed to be attacking the very concept of Crown corporations. However, they are simply a means of carrying out public policy purposes, they are simply a means of carrying out purposes connected with national or provincial policies. For example, he complained about the need for more housing for our senior citizens. However, in attacking the very concept of Crown corporations, he attacks the existence of an entity like Canada Mortgage and Housing Corporation which has been the means of creating affordable housing for hundreds and thousands of our senior citizens.

• (1610)

When he finally got around to talking about Crown corporations, he referred to the comments of the Auditor General in his most recent Report tabled in this House some two days ago. However, the Leader of the Opposition in his remarks goes far beyond anything said in that Report by the Auditor General. The Auditor General did not call for the abolition of Crown corporations or for a reduction in their number, but for a better framework for their accountability and direction.

The Auditor General certainly did not make the sweeping and inaccurate assertions of the Leader of the Opposition. He did not make the assertion that Crown corporations as a whole are the obvious source of savings in the dimension mentioned by the Leader of the Opposition, or any source of savings at all.

In any event, this Government has already taken a major step toward improving the direction, control and accountability of its wholly-owned corporations with the tabling of its proposed amendments to the Financial Administration Act in Bill C-123. Hon. Members will recall that the Government also announced on June 30 when Bill C-123 was tabled that complementary organizational and administrative measures would be implemented. In addition, the Government announced it would capitalize on the existing authorities contained in the constituent Acts of Crown corporations and in the Financial Administration Act.

These measures must be looked on and considered as a total package. They were designed to enhance the ability of the Government to act as an effective and vigilant shareholder of its wholly-owned corporations. I would like to emphasize the words "wholly-owned corporations". As Hon. Members are aware, the Government's wholly-owned departmental corporations are listed in Schedule B to the Financial Administration Act and are subject to the same provisions of that Act as are Government Departments.

The proposed amendment outlined in Bill C-123 would permit the Government to apply improved direction, control and accountability measures to the other corporations wholly-owned by the Government, whether they are parent corporations or subsidiary corporations.

I believe a distinction should be drawn between corporations which are wholly owned, either directly or indirectly, by the federal Crown and those in which the federal Government may be a majority or minority shareholder together with either private interests or other Governments. In these cases where the Government is not the sole shareholder, the rights of the other shareholders have to be taken into account and thus the degree and manner of Government direction and control exerted over the corporations which are not wholly owned would have to be quite different from that exerted over those which are wholly owned. The proposed amendments in Bill C-123 to Part VIII of the Financial Administration Act, together with complementary administrative reforms, will I suggest establish a régime capable of ensuring that wholly-owned corporations are policy-sensitive and financially-accountable entities.

In Canada, Government-owned corporations have had a long history of being created to achieve public policy objectives. Even before Confederation, the public enterprise model was chosen as a means to attain a particular goal. In 1841 the United Provinces of Canada created a board of works to construct a canal system. In 1906, I think it was, the Province of Ontario, which at the time had a Conservative Government, created Ontario Hydro, one of the largest publicly-owned corporations in Canada and perhaps in North America. The Conservative Government of Ontario, at the time, created Ontario Hydro at the request of a large number of business people who feared the monopolistic practices of a number of privately-owned power companies.

In 1919 the Canadian National railways was created. To many this is considered to be the point at which the federal Government commenced its entry into public enterprise in a major way. The Canadian National Railways was created by the Conservative Government of Robert Borden.

Mr. Clark: Hear, hear!

Mr. Gray: Over the years various Governments, federal and provincial, have used the public enterprise model in pursuing

particular public policy objectives, with Conservative Governments being particularly active, when it came to creating many of the Crown corporations whose very existence the Leader of the Opposition is attacking today.

For example, in 1932 the Conservative Government of R. B. Bennett created what is now the Canadian Broadcasting Corporation. That same Government created—and I am sure my hon. friend may not be willing to have it recognized now—the Bank of Canada, so often the subject of question and comments by Members of the Opposition. The Diefenbaker Government created the Farm Credit Corporation.

It would seem to indicate that all of those Conservative Governments which had a mandate from the people to form a majority Government and had the brains to be able to manage their affairs to stay in office used Crown corporations as an essential instrument of national policy.

What about the efforts in this regard of provincial Governments? My hon. friend has said nothing about the recent activities of the Alberta Conservative Government in creating the Alberta Energy Corporation and in purchasing control of Pacific Western Airlines. He said nothing about the recent activities of the Ontario Government in creating the Ontario Energy Corporation and the Urban Transportation Development Agency. The Conservative Government in Ontario I am sorry to say has been there for 40 years under successive administrations, each of which has set up new Crown corporations for public policy purposes.

Do Opposition Members in the Ontario legislature play a more active and complete role than they do in this House when it comes to reviewing the activities of Crown corporations? I do not think so. Do Opposition Members in the Alberta legislature play the kind of role sought by the Leader of the Opposition in reviewing Crown corporations?

Mr. Clark: Liberal Opposition Members don't in Alberta.

Mr. Gray: They certainly do not.

Some Hon. Members: Hear, hear!

Mr. Gray: When an NDP Government was in office in Saskatchewan, I doubt very much whether members of that legislature, on the Government or Opposition side, played the role sought by the spokesman for the NDP in reviewing the activities of Crown corporations. What we are proposing in Bill C-123 goes far beyond what is available to members of the legislatures, on both sides of the House, in the Provinces I mentioned which have been particularly active in recent years in creating Crown corporations.

Getting back to Bill C-123, the Government has announced measures which would ensure that wholly-owned corporations are more aware of Government priorities. In that Bill, the Government is proposing that the Governor in Council be given the same rights and powers of direction as may be exercised by the sole shareholder or proprietor of a private-sector company incorporated under the Canada Business Corporations Act. In addition, the Government announced the institutionalization of the concept of an annual shareholders' meeting whereby each appropriate Minister as the trustee shareholder would meet annually with boards of directors to formally review the Government's performance and to communicate specific Government objectives to the boards. Of course, the informal communication which now exists between appropriate Ministers and wholly-owned corporations will continue. The proposed shareholders' rights provision in Bill C-123 also involves prerogatives with respect to approval of corporate by-laws, the election and removal of directors and the appointment of auditors.

Although the Government already has similar authority under the constituent Acts of many of its Crown corporations and with respect to all wholly-owned corporations created under the Canada Businesses Corporations Act, the proposed amendment would allow a consistent standard that is in accordance with private sector practices to be applied across all wholly-owned corporations.

• (1620)

As indicated, Mr. Speaker, in the policy statement tabled with amendments, to Bill C-123, the Government will seek to improve its use of existing authorities contained in constituent Acts of Crown corporations and the Financial Administration Act. This action, coupled with the proposed amendments and complementary administrative measures, as I have said, comprises a package designed to address very important issues which have been raised regarding Crown corporations. This approach has taken into account the balance which must be achieved between ensuring that corporations perform in a manner consistent with their role as instruments of national purpose, that they can be held accountable for their performance, and that they can be directed when necessary, while at the same time recognizing that a need exists for a flexible relationship which allows corporations to operate effectively in a corporate form, manner and milieu in accordance with sound business behaviour and practices.

Now, Mr. Speaker, as Hon. Members are aware, the Government's wholly-owned corporations vary in many ways. At one end of the spectrum are those corporations totally dependent on appropriations by Parliament for the financing of their day-to-day operations. At the other end are the commercially-oriented corporations which are financially self-sufficient and pay dividends to the shareholder. There are some corporations which have only a handful of employees. There are others whose employees number in the thousands, and, as has been pointed out, several whose employees number in the tens of thousands. The wholly-owned corporations' head offices are located in a number of Canada's regions. In all, these corporations are important contributors to Canada's economic and social development through their actions across major industrial, financial and service sectors.

The Financial Administration Act was approved by Parliament in order to provide a foundation for the financial administration of the Government of Canada. Part VIII of that act, as I have said, applies solely to Crown corporations

listed in Schedules C and D which provide the legislative foundation for the financial relations between Crown corporations and the Government, as well as between the Government and Parliament.

Accountability to Parliament is addressed by having all Crown corporations' annual reports and annual capital budgets tabled in Parliament regardless of whether the corporation was financed through parliamentary appropriation. The information provided to Parliament in this way assists Members of Parliament in holding Ministers accountable for the owners' prerogative which Ministers exercise with respect to Crown corporations. In addition, this information assists executives of Crown corporations in accounting for their activities when they appear before parliamentary committees.

Now, the amendments to Bill C-123 are intended to build on this framework. One of the most important areas which the proposed amendments relate to is control of the proliferation of Crown corporations. We are certainly aware of criticisms which have been expressed in this area by Members of Parliament and the Lambert Commission. The proposed amendments provide that no person, including a wholly-owned corporation, whether a parent or subsidiary, could create a corporation controlled by the federal Government under the Canada Business Corporations Act or the Canada Corporations Act, or any other companies legislation, without the express approval of the Governor in Council.

In addition, the approval of the Governor in Council would be required by any Minister wishing to acquire all the shares of a Canada Business Corporations Act corporation which, upon acquisition, would be owned by the Crown. However, any Order in Council approving the creation or acquisition of a CBCA corporation by a Minister would have to be tabled in Parliament and Parliamentarians would have the right to table and debate and vote on motions which would seek either to confirm or reject the Order in Council under consideration.

Mr. Beatty: What about the CDIC?

Mr. Gray: The proposed amendments also provide that terms and conditions could be attached to any Order in Council approving the creation or acquisition of a subsidiary corporation. Thus, the Government could ensure that the powers of a subsidiary corporation were limited to those of the parent—

Mr. Clark: "Could".

Mr. Gray: —in those cases where wholly-owned parent corporations or wholly-owned subsidiaries were creating or acquiring new subsidiaries. Other terms and conditions which could be part of the—

Mr. Clark: "Could be".

Mr. Gray: —Governor in Council approval might relate to the placing of restrictions on the operations—

Mr. Clark: But won't be.

Mr. Gray: —of new corporations or a requirement for the corporations to submit new or amended articles of incorporation for approval.

The Bill also seeks to ensure the Crown would assume no liability in cases where the incorporation or acquisition had taken place contrary to the restriction on incorporation provisions detailed in the amendments. In addition to including controls on the proliferation of corporations, the Bill would place restrictions on the disposal of the corporate holdings of the Crown. Governor in Council approval would be required before any person, including a corporation, could sell or dispose of any shares held by such a person on behalf of Her Majesty.

Now, Mr. Speaker, I want to emphasize that with respect to the disposal provisions parliamentary approval would continue to be required in the case of any corporation established by an Act of Parliament where the transfer of the shares of such corporations or the winding up of the corporation and its affairs are subject to the approval of Parliament.

Mr. Clark: Read that again.

Mr. Gray: The Government is strengthening its authority to require financial information consistent with its role as shareholder and, in some cases, as banker or as a source of financing for federally-owned corporations. The Government has therefore proposed in the Bill that Treasury Board should be given authority to request such accounts, returns, statements, documents and reports that the board considers necessary for the performance of its duties.

In addition, Mr. Speaker, to ensure the flow of timely and effective information to assist decision-making, the Government proposes to implement the corporate plan concept which is consistent with normal, good business practice. In general, each corporate plan would provide consolidated information on the corporation's growth and market strategies, the consistency of these corporate strategies with statutory mandates and stated Government objectives, the financial implications of such strategies and their time frame.

Well, Mr. Speaker, I am certainly in a position to give a detailed outline of the amendments proposed for Bill C-123, but I think that I have already begun to demonstrate that what we have in mind is—

Mr. Nielsen: Total incompetence.

Mr. Gray: —something intended to respond to concerns expressed on both sides of this House, in Royal Commissions and in the Auditor General's Report.

Mr. Clark: Shut out Parliament.

Mr. Gray: We intend to respond to those kinds of concerns in an effective and timely manner. Certainly, Mr. Speaker, the recently tabled Report of the Auditor General is likely to be a focus of attention for Members of Parliament, therefore I would like at this time to make a few comments about some of the specific points respecting the accountability of Crown-

owned corporations which the Auditor General has highlighted in his report.

I want to remind the House that a previous Liberal Government initiated a major study of the broad issue of the direction, control and accountability of Crown corporations. The study led to a blue paper which was published in 1977 and outlined proposals of the Government of the day regarding a renewed relationship between the Government and Crown corporations. This initiative led to important discussions among interested parties on the role of Crown corporations and the degree of Government and parliamentary direction, control and scrutiny which would be most appropriate. Certainly the Bill presented by the Government of my hon. friends opposite drew extensively on the work done by previous Liberal Governments.

Mr. Beatty: From which you backtracked.

Mr. Gray: Also, Mr. Speaker, the proposals which this Government introduced on June 30 are the result of further consideration of views expressed by Parliamentarians, the Auditor General and the Lambert Commission, balanced by the recognition that wholly-owned corporations are not Government Departments and that these corporations require a flexible relationship which allows them to function in a corporate environment in accordance with sound business principles.

Now, Mr. Speaker, the Auditor General in his recent Report concluded that legislation is necessary to require comprehensive audits for all federal wholly-owned corporations. I want to remind the House that the Government had already noted the previously stated recommendations of the Auditor Genreral and the Public Accounts Committee requesting that comprehensive audits become a requirement for Crown corporations. It was with these recommendations in mind that the Government announced in the policy statement, which was made public at the same time as the amendments to Bill C-123, that it would use the proposed shareholders' rights authority, which would be granted to it through the Governor in Council, to require management systems audits when and if necessary.

• (1630)

As I stated earlier in my remarks, Bill C-123 is only part of the Government's total package respecting Crown corporations reform. It should be noted that the comparison made by the Auditor General, in his very useful Report between Bill C-123 and Bill C-27 does not reflect those aspects of direction, control and accountability measures which are addressed through the improved utilization of existing legislative authorities contained in the constituent Acts of Crown corporations and in the Financial Administration Act; nor does the comparison reflect the organizational and administrative measures which complement the proposed amendments to the Financial Administration Act.

I would remind the House that with respect to the corporate financing area the Government has proposed an amendment to the Financial Administration Act which would provide a general authority for the Minister of Finance to approve the borrowing activities of any wholly-owned corporation subject to general regulations issued by the Governor in Council.

To conclude, I also want to remind the House that the Government House Leader (Mr. Pinard) has said he is negotiating with Opposition House Leaders with a view to having Bill C-123 divided so that the Crown corporations section can be the subject of a separate Bill. I hope there will soon be agreement on this so that this important subject can be given the focus and attention it deserves. I am presently very actively reviewing the comments and recommendations in the latest Auditor General's Report to see if they can provide a basis for further possible amendments to Bill C-123, and I will certainly be discussing this actively with my colleagues.

It would appear that all Members of the House are in agreement that there has to be an improvement in the over-all means of ensuring the accountability and direction of Crown corporations. We do not differ in this regard—

Mr. Beatty: We want them accountable to Parliament; we do not want them accountable the Liberals only.

Mr. Gray: —although obviously there is a very serious difference in perception when it comes to the most appropriate way of going about this. There is a very serious difference in perception when it comes to looking at the views of the Official Opposition about the nature of the success of Crown corporations in building Canada and the views of the people on the Government side of the House.

My hon. friends have made some reference to improved accountability of Crown corporations to Parliament. They seem to have forgotten that it was the Government, and the Members of Parliament supporting the Government, that took the initiative to adopt the report of the Special Committee on Standing Orders Procedure just recently and which becomes operative when we come back in January.

Mr. Clark: That is not true either, Herb.

Mr. Gray: This report has amended Standing Order 41 to ensure that:

> Reports, returns or other papers laid before the House in accordance with an Act of Parliament shall thereupon be deemed to have been permanently referred to the committee designated by the Member tabling the report, return or paper.

Mr. Beatty: That certainly sets my mind at ease.

Mr. Gray: Also, Mr. Speaker, this House has adopted the recommendation which has led to a change in the Standing Orders to the effect that:

> Within 120 days of the presentation of a committee report the Government shall, upon the request of the committee, table a comprehensive response.

Mr. Clark: If the committee requests.

Mr. Nielsen: Only if the Government wants it.

Mr. Gray: Bill C-123 which was tabled months before the Auditor General's Report also helps prove our resolve to bring about improvements in the framework, direction—

Mr. Beatty: Nonsense.

Mr. Gray: —and accountability of Crown corporations.

The Opposition motion obviously ignores completely the steps the Government has taken and intends to take to deal with the very important matter of improving the accountability of Crown corporations. The motion of the Opposition is superficial, one-sided and incomplete. It ignores completely the need for the flexibility of the Crown corporation concept and the major contribution Crown corporations have made and will make to the well-being of Canada and its people.

Therefore, Mr. Speaker, I call upon all Members of this House to reject overwhelmingly this specious and empty motion.

Some Hon. Members: Hear, hear!

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Mr. Speaker, I listened with interest to the remarks of the President of the Treasury Board (Mr. Gray). Perhaps now, though, it is time for some facts to be injected into this debate, because it is clear that the President of the Treasury Board neither understands the legislation that he is being called upon to defend nor has any grasp of reality as it relates to the problems posed by Crown corporations in Canada today.

Mr. Gray: We are not going to get any facts from you, just fiction.

Mr. Beatty: If the President of the Treasury Board had read the Auditor General's Report, he would have seen the Auditor General warn Canadians of a sub-government, largely invisible to Canadians, beyond Parliament's reach, competing with our citizens in the marketplace but having special advantages over them, employing more people than are employed by the federal Public Service, costing billions of tax dollars every year and steadily growing in size and power. That sub-government is the array of Crown corporations that moves our mail, produces our radio and TV programs, transports us across the country, builds aircraft, sells uranimum, lends money, pumps gas and touches our daily lives in a hundred other ways.

In theory, Parliament authorizes the creation of these corporations and supervises their activities. In practice, Parliament's involvement is minimal, and shrinking. Many of these corporations conduct their affairs in secrecy, seeing little need to explain to the taxpayers, who pay billions of dollars to subsidize them each year, how that money is being spent.

Try to find out how much it costs the Canada Post Corporation to participate in Intelpost, or try to discover how much business Intelpost moves between Washington and Toronto. I did, and I was told that it was none of my business as a Member of Parliament. That information is classified.

Try to find out the cost of the CBC's logo, which looks like a flying pizza. You will not find that out but that is a secret too. Ask the Government how two of its Crown corporations participated in the energy cartel. That information is classified and indeed it would be a criminal offence to give out some of that information. Or try to find out how much taxpayers will be paying Joel Bell, the new President of the Canada Development Investment Corporation. We are not entitled to know that.

The Auditor General pointed out that the size and power of Crown corporations today is massive and largely beyond Parliament's control. But there is nothing really very new in his findings. His predecessor found the same thing six years ago, as did the Public Accounts Committee, the Lambert Commission, the Privy Council Office and various other studies which have taken place since. What is new, however, is that at the same time as the Government talks about making Crown corporations more accountable, it is moving quickly to put the corporations even further beyond Parliament's reach.

The President of the Treasury Board talked about Bill C-123. Bill C-123 will give Parliament's blessing for the Government to create an unlimited number of new Crown corporations in any field whatsoever. Any of these corporations which the Government decides to make agents of Her Majesty will be free to price-fix and publish misleading advertising without having to fear prosecution. They will borrow on the Government's credit rating and Canadian taxpayers will be automatically responsible for their debts.

Parliament will not be asked to pass Bills to create the corporations, as we did for the Canada Post Corporation or for Air Canada. Instead, Parliament's participation when the Government decides to set up a new corporation will be limited to three hours' debate in the House and three hours' debate in the Senate. When a corporation itself is creating a new subsidiary, however, there will be not one syllable, not a single word said in Parliament, no parliamentary involvement whatsoever.

A few weeks ago, the Government created a new Crown corporation, the Canada Development Investment Corporation, because their attempts to pressure the Canada Development Corporation, in which they hold only a minority interest, had failed. They had tried to instal Maurice Strong, a former Liberal candidate, as Chairman of the CDC but were forced to back down because of the public outcry. Instead, they have created a whole new corporation for Mr. Strong. Its President will be Joel Bell, who has prospered from the Government's generosity and goodwill in the past. It will report to Senator Jack Austin, the architect of the infamous energy cartel. The elements of patronage in the corporation would be serious enough in themselves, but from the point of view of Parliament what is far more serious in the long run will be how the corporation was created and how it will function in the future.

The corporation was formed without a single word of debate in the House. Parliament was neither informed nor consulted before the corporation was created. Yet the Government is in the process of building what may soon become the largest holding company in Canada, dwarfing in size Conrad Black's holdings or the Power Corporation.

Supply

• (1640)

Parliament may be asked to vote funds for the company and its consent will be needed to transfer the Government's holdings in the Canada Development Corporation to the CDIC. In time, however, the CDIC will have all the power it needs to create, buy, sell, and manage companies in any business whatsoever, either in Canada or anywhere around the world. Parliament will neither have a right to be consulted before important actions are taken nor to control the billions of dollars involved.

Even the creation of new Crown corporations to be owned by the CDIC will not require Parliament's involvement because Bill C-123 exempts subsidiaries of Crown corporations from parliamentary debate.

The President of the Treasury Board spoke about Bill C-123 being designed to ensure that there would be improved parliamentary accountability, but I would like to know where that accountability will be. I would ask the President of Treasury Board and the Liberal speakers who will follow where that accountability will come from in the case of the CDIC. Will Parliament have the opportunity to utter even one syllable before these new corporations are incorporated as subsidiaries of CDIC? Will it have any control over the budgeting process? Was it consulted before the CDIC was created? What does Bill C-123 do in this very important field to enhance accountability to Parliament and to enhance the ability of Members of Parliament to discharge the responsibilities entrusted to them by the people of Canada?

The Canada Development Investment Corporation may well not have to come to Parliament for funds for very long, because profits from any of its subsidiaries can be spent without Parliament's consent. And when the CDIC sells assets, such as its shares in the Canada Development Corporation, it will hold on to the proceeds of these sales and will be able to use that money to subsidize any losing companies or buy whole new corporations. All the Government need do is move into the portfolio held by CDIC sufficient companies able to pay their own way. It can recycle the funds from winning companies to the losers. It can take the profits to expand the involvement of CDIC. At no time does Parliament come back into the picture unless CDIC comes back to Parliament to ask for more funds. When it sells Crown corporations or their assets, that money will not flow back to the Consolidated Revenue Fund so that Parliament can hold the purse strings. It will flow into the CDIC which is accountable only to Senator Jack Austin. The money can be spent however the CDIC chooses, without Parliament being asked for consent.

How dare the Minister talk about Bill C-123 and about parliamentary accountability when everything that he has done and everything being done by the Government at present will subvert parliamentary accountability, not enhance it.

The prospect of such a massive company, controlled by the Prime Minister's protégés and involved in a wide range of economic activities, above the laws that its private sector competitors must obey and beyond Parliament's scrutiny, is frightening for anyone who believes in free enterprise or parliamentary democracy. And yet the facts are clear and incontestable. The company has been formed without Parliament's consent. The Government has installed its cronies as Chairman of the Board and President. It has listed some of the companies that will be transferred to the CDIC and will be asking us to approve $400 million more for two of those companies this evening. The President of the Treasury Board has already tabled Bill C-123, which will permit the creation of an unlimited number of new Crown corporations.

Crown corporations have long been seen by the Government as a useful means of pursuing its policy goals. Only recently, however, has the Government discovered just how useful they can be.

The Government does not see Parliament as the central institution in our democracy. The Liberals see Parliament as a pain-in-the-neck, a roadblock in their way. To the Liberals, Parliament is not the central institution in Government; it is an obstacle to be removed or avoided at all costs.

By using Crown corporations instead of Government departments to achieve its purposes, the Government can almost totally avoid Parliament. Our consent is not needed to create the corporations; if they are carefully set up, their finances can be managed outside the budgetary process, thereby avoiding messy parliamentary debate and reducing the apparent size of Government spending. If embarrassing questions are asked, the Government can always plead the need for commercial confidentiality.

It is ironic that the President of the Treasury Board should be given the responsibility for supervising Canada's Crown corporations and for developing a regime of accountability. When I was a Minister in Treasury Board I often wondered why the windows of the Department were sealed. Now I know the reason. When the building was erected it was suspected that he might one day become President and they wanted to avoid the prospect of public servants jumping from the windows when they learned that.

The President of Treasury Board, who has been told by the Prime Minister (Mr. Trudeau) that he has the responsibility of enhancing the credibility of Crown corporations, showed his ingenuity earlier this summer when he was Minister of Industry, Trade and Commerce. He had a new company created under provincial legislation in Newfoundland. He did not take action under the Canada Business Corporations Act but used the provincial companies legislation. The Government then issued an Order in Council that made that company a Crown corporation. The Government had been following the procedures in the House so it knew about Madam Speaker's ruling that it is not possible to put funds into a program which has not been approved by Parliament, but it found a way around that ruling. It chose to use a fund which was created to assist industry and it used that fund in order to put money into this new Crown corporation.

What is at issue here is not the need for the new Crown corporation or whether it serves any useful purpose; the issue is whether this precedent will be increasingly used in the future and what effect the precedent will have upon the solemn obligation that we have as Members of Parliament to control the public purse strings.

The President of Treasury Board, in his previous incarnation, discovered a convenient way of end-running Parliament. The Government will ask us to give it the money it needs to assist industry. It will set up funds of this sort. When we ask what companies will receive the assistance, it will reply that nobody will know until we see who requests it. When we ask about this in the Estimates, the response will be: "How should we know? This is a fund set up to assist industry and we will not know who is going to ask for funds until later. We have to set the fund up now; then we will see who asks for money and make the decision." Increasingly, Mr. Speaker, those requests will be used by Crown corporations as a means to avoid coming back to Parliament to ask for funds.

Before I leave the Minister's responsibilities, Mr. Speaker, I think we should not forget his record as related to Consolidated Computers. Over $100 million of taxpayers' money was lost. In the House yesterday the President of Treasury Board had the unmitigated gall to state with a straight face, as reported at page 21390 of *Hansard*, the following:

> Once again, Madam Speaker, I want the House and the public to note the endorsement of the official spokesman of the Conservative Party for the steps we took to end our involvement in Consolidated Computer and have it involved with the Nabu company.

Where has the Minister been? At the very same time as his predecessor in that portfolio wrote to him saying that Ministers had been kept in the dark about the state of affairs regarding Consolidated Computer, he wrote back on more than one occasion—and we have the letters—saying that what was necessary was not to pull the plug on Consolidated Computer but to put more tax dollars in to build it up. Yet he had the unmitigated gall yesterday to talk about "the steps we took to end our involvement in Consolidated Computer". If he had not been overruled by his predecessor at Treasury Board we would still be pouring good tax dollars after bad into Consolidated Computer.

Mr. Gray: It was my initiative.

Mr. Beatty: Now the Minister is entrusted with the responsibility of coming up with a comprehensive package for the accountability and control of Crown corporations. A few minutes ago he told us that he is currently reviewing the recommendations of the Auditor General to see which he can accept. What else could we expect?

Mr. Wilson: Would you trust him?

Mr. Beatty: My colleague asks if we would trust him. If we had $100, we just have to look at the treasury benches and ask ourselves which Member of Cabinet—the Minister of the Environment (Mr. Roberts), the President of Treasury Board, the Secretary of State for External Affairs (Mr. MacEachen), the Minister of State for Multiculturalism (Mr. Fleming), the Minister of State for Mines (Mrs. Erola) or the Minister of Employment and Immigration (Mr. Axworthy)—would we trust to invest it wisely?

Mr. Clark: Roberts would give it to Buchanan!

• (1650)

Mr. Beatty: Mr. Speaker, to which one would you give your money? I think I know what the answer would be. Yet we are being asked to give to these Ministers a blank cheque written on the account of the people of Canada to continue to spend, to continue to intrude in the marketplace, and to continue to destroy the viability of the private enterprise system in Canada. We are telling them to spend literally billions of tax dollars every year in their involvement in Government corporations, without limit. As corporations which are agents of Her Majesty continue to run up debts, those debts are automatically charges upon the revenues of the taxpayers of Canada.

The Government has found another way of getting money to its corporations without the fuss and bother of asking Parliament first. Clause 29 of Bill C-42, which created the Canada Post Corporation, allows the Minister of Finance (Mr. Lalonde) to forward any money he chooses to the Corporation to cover its bills. The Corporation is expected to pay back as much as it can, but any shortfall will be covered by an item in the Estimates. When Parliament comes into the picture, the money will have been long since spent. Parliamentary control will be no more than an illusion because Parliament will have no ability to control money which is already gone.

The Auditor General has looked at what the Government has been doing to control Crown corporations. He took the Government at its word when it said that it wanted improved accountability. He said that he found its plans to be inadequate. The President of the Treasury Board alluded to that, but perhaps he did not go into the depth he might have. On page 58 of the Auditor General's Report, he made a comparison of the 1977 Blue Book, the Conservative legislation, Bill C-27, and the legislation before the House now, Bill C-123. There were 33 separate points of comparison. In seven of the points his concerns were fully met by the Government's Bill; in two other points portions of his concerns were met. By contrast, Bill C-27 fully met some 25 of the Auditor General's concerns and partially met one of them. Yet the Minister has the nerve to talk about Bill C-123.

I would go well beyond the Auditor General's observations. I do not believe the Liberals have the slightest intention of improving parliamentary control over Crown corporations. Their activities prove that they intend to do just the opposite. Looked at in that context, Bill C-123 is not simply a weak and ineffectual attempt to make improvements; it is a highly dangerous Bill designed to provide a fig leaf of respectability for a measure which is an attack on Parliament itself.

Bill C-123 should not be amended as the Minister suggested. It should be scrapped and replaced with a whole new Bill which genuinely attempts to correct the problems pointed out by every study of Crown corporations that has been conducted. There must be no more Crown corporations created without Parliament's consent. Crown corporations must obey the same laws as their private sector competitors when it comes to false

and misleading advertising and to cartels. The mandates of new Crown corporations must be spelled out clearly. The mandates of old Crown corporations must be regularly updated. There must be much less secrecy about the activities of Crown corporations, and secret directives from the Government to Crown corporations must stop. New controls should be placed on the borrowings of Crown corporations. The Government's accounts must accurately reflect their debts. The Auditor General must have the authority that he needs to do his job.

Parliament cannot force such legislation on a majority Government if it does not want it, but we still have the power to stop the Government from taking some of the dangerous actions it is currently planning. It is too late to prevent Bill C-102 from becoming law. It is too late to force changes to the Canada Post Corporation Bill in the areas where it violates Parliament's control over supply. It is too late to stop the creation of the CDIC. But it is not too late for us to take a stand against Bill C-123 or against any other measure designed to subvert parliamentary democracy.

In conclusion, let me say to the President of the Treasury Board that the Government should not underestimate our sincerity or our determination to draw the line and to take a stand to prevent this last vestige of parliamentary control from being stripped away. We will fight them in the House. We will fight them in the country. We are prepared to allow the people of Canada to decide whether or not the Government shall be permitted to remove this last parliamentary check on its actions. It is a fight that we dare not lose because the wealth and the liberties of every Canadian hang in the balance.

[*Translation*]

Mr. Pierre Deniger (La Prairie): Mr. Speaker, when I read the wording of the Opposition motion which, in fact, urges greater participation by Members in the management of Crown corporations, I must admit that I found both the subject and the speeches of the previous speakers most interesting. However, with due respect, I was very disappointed, Mr. Speaker, in the speech made by the Right Hon. Leader of the Official Opposition (Mr. Clark).

Mr. Mazankowski: That is not what you told me.

Mr. Deniger: Mr. Speaker, I made notes, because I am always interested in what the Right Hon. Leader of the Official Opposition has to say.

I have about a dozen pages of notes here in my hand, and they are about subjects that are extraneous to the question we should be debating, according to the motion before the House today. The Leader of the Official Opposition talked about internationalism, about Government advertising and he talked about the unemployed with a great deal of concern, but all that is not the subject of the motion before this House. He talked about my colleague from Bourassa (Mr. Rossi) and about several other Members, but he did not speak to the motion under consideration. Mr. Speaker, I wrote on this small scrap of paper everything he said about today's motion. I wrote down the words: Crown corporations. His contribution to today's debate was just that: Crown corporations.

Mr. Speaker, I am afraid I shall have to conclude that if in today's column, Allan Fotheringham's last words were:

[*English*]

"Why do they publish evidence of their own ineptitude?"

[*Translation*]

He must have been anticipating the speech of the Right Hon. Leader of the Official Opposition. Mr. Speaker, it was one of the worst speeches it has been my misfortune to hear.

[*English*]

Mr. Mazankowski: Mr. Speaker, I rise on a point of order. The Hon. Member who is now speaking told me privately that he thought the Leader of the Opposition (Mr. Clark) made a brilliant speech.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Corbin): Order, please.

Mr. Deniger: Obviously the Hon. Member for Vegreville (Mr. Mazankowski) misunderstood what I said. If I remember exactly what I said to him, I said that the future of his Leader depended upon his actions. This is what I remember telling him, and he agreed.

I go now to the substance of the motion itself.

[*Translation*]

I think it is clear, Mr. Speaker, that Crown corporations should be made accountable to Parliament. I think they have been allowed to take it easy and to do just about whatever they wanted to do for far too long. The few times Crown corporations appeared before Parliamentary committees for instance, the Committee on Transport and Communications of which I am Deputy Chairman, and I am referring to Crown corporations such as Air Canada and Canadian National, and there are many others, Mr. Speaker, they gave the impression that, of course, they had to submit to the Committee's questions for three hours, but once the torture was over, they could go home and do whatever they wanted.

Mr. Speaker, in view of that experience, I thought it would be very useful for Hon. Members to have an opportunity to make a more thorough analysis of the activities of Crown corporations. In fact, I was quite convinced, until Canadair—a corporation that was particularly important to Quebecers who believed in the aviation industry and in the benefits of advanced technology—appeared before the Finance Committee. I see the Members opposite, but none of them were on the Committee on Finance, Trade and Economic Affairs—at least none of those who are in the House today. But I think the Member for York-Simcoe or was it York-Peel, but in any case, the former President of the Treasury Board asked the President of Canadair some questions. Mr. Speaker, at that time I

saw right away the kind of a trap the Members of the Opposition are preparing for us. In the case of Canadair, which is a highly competitive industry with competitors in the United States and France, what kind of questions did the Opposition Members ask? They were interested only in matters that were entirely confidential, such as production costs and the use of technology as compared to Grumman or other companies. The Canadair people appearing before the Committee—I had been wanting to see them for a long time, because $1.3 billion is a lot of money—told us: Gentlemen, your questions are only helping our competitors. Do you not understand that your questions are not a help but a hindrance? That was the kind of question the Opposition Members asked Canadair.

• (1700)

Instead of seeking the assurance that the money was well spent, the Opposition Members only wanted to know about cost, in order to help Grumman, because the Member who was asking the questions had Grumman's annual report in front of him, and used it to embarrass these people who were appearing before the Committee for the first time.

Mr. Speaker, it is clear that the Progressive Conservative Party is not prepared to, as it were, put its money where its mouth is. I listened to the Member for Wellington-Dufferin-Simcoe (Mr. Beatty). The Hon. Member is Joint Chairman of the Committee on Regulations and Other Statutory Instruments. He is one of the Members I prefer to listen to in the House, because he is consistent, because he believes basically in what he says and because he practises what he preaches, and having seen his performance as Joint Chairman, we realize that he knows where he is going. Unfortunately, he is alone, crying in the wilderness, in the middle of that crowd sitting next to him. The Member for Wellington-Dufferin-Simcoe does not, for instance, want to do away with VIA Rail. Suppose we talk about VIA Rail for a minute, Mr. Speaker. Obviously, the Right Hon. Leader of the Opposition did not talk about VIA Rail, but he could have used it as a good example in discussing the legislation and the measures he would like to see introduced, because the Minister of Transport (Mr. Pepin) has often been criticized for cutting 20 per cent of the traffic—

Mr. Clark: Without prior consultation! Without public hearings!

Mr. Deniger: Without prior consultation, this summer, and without any public hearings, and why not, Mr. Leader of the Opposition? What is so bad about not having a public hearing? Is that so bad? What is really bad, Mr. Speaker, is that the Progressive Conservative Party is going to criticize us for running a deficit and for giving VIA Rail even more money, namely $164 million in addition to the $500 million it was given already. I would like to know what VIA Rail's deficit would have been if we had not had the guts to scrap routes that were not being used?

Mr. Clark: Probably less.

Mr. Deniger: Of course, if the Leader of the Opposition had the courage to say what is on his mind, Mr. Speaker, he would probably get fewer votes in Winnipeg in January, because as Hon. Members are aware, the Progressive Conservatives are ahead in the polls, and are also so scared and their popularity margin is so narrow that they will not take a stand on anything. When they had their policy orientation convention in Toronto—the Leader of the Opposition is smiling because he knows what I am going to say—they did not even have the guts to have a debate on an orientation issue. All they did was use a questionnaire, and now they are trying to camouflage the results. For shame! A questionnaire in which they say they are against family allowances, against multiculturalism, against any form of security and against hospital insurance! This is the party that was so concerned about the accountability of Crown corporations, this is the party that wanted to be able to analyze Crown corporation activities. This is the party that wanted to know whether profits made by Air Canada this year should not be returned to the Consolidated Fund instead of being reinvested to ensure that the Canadian taxpayer is getting his money's worth. Mr. Speaker, I am glad to see them in the Opposition. I am especially glad, as my colleague from Longueuil (Mr. Olivier), said, that the Leader of the Official Opposition is going to stay there. I am glad, because although he may show some common sense on other issues, though lacking the support of his caucus, he does not do so on this issue. It was obvious, Mr. Speaker. It was embarrassing to hear him speak just now, when he so obviously had been told to say nothing.

Take Air Canada or Canadian National or Petro-Canada. The Leader of the Opposition should know that according to the same polls that show his party is ahead, Canadians like their Crown corporations, they support them and are the corporations' main customers.

Mr. Speaker, he should remember the lesson he got in 1980, in January or February, when the Canadian people rejected him outright because he wanted to privatize Crown corporations. Has he forgotten? That is really amazing, Mr. Speaker. However, I would rather not waste any more time on what the Leader of the Opposition did not say, because what is important here is the Auditor General's Report. I would like to quote what he said in paragraph 2.114, since we have talked a lot about Bill C-123. The Auditor General said, and I quote:

—Bill C-123 considerably strengthens the role of ministers in controlling the financing and directing of wholly-owned Crown corporations.

I think it is quite true and that it is a straightforward analysis of Bill C-123. In fact, this is what the President of the Treasury Board (Mr. Gray) told the Members of the Opposition, who were obviously not paying much attention. However, the Auditor General goes on to say, and I quote:

However, it does not address the needs of Parliament.

That is true. I would prefer that, if all Members were responsible. Unfortunately, I just gave an example of the irresponsibility of Opposition Members. Unfortunately, all Members are not responsible. Where I fully agree with the Auditor General, and perhaps some of my colleagues in the Cabinet are not so enthusiastic, is the principle of comprehensive audits for certain Crown corporations. I sat on the Committee on Communications and Culture, where there was a long debate on whether or not there should be a comprehensive audit of the CBC. The Committee's report was clear and recommended a comprehensive audit. Unfortunately, the Ministers did not act on this recommendation. In the case of VIA Rail, for instance, there is now a comprehensive audit for management. Unfortunately, we will not see it.

Personally, I would like to see comprehensive audits for Air Canada and other Crown corporations. Opposition Members would have us believe that they are really concerned about making these corporations a success, while from their questions and actions it is clear that if they could get hold of these comprehensive audits, they would hand them over to the competitors, to make sure the corporations would lose money, since it is against their policy that a Crown corporation should be properly administrated and make a profit. To people who are interested in profits, it is fine as long as the profits are not being made by a Crown corporation. Mr. Speaker, the party opposite is really a mass of contradictions. As far as the motion before the House is concerned, I feel that, basically, it is quite straightforward, and it is hard for a Member to object to having more power. However, in view of the total lack of responsibility of the Members opposite, it is clear that we cannot vote in favour of a motion of this kind, because the Members opposite are not prepared to assume the responsibilities that the motion entails.

• (1710)

Earlier a Member from the other side took the President of the Treasury Board (Mr. Gray) to task for creating Crown companies. When we do create one, it is always because there is a need for it, and it is in the public interest. Unfortunately, Mr. Speaker, that is certainly not the way Members opposite see it since they think that whenever a new Crown corporation is created Canadians are deprived of jobs, goods and services. It is precisely the opposite that happens, Mr. Speaker, whenever we create a new Crown corporation. The CNR is a case in point. Exactly what was it? Just a loose aggregate of private companies which were operating an unprofitable railway system. So the Government stepped in and created a corporation to extend rail services to various regions. There was a merger. The Government bought the CN and today, except for a few thick-witted Members opposite, who is talking about selling off our Canadian National Railways? That is sheer nonsense, Mr. Speaker!

If we take VIA Rail, for instance, are there any Members on the other side who would dare say that we should get rid of that corporation? Not one, Mr. Speaker, even though it is costing us $500 million, not to mention the additional $165 million we gave them this year. Why? Because they know that, politically speaking, it would be unwise to advocate the privatization of VIA Rail.

People talk about the CBC and its huge budget. In that case, I would like to have an integrated audit, as would the Hon. Member for Wellington-Dufferin-Simcoe (Mr. Beatty). Indeed both he and I are strong advocates of an integrated audit, but we have not had any luck so far. I must admit that I have not yet accepted that refusal and I still think that the Government will eventually have the courage to insist on an integrated audit of the CBC. However, Mr. Speaker, are there any Members on the other side, except for that Edmonton visionary, who would put the CBC up for sale? Not one. When Mr. Pocklington was asked who would buy the CBC, he said he would. Naturally, he would make a profit out of the deal, and that is what we want to do too. In the public interest, would we rather not make sure that our communications networks are efficient, excellent and a model for others? I think so.

Mr. Speaker, as I listened to Hon. Members opposite, I realized that while their motion refers to accountability, their comments were strictly on the question of whether or not we should have Crown corporations. It is very obvious, Mr. Speaker, that it is quite reasonable and useful to have Crown corporations. Does this truth get the Leader of the Opposition (Mr. Clark) so angry that he gets excited and turns as red as his tie and as "Rouge" as the party that will remain in power for a long time to come? I do not know, but I want to tell him that if he really understood the concept of Canada, he would certainly realize that Crown corportions are essential tools for a government such as ours in our type of society. I can see the Hon. Member behind him, the Hon. Member for Crowfoot (Mr. Malone), make gestures of frustration. I am certain that these gestures were not addressed to the Leader of the Opposition and that his gestures were addressed neither to the Leader of the Opposition nor to his constituents who are of the opinion that we need the CBC, VIA Rail Canada, Air Canada, Petro-Canada and the Canada Housing and Mortgage Corporation. And that is the whole issue, Mr. Speaker. Do we want Crown corporations or not? The leaders of the opposition say no and we say yes. Do we want them to be well managed? For our part, we say yes.

Do Hon. Members opposite have enough heart and conscience to hold in their hands documents that could help the competitors of our Crown corporations? I say that that is how they use them. I say that they are irresponsible and that as long as they cannot show a greater sense of their responsibilities, intelligence and good will, on the basis of their behaviour even in committee, they do not deserve to see documents which would help the competitors of our Crown corporations.

This evening, I shall vote against the motion of the Progressive Conservatives, Mr. Speaker, because they have once again demonstrated what Mr. Fotheringham calls their ineptitude. During the last minute remaining to me, Mr. Speaker, I would not want to deal with the Arrow, our great and fantastic plane made in Canada, which was scrapped by the Progressive Conservative Party. So I will not deal with it. I will not deal either with its unemployment insurance policy or anything the Canadian people want, except their filthy rich members.

In conclusion, Mr. Speaker, and before the Right Hon. Leader of the Official Opposition (Mr. Clark) has a stroke, I want to say that we will definitely vote against this motion and that it is unfortunate that a party which thinks it is on the brink of returning to power does not have among its members responsible people who could have supporting evidence and use it property.

[*English*]

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, the Hon. Member for Laprairie (Mr. Deniger) concluded his speech with a surprising statement. He said he was going to vote against the motion. Sheep are expected to do nothing else but as they are told. You know it, I know it, and everyone knows it. Judging by the Hon. Member's speech, he is not allowed to think either. It was the most atrocious speech. What made it more atrocious was that it followed the eloquent speech given by the Hon. Member for Wellington-Dufferin-Simcoe (Mr. Beatty). I do not know how any responsible Member of Parliament, after listening to the Hon. Member for Wellington-Dufferin-Simcoe, could not end up feeling anything but rage about this situation or anything but dedicated to do something about it in order to restore some semblance of parliamentary democracy to this country.

The Hon. Member for Laprairie said that the question is whether there will be Crown corporations; whether they are approved or not approved. He was absolutely wrong, as he realized when he made that false statement. That is not the question. Every Party in this House, whether directly as the Government Party or indirectly through associated parties at provincial levels, has participated in the creation of Crown corporations of one sort or another. The question of whether there is a role for Crown corporations is not in doubt. There are, in certain circumstances, situations where Crown corporations are useful.

The question we are concerned with is, is this a Parliamentary democracy? Do elected representatives of the people have a right to know what is happening in these Crown corporations? Do elected representatives of the people have a right to say when these corporations will be created, how they will be created and what their budgets and operations will be? No Members of Parliament have that fundamental right, or are we forced, because these are Crown corporations, to remain mute and ignorant as these corporations spend huge amounts of money—$30 billion a year—which belongs to the taxpayers. All to frequently this Government wastes huge amounts of money.

I do not know whether the President of Treasury board (Mr. Gray) heard my colleague from Wellington-Dufferin-Simcoe when he gave his final analysis. I suggest that the Minister read the speech because he gave a warning that we view this question as fundamental to our responsibilities as Members of Parliament. I see the President of the Privy Council (Mr. Pinard) sitting over there as well. I suggest he may do well to read that speech.

Unless something is done soon about the problems which were articulated by the Auditor General and expanded upon by my Leader and the Hon. Member for Wellington-Dufferin-Simcoe, there is, quite frankly, little or no use for this Parliament to carry on. That was the message being conveyed. The question as to the purpose of this place is so important that it takes precedence over almost anything else. That message should be heeded by Members opposite who have a sense of responsibility and would like to see passage of other legislation and other programs.

• (1720)

A study of this issue of Crown corporations is almost a microcosm. It is not a microcosm because it is larger than that, but it is almost an analysis, if you will, of what is fundamentally wrong with the situation in Canada. The Government is out of control. There is no sense in the country that we in Ottawa, the Government and Parliament, the people who have the responsibility which has been entrusted to them by the citizens of Canada, really know what is going on, are in control and have some sense of propriety with regard to the expenditure of taxpayers' money, some sense of responsibility, some sense of the future and a plan by which to address the many concerns of Canadians. This situation involving Crown corporations is exactly parallel. It is, as the Auditor General said, a sub-government. In fact, in terms of employees it is larger than the bureaucracy. It is larger than the main Government. The situation is totally out of control.

My colleagues pointed out that Crown corporations can be created at will, at any time, by two or three people who are appointed, not elected. They have no mandate from anyone. They have been hired for certain jobs. They can create new corporations, obligate the people of Canada for the debts of those corporations and spend not just hundreds, thousands or millions of dollars, but, rather, billions of dollars without being held accountable to anyone. However, the people of Canada are responsible for making those payments.

If we are a democracy, then this problem must be addressed. The chronology has been gone over. The Auditor General made the statement in 1975 that the financial accountability and management of Crown corporations is out of control. From that observation came a study in 1977. It was not a bad study. From that came draft legislation which the Progressive Conservative administration introduced and intended to have passed. Since then, there has been nothing except a proliferation of new Crown corporations. The problem has become even worse. What has happened? Why has this problem not been addressed? Everyone who has examined it, including the

present Auditor General and several others and the Lambert Commission, has clearly said that there is a serious problem which must be addressed if this is a parliamentary democracy.

Liberal Governments keep saying, "Yes, yes, we are looking at it", but then do nothing. Why? The reason is that Crown corporations are very convenient tools by which to avoid some of the messiness of democracy, because there is no question but that democracy is messy. It requires the disclosure of information which sometimes one does not want to disclose. It requires that satisfactory procedures are followed and that is sometimes a little bit annoying. There is no question but that dictatorship, having to account to no one, is a far more convenient system by which to work for the person who has the power. However, it is not democracy to have that kind of system.

It is a very convenient process for Government. It is a convenient repository for the party faithful, for people to whom the Prime Minister (Mr. Trudeau) or the Party is obligated. For instance, when the Hon. Member for Lincoln (Mr. Mackasey) lost out in his little excursion into provincial politics in Ottawa Centre, he was appointed Chairman of Air Canada. It was a lovely position with a marvellous salary. We do not know what the salary was and we are not allowed to find out. We can find out the salaries of the chief executive officers of every single American airline. We can find out the salaries of the top executive officers of any private Canadian corporation, but not of Air Canada. How good was he as Chairman?

Mr. Benjamin: You're going to find out in the States.

Mr. Andre: We know that his favourite waiter received a pass for two to fly to London and back. We know that the Hon. Member for Lincoln enjoyed that.

Then, of course, there is Jack Horner, the CNR Chairman. We do not know what he is getting paid. We are not allowed to find out. As well, Maurice Strong and Joel Bell of the Canada Development Investment Corporation passed no Public Service Commission exam. We do not know their salaries. We do not know what they are doing on behalf of the people of Canada.

Mr. Benjamin: Ian Sinclair!

Mr. Andre: They are appointed, they are not elected. Is it not, just on the face of it, perverse that appointed people have all of this power while elected people have none? Is that not, on its surface, perverse and anti-democratic, except to the turkey from Regina, who feels that once one is appointed to the Government, one attracts an aura or a halo and then suddenly becomes honest?

To the Government, Crown corporations are a convenience through which to pass benefits on to their friends, and to use and abuse. Consider the example of Mr. Mike Phelps, who was the executive assistant to the current Minister of Finance (Mr. Lalonde) when he was Minister of Energy, Mines and Resources. The rules will not allow the Minister of Finance to pay his friend, Mr. Phelps, what he thought Mr. Phelps was worth, so he arranged that Petro-Canada would pay him a salary in addition to the salary allowed under the rules. Petro-Canada mortgaged his house in Rockcliffe so that he could live in the style to which a man of his stature should be accustomed. As a Member of Parliament, I cannot afford to live in Rockcliffe. That is because I am merely elected. If I want to make some money, I should become a Liberal and then become appointed to something.

In the 1981 report of Petro-Canada, under "investments", there is listed $16.5 million in mortgages. Therefore, in addition to Mr. Phelps, there is a pile of Liberal friends whose houses have been mortgaged, interest free, I might add, by Petro-Canada. I have been trying to find out where these investments are and whose houses Petro-Canada has invested in. I cannot find out. I am merely elected by the people of Calgary Centre; I have no ability to find that out. As an elected person in a democracy, I do not have that authority.

Crown corporations are useful ways by which the Government can prevent the disclosure of uncomfortable information. The uranium cartel is a perfect example. What a fraud! On the one hand, there was a cartel. Therefore, Eldorado Nuclear and Uranium Canada were charged as participants in the shell. Jack Austin, the guy who organized it, did not get charged. The organizer does not get charged. A couple of Crown corporations are charged and then another Government lawyer comes forward and says, "Oh, just a minute, they are agents of Her Majesty; they cannot be charged". Voila! With one little move, Crown corporations have been put above the law. Now, no Crown corporation can be required to obey the law because they are agents of Her Majesty. Therefore, that whole sub-government out there does not have to account to Parliament. It does not have to obey the law. The Government's Crown corporations are useful ways by which to avoid responsibility.

Hon. Members recall when Atomic Energy of Canada Limited sold reactors to Argentina. The then Minister of Energy, Mines and Resources, the present Royal Commissioner, Donald Macdonald, said, "My, what a marvellous thing this Crown corporation is; we are just selling reactors around the world". Then when the Auditor General pointed out the fact that that sale would cost us in excess of $200 million, the successor to that minister, the Hon. Alistair Gillespie, said, "Oh, I do not know anything about it. It is the Crown corporation which did that. Do not ask me to account for that $200 million plus in taxpayers' money we have blown in Argentina. That is not my responsibility; that is the Crown corporation's." So they are very convenient in order to avoid responsibility.

Then there is the use of Crown corporations to distort what is actually happening to Government. In that semi-budget of October 27, the Minister of Finance made a statement in reference to how careful the Government has been in terms of spending public funds and how it is restricting growth. I quote from page 7.

• (1730)

Those who assert that federal expenditures are out of control should quote the record of the past seven years.

The record, as he points out, shows that Government spending as a percentage of GNP has fallen from 20.5 per cent in 1975 to 16.2 per cent in 1981-82. The only reason he could get away with misusing figures this way is that he does not count the Crown corporations. He does not count the enormous growth outside the public accounts in Crown corporations. It goes out over the airways to Canadians to pass on the impression that somehow Government is restraining its expenditures.

It is a blatant falsehood. This is a way of avoiding fundamental checks and balances. Over the years procedures have been built up in Government to try to check the manner in which public funds are being spent. The whole Treasury Board bureaucracy was built up to do that. The private sector has its own mechanisms. What happens to Crown corporations? Neither of those.

As the Auditor General points out, he has been unable to find, and doubts the existence of any fundamental economic evaluation of the Petrofina purchase prior to its being made. In other words, there was no evaluation. They spent a whopping pile of money with none of the rudimentary analyses that would be required if that was a direct part of Government operating through normal Government bureaucracies, or none of the rudimentary requirements that would be necessary if that was a private corporation which had to seek private funding for that kind of purchase. Because they satisfy neither requirement, they get away with totally inaccurate and wasteful procedures.

What happened? Petrofina shares were trading about $50, $55 a share. They shot up to about $85 a share while the rest of the market stayed flat. There was no reason for that escalation in share prices. There was no fundamental difference in Fina in terms of having made any discoveries or its income statement suddenly getting out of line. The reason was that there was inside information. It is very clear. Some friends of Fina, Petro-Canada or the Liberal Party, the three possible sources, knew about this proposed purchase and takeover. They bought those shares between $55 and $80 and eventually sold them to Petro-Canada for about $120.

Vast illicit fortunes were made by either friends of Petrofina, Petro-Canada or the Liberal Party. It is beyond dispute that vast fortunes were made. The infamous Maurice Strong collected a $1 million brokerage fee for that deal, the man we are now rewarding by making chairman of the new Corporation. We do not know how much we are paying him to do that. We are not allowed to find out. We are merely the elected representatives of the people. That does not give us any right to information about Maurice Strong's salary from the Canadian Development Investment Corporation. We do know that his salary as Chairman of the Board of AZL Corporation was $20,000 a year, plus a consulting fee of $100,000 a year. The reason we know that is because in the United States that has to be made public. In Canada we pay him with taxpayers' money and we cannot find out that information.

We were told that the total for the Petrofina purchase was $1,450 million. That is what Petro-Canada told us in its press release. The Auditor General points out it is actually $1,700 million. They failed to disclose $250 million of additional costs. A private company that publicly traded shares would have its wrists slapped. It would face penalties under the Security Commission and stock exchanges for that kind of misinforming. Our Corporation, Petro-Canada, faces none of that because we do not have rules.

I could go on and on. Even a socialist has to admit that those kinds of abuses are improper. What we are asking, indeed demanding, is that Crown corporations must have their books exposed to the elected representatives of the people. If this is a democracy, and we insist that it become a democracy, we must have the right to examine their books to see what they are spending. We must have the right to say yes or no to the creation of new Crown corporations. If we do not demand that right as Members of Parliament, we are failing in our responsibility, and we have no right to continue to remain here and pretend that somehow we are representing the citizens of this country.

Mr. Douglas Fisher (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I am pleased to join in this debate and to say right off that I believe Crown corporations are a very proud extension of Canadian Government policy. I am personally pleased to rise now and offer a defence in the face of some of the scurrilous attacks we have heard from across the aisle. I believe that Crown corporations in general give us a flexible way to attack problems in this country, ways that the private sector cannot on its own find or follow. In addition, I believe we have seen an excellent pattern developing where we have been able to use Crown corporations to extend Canadian ownership over our own economy. I approve of that extended ownership and I am pleased to stand up today in support of it.

I think that Crown corporations provide a competitive force, a chance for the people of Canada to look at a vital part of our economy through the eyes of a publicly-owned, Government-controlled institution and to have some confidence that the industry as a whole is operating in a competitive and beneficial fashion. I do not think that those positive characteristics of Crown corporations have been brought out today by Members of the Conservative Party. Those Members should have started talking about these characteristics of Crown corporations.

I wish to quote from two columns that have appeared in *The Globe and Mail* recently. These are summaries of a recent speech given by the Leader of the Opposition (Mr. Clark) in Calgary. Mr. Michael Valpy, a columnist with *The Globe and Mail,* has had a couple of reactions to that speech. I quote from yesterday's column:

In its sum and rhetoric, it implies that Mr. Clark leads a party, no longer of traditional Canadian conservatives, but of nineteenth century liberals with a philosophy updated and imported en bloc from the Reaganomics across the line.

Today Mr. Valpy continued his analysis of that speech. He had some additional thoughts:

—it made no mention of the finest traditional thought and action of Canadian conservatism . . . He—

Supply

Referring to the Leader of the Opposition.

—over-simplifies and he is wrong. As he himself has noted (elsewhere in the country), Conservative governments have not shirked from using the state to preserve and strengthen the country's economy and culture.

Conservative governments have nationalized railways, created Sir John A. Macdonald's National Policy, the CPR, the Bank of Canada, the CBC and Ontario Hydro, bought Suncor and Pacific Western Airlines, extended the welfare state and been patron to artists—

Traditional Canadian conservatism has recognized that Canada is not a scaled-down America, that it is a small population living in a vast land beside a vast giant, and that it has required the glue of the state to maintain its existence—

Mr. Clark spoke of a fleeting political fad that is not even our own.

• (1740)

That is from the *Globe and Mail*, an observation on the recent contribution to debate about Crown corporations coming from the Conservative Leader. I believe, Mr. Speaker, that our habit—developed on both sides of this House in a proud Canadian tradition—of using Crown corporations is one endorsed and preferred by Canadians across the country. We only need to look at the coast-to-coast approval given to PetroCan's retail operation by Canadian consumers.

Mr. Anguish: That is not the issue.

Mr. Fisher: In my own city, in Streetsville, there was a little gas station owned by a Petrofina dealer and the man said to me, when I asked him how he liked being a PetroCan dealer, it was great to go from the bottom to the top in one leap. He has subsequently confirmed to me that his business has leapt up by over 20 per cent. I think it is important for us to know that these Crown corporations have constantly been supported by the Canadian public. It is equally important to note the pattern of the Tory Party to attack them continually and find ways to undermine their credibility.

I thought the Hon. Member for Laprairie (Mr. Deniger) gave a us an excellent analysis of the behaviour of Tory Members in asking questions of the president of a Crown corporation which would have revealed vital secret commercial information. It was not information important to public policy; it was information that any corporation would normally prefer to keep confidential. The people in the Tory Party know that, yet they pursued that line, quite possibly to the detriment of the corporation.

I think it equally important to note that the Tory Member who just spoke who went on about his love for Crown corporations in principle, once again brought out all the code words and secret attacks guaranteed to undermine the public's faith. We saw that in 1980. We saw the Tory Party talking about its dislike for PetroCan and the need to wind it up. Through the period leading up to the 1979 election, we heard the increasing attacks on PetroCan from Tory Members. Then they got into government and in the 1980 election tried a flip-flop by saying they were going to support PetroCan in the future. But the public would not buy it any more, and instead of letting PetroCan be thrown out, the public threw out the Tory Party.

We have heard them in my area talking about de Havilland, and just the discussion of selling de Havilland brought back memories of Tory behaviour with the Arrow, the way the Tory Party under Diefenbaker destroyed the aerospace industry in this country some 20 years ago. Liberal Governments have worked hard since to rebuild and restore the industry to the pride it once had before Diefenbaker got his hands on it. I heard all that in 1980, and it was just the hint that the Tory Party wanted to sell off de Havilland which caused those kinds of concerns among electors in my riding.

Equally disturbing, I think, here in this House has been the reliance by the Tory Party on cheap personal attacks. We have heard it over and over again. The Tories know that if they cannot directly attack a popular institution, then they will attack the man running it, and try to demean the institution by demeaning the man. Well, let me ask what tory over there is prepared to match his record of international contributions to the hungry and poor of the world with the record of Maurice Strong?

Some Hon. Members: Oh, oh!

Mr. Fisher: What Tory in this House is prepared to stand up and say that he has contributed as much to world progress on cleaning up the environment as has Maurice Strong? What Tory on that side of the House is prepared to say that he is as good a businessman as Maurice Strong? None of them are.

Some Hon. Members: Oh, oh!

Mr. Fisher: I know personally because I know Maurice Strong personally and rank him as a man whose contributions have improved my life. I believe that an unprincipled attack like the one we have been hearing has to be proven. Let them stand up here and offer what they think is the evidence on the personal attacks they have made. They do not have evidence; they have slurs and innuendos, and a great Canadian like Maurice Strong, who has national and international business credentials, finds his reputation being dragged into the gutter. I think the Members should offer some evidence, and they should offer it outside the House as well as inside the House.

Mr. Kempling: Where does he live? He does not live in Canada.

Mr. Fisher: When they have the courage to do that, maybe—maybe—we will begin to take their personal attacks a little seriously. But not until we see them stand up on their feet in and out of this Chamber and back up their charges with evidence. I challenge each one of them, Mr. Speaker, to stand up and offer evidence.

There is the Hon. Member for Calgary Centre (Mr. Andre) coming back in. Let him prove, as he just implied, that Mr. Strong made $1 million personally from the sale of Petrofina to Petro-Canada. Let him rise in this House and say that he has evidence of that.

Mr. Andre: I got a statement from the Minister that Strong's company collected that fee.

Mr. Fisher: Let him rise in this House and give the evidence which he was not able to produce to the Ontario Securities Commission who could find nothing wrong with that sale.

Mr. Andre: Marc Lalonde told me.

Mr. Fisher: Let the Member go outside this Chamber and take the risk that Mr. Worthington was ready to take when he made the accusation. At least Mr. Worthington was ready to stand on his principles—

Mr. Andre: I would have to go to London or Switzerland to find him. Strong does not live in Canada.

Mr. Fisher: —and offer some evidence and be challenged in a court of law. He has more courage, I might add, than the Hon. Member for Calgary Centre has shown when he made these charges. So let us not fall into the trap that the Tories offer of demeaning the institution by demeaning the man.

Many of those people across the aisle lack the capacity to organize a peanut roll. Yet they are ready to stand up and say to the Canadian people that a man of the proven record and stature of Maurice Strong is indeed doing something wrong. Let him prove it, Mr. Speaker.

Mr. Andre: Tell me why the minority shareholders of AZL are suing him at the moment?

The Acting Speaker (Mr. Corbin): The Hon. Member for Crowfoot (Mr. Malone) rises on a point of order.

Mr. Malone: Mr. Speaker, I am sure the Hon. Member opposite would not want to mislead the House, and I would just like to point out to him that during the next election the Conservative Party will have a peanut roll.

Mr. Fisher: Mr. Speaker, I would love to see the Members from the Tory Party come back into my riding and talk about Crown corporations the way they did in 1980.

Some Hon. Members: We will be there.

Mr. Fisher: Come on down to Mississauga North and we will have a little talk.

Mr. Wilson: Will you be there?

Mr. Fisher: Maybe we can have a little talk about PetroCan the way we did in 1980. I think we could possibly have that talk in one of their stations. We have lots of them and they are not hard to find because of the line-up of cars outside. People like them. Se let us go some place like that and talk about Crown corporations.

Mr. Andre: The party of polls, propaganda and patronage.

Mr. Fisher: That was the kind of thing that gave the Tory Party a quick ride back into Opposition in 1980, and I certainly would personally welcome a repeat of that ride whenever the next election happens to be.

Some Hon. Members: Hear, hear!

Mr. Fisher: Mr. Speaker, let me just conclude by saying—

Some Hon. Members: Hear, hear!

Mr. Fisher: —as I did at the start, that I regard Crown Corporations as very effective tools for Canada's development. I reject the kind of Reagan right-wing thinking put out by the Tory Party, as well as its reliance on personal attack rather than evidence or any kind of reasonable debate. I regard PetroCan as a great success and I welcome its expansion throughout the country. I look at Air Canada and see that it is one of the few airlines around the world which has turned a profit in tough times. One of the few. I look at Canada Post—

• (1750)

Some Hon. Members: Oh, oh!

Mr. Fisher: I have a direct mail business and I am careful in my criticism of Canada Post, because I find my criticisms are usually not justified. Certainly I have found in the past year that that Corporation has improved its performance magnificently. It is the flexibility of the Crown corporation approach that has made it possible for Canada Post to begin to flourish and to regain some of the confidence both in its staff, and by the public at large.

I see that the Government is doing the right thing with these Crown corporations. I see us developing the economy in areas where private enterprise cannot do so. I see us increasing Canadian ownership, and I see us promoting public policy, after concerted debate and discussion here in the House of Commons.

The kind of attack we have heard is unjustified. I would challenge those who are proud of the attack to bring out some evidence to back up their words.

Mr. Howard Crosby (Halifax West): Mr. Speaker, in the form the motion was presented to this House of Commons by the Right Hon. Leader of the Official Opposition (Mr. Clark) it exposes the evil that exists today with respect to Crown corporations in Canada, and the fact that this corporate device has been used to hide Government activity from public view.

We have just had an example of that before us in the House in the address of the Member for Mississauga North (Mr. Fisher). He is able, because we do not have proper accounting for the work and pomps of PetroCan and for a variety of Crown corporations, to get up in the House of Commons and make allegations about their merit and about the contribution that they are making to Canada and to the Canadian economy, without much fear of contradiction, because the fact is that the activities of PetroCan are hidden from public view.

It is only when an enterprising reporter or an enterprising Member of Parliament or an enterprising investigator discovers something and brings it to public attention that we begin to know some of the activities of organizations like PetroCan. It is only when a reporter goes to their offices in Calgary and finds floors of empty space, and finds that rent is being paid on that space at the highest evaluation, in most cases to friends of

the Liberal Party, that we begin to realize and recognize what is going on.

But the Member for Mississauga North has come to the end of the line because people are starting to turn on PetroCan, starting to realize what is going on, starting to investigate, starting to circulate stories. I will tell him a few of them right now before he goes home for supper.

Go down to the Strait of Canso, in the home territory of the Secretary of State for External Affairs (Mr. MacEachen), and find out what PetroCan is doing. They have an operation, a shore site, from which they carry on their business. At the request, I think, of someone from the Liberal Party they moved that a few miles down the road. Why? They wanted to escape organized labour. The great supporters of the labour movement in Canada, the Liberal Party, wanted to escape the collective bargaining process, so they moved their plant out of an area in which there was an organized labour group—

Some Hon. Members: Shame, shame.

Mr. Crosby: —to an area where there was no organized group. They made a contract with a Liberal friend, a person who runs a construction company, well known across Nova Scotia as a Liberal Party supporter, the President of Nova Construction Company, and they made a deal with him to supply the labour force. It was at rates of pay much lower than those demanded by the unionized labour force. That is the kind of thing PetroCan does.

What does the Member for Mississauga North have to say about that? He is leaving the Chamber, but before he goes let me ask the Member through you, Mr. Speaker, why Petro-Canada, in the interest of all Canadians trying to support the Canadian economy and develop our industries, petroleum and manufacturing, when it needed containers for its operation, went to Europe to buy the containers, when right in the place where the containers had to be landed, in Halifax, Nova Scotia, there is a container manufacturing plant. Why did they do that if their interest was to develop Canada and Canadian industry?

There is not a Member in this House on either side who cannot tell you a story about PetroCan, and that is what you are going to be hearing in the next months and years, stories about Petro-Canada. When the next election campaign is called there will be Members in that very constituency of Mississauga North and they will be reciting the litany of sins committed by PetroCan since its expansion. It will be a lot more than the stories we all know about, the speculation in shares of Canadian Petrofina, the profits that were made by insider trading by a person who now sits on the Board of Petro-Canada, Mr. McCain from New Brunswick. Ask him. Where is the Member for Mississauga North? He has left the Chamber. Maybe he wants to call Mr. McCain and ask him when and how and under what circumstances he acquired his shares of Petro-Fina, how much money he made and where he got his information, why did he take that action and who called him about it. We could go on, but it is going to be a sorry day for Members of the Liberal Party from here on when they stand up in the House of Commons and attempt to defend Petro-Canada, with all the evils that that organization has committed. I will not even talk about Mr. Joel Bell, because I am here to talk about Crown corporations in a general way.

I said that the form of the motion introduced in this House by the Right Hon. Leader of the Opposition (Mr. Clark) was designed to expose the evil of Crown corporations, but there is substance to the motion, Mr. Speaker, and it runs much deeper.

In presenting this motion to the House, the Leader of the Official Party embraces a philosophy that has two basic elements: a social conscience within the framework of a free enterprise system. I, for one, am not afraid to stand up in this Chamber, or anywhere else in this country, and defend the free enterprise system.

The proliferation of Crown corporations, not subject to Parliament control and public scrutiny—

Mr. MacBain: What about Irving Oil?

Mr. Crosby: —at once destroys the possibility of exercising a social conscience in Governmental affairs and damages the viability of the free enterprise system.

Mr. Speaker, one of the Members opposite has raised the matter of Irving Oil. I would like him to check one of the very devices used by the Government under the guise of Crown corporations, to find out how this Government is feeding money to Irving Oil, through the Petroleum Compensation Board. It is just another kind of Crown corporation, another kind of organization not subject to scrutiny and control. When somebody representing the Province of Ontario starts attacking the Irving Oil Company in the Province of New Brunswick he had better realize that this is one of the greatest friends of the Liberal Party, and they will be very dissatisfied when they hear that the Member for Niagara Falls (Mr. MacBain) attacks Irving Oil. J. D. Irving will be on the phone this very night to the upper echelons of the Liberal Party and the Liberal Government complaining about that, and never more will you hear that Member for Niagara Falls complaining about Irving Oil. He is already in trouble. I want to expose him. J. D. Irving will rise from his luxury condominium, wherever he is, and strike him down, because he is the beneficiary of this hiding, of this failure to account publicly for what goes on in the Canadian Government.

Let me explain this vital point in simple terms. The system of Government employed in Canada involves only one real safeguard, and that is public accountability. How do we get that public accountability? The Prime Minister (Mr. Trudeau) and his Cabinet are required to account to Parliament. The Parliament of Canada must account and answer to the people in every general election.

The law that limits the life of Parliament to five years ensures that any failure to account to the Canadian public will be quickly and severely punished, and that is what is going to happen to the Liberal Party when the mandate of this Parliament expires. The people of Canada are going to punish the

Liberal candidates and the Liberal Party because they have hidden from public view the vital activities of Government, the vital services, and they have masked them in Crown corporations.

I will call it six o'clock, Mr. Speaker.

[*Translation*]

The Acting Speaker (Mr. Corbin): Order, please! It now being 6 o'clock, I do now leave the chair until 8 o'clock.

At 6 o'clock, the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

[*English*]

Mr. Deputy Speaker: When the House rose at six o'clock the Hon. Member for Halifax West (Mr. Crosby) had the floor.

Mr. Crosby: Before the recess, Mr. Speaker, I said the motion presented by the Right Hon. Leader of the Opposition (Mr. Clark) provides an opportunity to consider the key safeguard of our parliamentary democracy, namely, the public accountability of the Government. I support the motion and I make the charge that the Government, under the current Prime Minister and indeed, under his Liberal predecessor, Lester B. Pearson, have, by planned and deliberate policy, endangered our democratic system by avoiding public accountability. One instrument of that evil and dishonest policy has been the use, or the misuse, and abuse of the Crown corporation.

Let me say very quickly that there is good reason and justification for the employment of the device of a Crown corporation in our democratic system and in our society. There are and will be circumstances and situations when an activity, service or enterprise can be governed, provided or operated by a Crown corporation. The people of Cape Breton in Nova Scotia were well served when a Crown corporation called Sydney Steel Corporation was formed by the Government of Nova Scotia to continue the operation of the Sydney Steel works after that black Friday in 1967 on which the plant was closed and thousands thrown out of work. But in the hands of a devious Government intent on avoiding public accountability and parliamentary processes, the same corporate device can be used to isolate an activity, service or enterprise that the Government desires to cover up and keep hidden from public view and censure.

Let me review very briefly the situation in Canada at present. We have almost 200 federal Crown corporations wholly owned by the Government of Canada. They account for gross expenditures exceeding $30 billion. The Right Hon. Leader of the Opposition rightly termed this corporate morass "the underworld of Government"—a sea of organizations peopled by characters like Joel Bell, Jack Horner, Pierre Juneau and assorted Liberal hacks like Bill Mingo and Harrison McCain—the mafia of Government.

By comparison, the current revenues of all Canadian provinces total only $45 billion, and if you view only the Atlantic provinces of Nova Scotia, New Brunswick, Newfoundland and Prince Edward Island, you will find revenue totalling only $3 billion, only one-tenth of the revenues that flow to our federal Government underworld. Let me record the fact that last year the revenue of Petro-Canada alone exceeded $2.7 billion. You could say that Petro-Canada has grown, in terms of revenue, to the size of the entire Atlantic area.

We know the problems that exist. I have mentioned some gross examples and the Auditor General has documented many more, but what is the answer? Fortunately, we have a relatively simple solution and it is endorsed by many knowledgeable people.

First, a Statute of the Parliament of Canada should be enacted that would legislate all the necessary requirements and processes to ensure full parliamentary and public accountability of Crown corporations. Second, there should be a careful review of all existing federal Crown corporations by a competent tribunal or parliamentary committee so that existing Crown corporations could, in some cases, be restricted or eliminated and in other cases abolished.

We have the statutory model already. It was mentioned in the motion introduced by the Right Hon. Leader of the Opposition. When he was Prime Minister he introduced Bill C-27, so we could start immediately to resolve the problem. We could start with the enactment of the statutory provisions contained in Bill C-27, and we could start immediately on a parliamentary review of existing Crown corporations.

I said at the beginning of my remarks that I believe that the national Government should exercise a social conscience in the framework and context of the free enterprise system. The Government must support and foster the free enterprise system. It is that system that will produce the wealth and enable us to establish social programs, health care services and educational services required by the people of Canada. We cannot do that unless we have in place a viable private sector that can produce the necessary wealth to carry on and pay for the required services.

The Crown corporation, as advanced and operated by the Government of Canada, has been the nemesis of the private sector. Those corporations have taken over areas of activities that for decades, and indeed for the whole of this century, have produced the wealth that allows us to have one of the better social systems in the world.

Anyone who supports Crown corporations in his desire to oust the private sector, in the result will destroy our social

service system in Canada. When we in the Progressive Conservative Party rise to defend and support the free enterprise system, we take nothing away from the social service system that exists in Canada. In fact, we are supporting that very social service system. We are acting on a social conscience because the social service system cannot exist unless it is supported. The only support it can have is that which is produced by the private sector.

• (2010)

Of course, this is the problem which faces the New Democratic Party. It wants to spend, it wants to have wealth, but it does not provide the method of producing it. This is where we differ. We can have a viable and effective social program because we are willing to take the steps which are necessary to support financially such a program.

We have heard in this debate and will continue to hear a list of the sins of Crown corporations, but what we are faced with is the perception created by the Government of Canada in the public mind that Crown corporations are good. We know that the Government has the capacity and ability to create that perception in the public mind. But I challenge the people of Canada to check this year, next year and following years the performance of Petro-Canada. I challenge them to go to gasoline pumps across the land to see if they are getting a better deal from Petro-Canada than they are getting from even multinational oil companies which have no interest in Canada, in the economy of Canada or in the welfare of Canadians.

I could take Mr. Speaker to places in Halifax, Nova Scotia, where side by side sit the private sector oil company and Petro-Canada, and the Petro-Canada prices are higher. How can Petro-Canada be accomplishing anything for Canadians? What is it doing? Time and time again I hear reports which indicated that Petro-Canada behaves not only like oil companies in the private sector but like the worst of those companies in the private sector. If, Mr. Speaker, you know any Petro-Canada dealers, you should just ask them whether they are required to take Petro-Canada products at higher prices than are available in Canadian department stores and that if they do not accept those products their franchises will be terminated.

I could go on and on, but the message must be given to Canadians so that they are aware of the evil of Crown corporations, just as they ought to be aware of the value of Crown corporations in certain circumstances.

That is why we are here. We are here to make the case, not against viable and valuable Crown corporations but against those Crown corporations which are destroying our private sector and hurting our economy and, in that very way, undermining the social service system in Canada. We have to counteract the activities of the Government in trying to create the idea across Canada and among Canadians that their action is intended to benefit the people of Canada, because in most cases the action is only intended to benefit the welfare of the Liberal Party of Canada and those who support it.

I want to end on a positive note. We can solve the problem very simply, as I said, by introducing legislation in the Parliament of Canada and by reviewing existing Crown corporations. In that way we will strike down the evil which has existed for past decades under the Prime Minister and his Liberal predecessor. Then we will end this cancer on our private sector, this cancer on our society which will not only destroy the free enterprise system but will destroy the social service system that is supported by free enterprise.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. David Berger (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, here we have another example of a speech that was nothing but empty rhetoric. The government has introduced Bill C-123 with a view to improving the operation of Crown corporations. Instead of attacking this bill blindly and trying to play politics, the opposition would be better advised, in order to impress the Canadian people, to look fully into the proposals put forward by the government and suggest reasonable amendments when its expectations have not been met so far. As I said, Mr. Speaker, the purpose of Bill C-123 is to give both the government and Parliament more control over Crown corporations. It seems, however, that the Auditor General and the Opposition have voiced some criticisms. For instance, in his report, the Auditor General claimed that Bill C-123 disregards the role which Parliament should play as far as the accountability and control of Crown corporations is concerned. There is also a clause in this bill which requires parliamentary authority by means of a negative motion for the creation of Crown corporations, but the Auditor General complained about the fact that Bill C-123 strictly limits the length of debates authorized under this act.

I should like, therefore, to consider tonight, together with other Hon. Members, the provisions of this bill dealing with the creation of new Crown corporations. Mr. Speaker, Bill C-123 proposes that upon the creation of a new Crown corporation—I am trying to find the specific section—I have underlined it in another document.

Here it is. Clause 66.14 reads:

A Minister in respect of whom an order of approval of the Governor in Council—

[*English*]

Mr. Blenkarn: What are you reading?

Mr. Berger: I am reading a paragraph from Bill C-123. If you would care to look at it, it is paragraph 66.14. I really understand your question when you ask what I am reading because, from the comments made by your colleagues today, I gather that none of you have read it or none of you really know what it contains.

Mr. Deputy Speaker: Order, please. The Hon. Member's remarks should be addressed to the Chair.

Mr. Blenkarn: We know what it contains.

Mr. Berger: Thank you, Mr. Speaker, for drawing that to my attention. Yes, I should address my comments to you. What I really have to say is that the question asked by the Hon. Member, "What are you reading", raises a question as to whether he knows what is the subject of debate this evening. As I said, the earlier comments today of the Hon. Leader of the Opposition (Mr. Clark) and other Members over there indicate that they do not know what I am reading.

[*Translation*]

Mr. Speaker, Section 66.14 provides that a minister establishing a corporation under the Canada Business Corporations Act may or shall table an order before Parliament within 15 sitting days after the order was issued. So there is a clear obligation for the Minister, in respect of any new Crown corporation, to table an order before the House within 15 sitting days after the date of that order. It is further provided that there be a motion to the House of Commons for ratification of the order establishing the Crown corporation.

There is also a provision for a debate in this House within 6 sitting days after the motion is tabled. In addition members of the Official Opposition will be given the opportunity whenever 30 members of the House want a debate on the establishment of a Crown corporation, to propose a motion to the House which will be discussed within 6 sitting days after it is tabled. Furthermore the Act provides for a discussion of such a motion in a non-stop debate not exceeding three hours. That provision of the Act was criticized in the Auditor General's report which was tabled yesterday. The Auditor General contends that three hours is not long enough to debate the establishment of a new 5050;-1 Crown corporation. But as you know, Mr. Speaker, a three hours' debate in this forum, in this House, is indeed a full day's debate. And it seems to me that this should be enough for such a discussion.

But I regret, Mr. Speaker, that the Auditor General did not state how many hours the debate should last. Does he suggest two days, three days, or five days? What does the Official Opposition have to say on that? If three hours is not enough, what about six hours? Or a week? Today we heard nothing on this subject from the Official Opposition.

• (2020)

[*English*]

And this is a crucial question, Mr. Speaker. I know you follow the debates in this House very carefully, and I expect you are probably aware that this is not the first time we have discussed this matter. Indeed, last October 26, 1981,there was a debate on an Opposition motion regarding the creation of VIA Rail. The same arguments were raised at the time. The Opposition cried out that VIA Rail had been created without a legislative act, that it had been created by an Order in Council.

Mr. Benjamin: You are right.

Mr. Berger: Yes, that is true. However, that was done because this House of Commons has become a bottleneck over the years.

Some Hon. Members: Oh, no!

Mr. Blenkarn: The people are a bottleneck to a dictator.

Some Hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please. The Parliamentary Secretary has the floor.

Mr. Berger: Over the years this House of Commons has become a bottleneck in which it is very difficult to get legislation through.

There is a constant tension in government between the need to have accountability to Parliament and the need to have an efficient administration and an efficient government in modern society.

Mr. Blenkarn: You are right.

Mr. Blaikie: And Liberal patronage.

Mr. Berger: Once more, we have the people screaming about patronage and we hear the jackals across the way crying about a dictatorship.

An Hon. Member: You have created it.

Mr. Berger: But they have not addressed the matter that is proposed in this piece of legislation in which the Government has proposed that there be a three-day debate—

Mr. Beatty: Three-hour debate.

Mr. Berger: Pardon me, a three-hour debate, when a new Crown Corporation is created.

Mr. Wilson: Big deal.

Mr. Beatty: Tell us about CDIC.

Mr. Berger: The Hon. Member for Etobicoke Centre (Mr. Wilson) says, "Big deal." But what does that Hon. Member propose? Would he prefer that it be a six-hour debate, that three hours is not enough? What does the Hon. Member propose?

Mr. Wilson: Stick around and you will find out.

Mr. Berger: The fact is the Government has laid before this House a piece of legislation which is designed to increase parliamentary control and designed to ensure that there will be a parliamentary debate when a new Crown Corporation is created. The gentlemen opposite are saying that they do not want it. That is really what they are saying.

Mr. Beatty: What about the CDIC? Where was the debate on that?

Mr. Berger: I would suggest, if the gentlemen opposite really wanted this legislation, that rather than trying to obstruct the work of this House as they so often do, they should engage in negotiations with the responsible Minister, and I would say he is a reasonable person, Mr. Speaker.

Mr. Beatty: Try to find a responsible minister when you need one.

Mr. Nielsen: Name one.

Mr. Berger: I suggest the Minister would be willing to entertain certain amendments which might satisfy Members concerned.

Mr. Blaikie: You just cannot hire responsible ministers these days.

Mr. Berger: Members opposite have not done anything like that. They prefer to yell and scream like they have this evening. They prefer to use the typical scare tactics to which they are accustomed. They try to say, "Hey, we don't have a Government here, we have a dictatorship."

Some Hon. Members: You are right.

Mr. Berger: I would suggest, Mr. Speaker, that that is not responsible opposition by any stretch of the imagination.

Some Hon. Members: Hear, hear!

Mr. Beatty: Why have you lost your place? Do you have difficulty reading other people's writing?

Mr. Savard: Take your time.

Mr. Wilson: Give him a hand, Charlie.

Mr. Beatty: It's a great speech, keep going.

Mr. Berger: Thank you.

Mr. Blaikie: We can't wait for the next punch line.

Mr. Savard: Take your time. Listen and learn.

[*Translation*]

Mr. Berger: As I said, Mr. Speaker, the Opposition must negotiate, they must show good will rather than indulge in constant bickering, because if parliamentary reform is to proceed, the Opposition must be willing to find positive solutions instead of trying to score political points.

Mr. Speaker, this is a suggestion that indeed comes from the bottom of the heart, because recently the House passed new regulations for next year. As you know, that was unanimous, and if we wish parliamentary reform to progress there must be constructive opposition rather than, as I said, the usual partisanship we have been seeing in this House. This is about all I had to say on this legislation. I would now conclude, Mr. Speaker, by saying that the Hon. Member for Wellington-Dufferin-Simcoe (Mr. Beatty) has been screaming since the beginning of this afternoon—

• (2030)

[*English*]

Hon. Members opposite have been screaming about the new Canada Investment Development Corporation.

Mr. Beatty: Canada Development Investment Corporation. You even have the title wrong.

Mr. Berger: The Hon. Member is saying, "What about it?" Well, I would ask him, what about it?

Some Hon. Members: Oh, oh!

Mr. Berger: If this law had been in force today, in order to create a corporation under the Canada Business Corporations Act, a motion would have to be presented before this House in order to create it and there would be a three-hour debate and, as I suggested earlier, there could be a longer debate if the Hon. Members of the Opposition were willing to make some constructive suggestions.

Mr. Beatty: What about its subsidiaries?

Mr. Berger: I believe, also, that the hon. gentleman says, "What about subsidiaries?" I believe that subsidiaries are covered by the present legislation as well. Again, these are subsidiaries created by a minister under the Canada Business Corporations Act.

Mr. Beatty: Absolutely wrong. Reread the section, David.

Mr. Berger: The Hon. Member says that I am wrong. But I—

Mr. Beatty: Do you want the section? Read the next paragraph, David. There is no provision for an instrument, vested in Parliament, for subsidiaries.

Mr. Berger: I would suggest to him—

Mr. Deputy Speaker: Order, please. The Parliamentary Secretary has the floor.

Some Hon. Members: Hear, hear!

Mr. Berger: Mr. Speaker, I would suggest to the Hon. Member that subsidiaries fall into the section which has been proposed under this Bill.

Mr. Beatty: Wrong.

Mr. Berger: I would suggest again that if there are difficulties with it, the Minister would certainly be willing to entertain suggestions.

I see that Your Honour is about to rise. I would suggest that the Hon. Members of the Opposition address themselves to the particular—

Mr. Deputy Speaker: I regret to interrupt the Parliamentary Secretary, but the time allotted to him has expired.

Mr. Les Benjamin (Regina West): Mr. Speaker, I am delighted to rise to speak in support of the motion which is before us today, and I hope the Official Opposition will feel the same about our amendment, because my party both practised and advocated accountability of Crown Corporations for something nearing 50 years. One of the things that I find strange and one thing we must get straight in the debate is that certainly since the First World War, the only time a Conservative or Liberal Government started a Crown corporation was when the so-called private sector could not or would not fill a public or national need or had gone belly-up, and successive Conservative and Liberal Governments ran to bail them out. They were not created because these Governments believed in them. Those were not really the best reasons for starting Crown corporations.

I suppose the classic example is the Canadian National Railways, started by Sir Robert Borden, not because he believed in a publicly-owned railroad, but, rather, because the then Bank of Commerce and a number of other trust companies and bondholders were about to lose their money. Therefore, five bankrupt railroads were put together because free enterprise could not and would not work, could not and would not and did not make a buck, and could not and would not and did not serve the needs of this nation when it came to transportation. Therefore, Canadian National was formed, not in order to have a Crown corporation, but, rather, to have the people who had their private money invested bailed out and paid off and paid back. This country has been paying that private sector back tens and hundreds of millions of dollars ever since.

When I say that we have advocated and supported public accountability by Crown and private corporations for 50 years, I like to illustrate it by saying that we put our action where our mouths were and we did it. In the 1940s the then Premier Douglas in Saskatchewan established a Crown corporations committee and, from that day until now, every Crown corporation had to appear before the legislature to account for its annual reports, financial statements, operating practices, and management-labour relations practices, and they still do. I am not sure how long that will last with the present Government in my Province, but the proof is there. Similarly, in the Province of Manitoba, the then Premier, Mr. Schreyer, established a Crown corporations committee so that any Crown corporation must appear before the elected representatives and account for its annual report and all aspects of its activities. We should have the same here, in the Parliament of Canada.

I take a little pride in having had one of my amendments accepted by the Governent, practically the only one. The then Minister of Transport, Mr. Lang, accepted an amendment from me in the early 1970s when Air Canada was separated from Canadian National, which made it statutory "that the annual reports for those two corporations shall"—not "may", but "shall"—"be referred to the Standing Committee on Transport". That should be the case with every federal Crown corporation. Their annual reports should be referred to the appropriate standing committee where the subject matter is the same or similar. No doubt there will be some Crown corporations which do not fit into present standing committees and their terms of reference, in which event we would need an additional standing committee of Parliament to which all those other Crown corporations would be referred. This would be necessary because no one standing committee could deal with the annual report and activities of every single Crown corporation, even if they met 24 hours a day, every day of the year.

The so-called free enterprise ideology, particularly American, has never fit well in Canada, even before 1867. Even the Conservatives recognize and know this. I was happy to hear the Hon. Member for Calgary Centre (Mr. Andre) say today that there is a proper role for Crown corporations under the federal Government and on behalf of the people of Canada.

• (2040)

Free enterprise economics which ignores cultural, political, social and other human variables has as much in common with reality as a game of Parcheesi. Crown corporations exist in Canada because the kindergarten classroom theory of the marketplace of my free enterprise friends to my right, if nothing else, is really irrelevant, because of our geography, diverse heritage, location of our citizens, and our climate, where the goods are produced.

What might resemble a competitive market in densely populated Europe or in most areas of the United States would still be a natural monopoly in Canada. Our small markets, long distances and climate are the major reasons we have more Crown corporations in Canada than most other nations. As Herschel Hardin says in his book "A Nation Unaware":

> Public enterprise in Canada is the direct result of the dilemma of Canadians with their small domestic market immediately next door to the Americans with their large market and manifest power. We did not choose public enterprise freely.

It was forced on to reluctant Liberal and Conservative Governments by American enterprise and expansion. In each case the project, such as railway construction, was undertaken as a reaction to and against American initiatives.

Public enterprise in this country started with the building of the Lachine Canal. It is the public sector which has provided most of the needed capital for national infrastructure and communications. Sir John A. Macdonald convinced Canadians to pay for the Pacific Railway because private enterprise could not raise the money. The Government set up Trans-Canada Air Lines because the private companies could not and would not do the job, even though they were invited to join in. A series of blunders, miscalculations and corruption of private railways since the nineteenth century would make our Crown corporations look good.

Canadian Pacific Railway was paid for, rescued and has since been subsidized by the Government. It has become known as a private enterprise triumph. Canadian National, which took over bankrupt private railways, is considered as a public enterprise failure. Without public investment in CPR, that corporation would never have shown a profit.

It was the Tories in Ontario who nationalized hydro. I am interested in some of the comments of Tory Members regarding Bill S-31 when earlier, the Ontario Conservatives nationalized hydro in order to prevent American capital from taking over the electrical generation and distribution. It was for that reason and that reason only.

In the past our country has had the attitude that where profit is to be made, private enterprise should do the job, otherwise public enterprise should take over. If you are going to run an enterprise with good businesslike practices, any private enterpriser will tell you it is dumb to start up, take over or operate an enterprise that does not make a buck. For 120 years Liberal and Tory Governments have been saying, if it is not going to make money and we must have it, then make it a public enterprise, or Crown corporation.

We in the New Democratic Party, and before that in the CCF, said that if we are going to have Crown corporations, we should not just take over and operate those that lose money, but those that make money as well. The profits should either be injected into general Government revenues or used to support other necessary Crown corporations that are losing money.

Not surprisingly, the tax-paying public under successive Liberal and Tory Governments has been left with the mistaken impression that public enterprise loses money while private enterprise makes money. That is not by accident, but by design. Each national Government has done that since the first Crown corporation was established, not because they believed in it, their hearts were for it or they wanted to make money. That would fly in the face of the marketplace, the free enterprisers. It would fly in the face of the endeavours of their friends who support them, those who only make the bucks out of those things that make bucks and to heck with anything else the country might need.

Crown corporations are highly visible. Private corporations can hide their waste and bungling. If you have one share in Canadian Pacific and go to their annual meeting to try to get the kinds of answers that you as a part owner of that corporation feel you have a right to know, you could not do that. In Canada now you do not have the right to find out how much the president or chairman of the board of that corporation is paid. The only way to find out is through the embarrassing way of going to the United States Securities and Exchange Commission.

The way the Liberals and Tories have set up our Crown corporation system in Canada, a Member of Parliament, let alone an ordinary taxpayer, cannot find out what the new Chairman of the Board of Directors of Canadian National, the head of VIA Rail or any senior official of a Crown corporation is paid. It is interesting to hear the Tories complaining and crying about the lack of accountability. How can you have accountability from a Crown corporation when the rules under which they operate are identical to those under which private corporations operate in this country? As a shareholder, you cannot get that kind of information from either a Crown corporation or private corporations.

There is a mythology about capitalism to the effect that if a Canadian buys shares, he will have a vote at the annual meeting and the mythology is that the management and board will be answerable to the shareholders. Liberal and Tory Governments have set up Crown corporations in the same way. As I said, our Crown corporations are highly visible. I do not like the inadequacy of the answers or non-answers that I get from the President and officers of CNR when they appear before the Standing Committee on Transport and Communications once a year. But at least they show up. Just try to get Canadian Pacific's Board of Directors and officers to answer questions in detail about their operation.

• (2050)

Mr. Beatty: Mr. Speaker, would the Hon. Member permit a brief question?

Mr. Benjamin: I will, Mr. Speaker, if you do not deduct it from my time.

You will not do that? Then let the Hon. Member ask me when I am through.

Mr. Beatty: When will you be through?

Mr. Benjamin: Mr. Speaker, when Crown corporations are made accountable, then they have to be more efficient and innovative. And there are some public enterprise success stories for which they did not get much, if any, credit. Canadian National, believe it or not, pioneered the diesel locomotive and set up our first national radio network. Where the heck was private enterprise?

Air Canada, as well as having a long list of world firsts, won the gold medal last year for efficiency in operations, savings in fuel consumption and employee efficiency, a medal recognized and selected by all the other international airlines of the world. It was the first airline in the world to prepare detailed specifications for a commercial jet transport and that was in 1946. Where was private enterprise?

In 1908, Ontario Hydro began construction of a 110,000 volt transmission line when the experts said that the current dogma and wisdom was that the maximum we could have was 60,000 volts. That was under a Conservative Government public enterprise, a Crown corporation, which led the whole continent. Where was private enterprise? Where were these private investors and risk takers?

In most cases it has been the taxpayer and the public through federal and provincial Governments who have taken the risks, invested the money, but then, when things are going good—as soon as Air Canada started making a buck, Mr. Speaker, who was the one to come forward and say, hey, now

we want to be a national airline, too? That was CPR. When they were invited to join in starting up a national airline in the mid-1930s they said no, but by the 1950s, when Air Canada was turning around and making a buck, Canadian Pacific wants the gravy off the top. They want the money-making routes. Now there is Wardair. The owner told us to leave him alone, he did not want any Government interference, regulations or scheduled routes, and now who is crying in Ottawa with his hand out? The great free enterprise entrepreneur bragged about my friends to my right and my friends across the way, the same Max Ward. He does not have to run scheduled routes, he can pick and choose. He can decide a plane will only take off when it is full. The taxpayers paid for regular scheduled flights, whether they were full or empty. Where was private enterprise then? But as soon as they made a buck, now we have another national airline, we have four or five regionals, all siphoning off the lucrative routes from Air Canada. Where were they when we needed them?

Of course a Crown corporation must appear before elected representatives, Mr. Speaker. In fact, the public should be entitled to appear, too, and make briefs and submissions to a parliamentary committee on what they think about the operations of their company. We can do it, we should have been doing it before, we have done it with a couple of Crown corporations, we must do it with all of them.

Mr. Deputy Speaker: The Hon. Member for Wellington-Dufferin-Simcoe (Mr. Beatty) on a very quick question.

Mr. Beatty: Mr. Speaker, my question is indeed very brief. The Hon. Member indicated that he found about equal degrees of secrecy in CN and CP Rail, and he said if he were a shareholder in CP Rail, he might not get satisfactory answers to his questions. If he were a shareholder in CP Rail and did not like the answers he could sell his shares.

Mr. Deputy Speaker: With all due respect, the Hon. Member will have his opportunity to participate in the debate. The Hon. Member for Etobicoke Centre (Mr. Wilson).

Mr. Beatty: My question, Mr. Speaker, is how would the Hon. Member sell his shares in CN?

Mr. Benjamin: You can also vote out Hon. Members who let the CN operate the way it did when his Party was in power.

Mr. Deputy Speaker: The Hon. Member for Etobicoke Centre has been recognized by the Chair.

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, I have listened to most of the Liberal speakers in this debate this evening and all through the day and the interesting thing is that most of them—there were some exceptions—have distorted totally the purpose of the debate. They have been dredging up and twisting statements about what Progressive Conservative Members have been saying about this or that Crown corporation. Yes, we have had some criticisms to make about Crown corporations. Yes, there are Crown corporations that we do not think should be in existence.

Mr. Blaikie: Which one?

Mr. Fisher: PetroCan.

Mr. Wilson: The point of the debate this evening is to focus on the control and accountability of Crown corporations which are investing the taxpayers' money.

Mr. Blaikie: Mr. Speaker, I wonder if the Hon. Member would submit to a question?

Mr. Wilson: I would be happy to submit to a question after I have presented my remarks, and I hope the Hon. Member will listen very carefully because he might learn something.

Mr. Blaikie: I always listen very carefully.

Mr. Wilson: As I was saying before the interruption, most of the comments of the Auditor General's report are directed at this problem of accountability and control of the taxpayers' money as invested in Crown corporations. Now, I want to reread the motion so that the Members who are here, who have had their understanding of the debate distorted by what Liberal Members have been saying, will understand just what we are talking about today. The wording of the motion is as follows:

> That this House condemns the Government for its deliberate proliferation of Crown corporations accountable to the Government rather than to Parliament and the taxpayers who, in the words of the Auditor General, "have every right to consider themselves the principal shareholders of these corporations", and instructs the Government to immediately introduce a Bill substantially the same as Bill C-27 in the Thirty-first Parliament so as to make such corporations properly accountable to the people.

Now, I am glad to see the Hon. Member for Laurier (Mr. Berger) back in his seat because I hope he will learn something from this point forward as he made some very clear errors in the presentation he just made. He asked, what alternative do the Conservatives have? My colleague, the Hon. Member for Wellington-Dufferin-Simcoe (Mr. Beatty) referred to that alternative very clearly in the Bill he put forward in the Thirty-first Parliament when the Conservative Government was in power. That is a clear alternative to this Bill, and I am going to come back to the comparisons that the Auditor General has made between that particular Bill and the Liberal legislation on the Order Paper which is clearly inferior, not in the judgment of the Conservative Members of Parliament but inferior in the judgment of an independent and expert observer, the Auditor General.

While I am referring to the Hon. Member for Laurier, I might just correct one of the misstatements he made in his remarks with reference to the fact that the creation of subsidiaries will be brought before this Parliament for that tremendously important and extensive three-hour debate. I think he has learned from my colleague that there is no debate on the creation of subsidiaries. So if the CDIC is going to go out and buy Noranda or General Motors, if they have the funds in the till—and they could have the funds through the sale of the Canada Development Corporation—they can go ahead and create new Crown corporations with no further reference to Parliament.

That is the point we have consistently underlined as being a loss of control by Parliament. The Hon. Member for Laurier, the Hon. Member for Lincoln (Mr. Mackasey) and other Members of Parliament will have no control over the creation of these subsidiaries. But none of the Liberals have directed their comments to the motion I have just read; none have defended the Government's position on Bill C-123 referred to in the motion. Perhaps I should say, with the possible exception of the Minister himself, but the defence he put up was really a laughable one. Now, that is not an uncommon occurrence in the remarks of the President of the Treasury Board (Mr. Gray). But none of the other Members has talked about the problems of accountability, control and financial reporting. It must be quite transparent to those people who are observing this debate that the Liberals cannot win this debate. They know they cannot win this debate, so what do they do? They distort the facts, they try to divert people's attention from the motion at hand. There is no logical argument coming from them as to why Bill C-123 is better than the Clark Government proposal. There is no alternative that they are talking about for Bill C-123, which they do not want to mention. It is clear today that when they do not have a defence they start talking about something else, and that has been very clear, from every Member of Parliament from the Liberal side.

• (2100)

Mr. Simmons: As you are doing now.

Mr. Clark: I am coming to the point of the motion, and I will talk about this in a very clear and incisive fashion, unlike the Member from Newfoundland.

Mr. Simmons: That will be refreshing.

Mr. Wilson: The economy today is in a steep slide. Unemployment is running at 1.5 million people; bankruptcies are at record levels; the federal Government's deficit is at $24 billion and growing. The Government has consistently tried to shift the blame to the private sector, to the Central Bank in the United States, to the international economy, to all sorts of things. It has steadfastly refused to accept the blame for the problems we have today.

On Tuesday we were presented with the Report of the Auditor General, and Members of Parliament in that Report got a clear example of the alternatives that are open to the Government to address the problems, to free up funds, by better control of Crown corporations, by better control of the Government itself, funds that could be used to finance other programs of the Governement, reduce the deficit or whatever the Government wishes to do. But there are alternatives presented in this Report.

In the report the Auditor General highlights a huge sector of Government which he refers to as:

—an enormous iceberg, floating lazily in the foggy Atlantic; silent, majestic, awesome.

That is the subject of the debate tonight, Mr. Speaker, the adequacy of control and the accountability of that great, sleepy iceberg, the Crown corporations.

The message of the Auditor General's Report is that there is waste, there is a lack of control and there is inadequate accountability of Crown corporations. If this were reduced we would have considerable flexibility to address the problems at hand rather than being in the strait-jacket that this Government finds itself in now. Time and again the Government has said that nothing can be done, but clearly this Report shows us how things can be changed.

The response from the President of the Treasury Board, both today in the House and when the Report was brought down earlier this week, was typically weak and inadequate. He said, "The Report is useful; we are going to have to study it; we will have some comments once we have had a chance to study this Report." Just another study! That is not good enough.

This Report is a call for action, and Members of Parliament have a responsibility to take that action. This is a powerful indictment of Government inaction over the past five or six years. The Report sets out a number of initiatives that have been proposed by various individuals, by the Members of the Government opposite, as well as the people in the private sector, indicating ways that this accountability can be improved upon. But I stress the point that the history of this Government has been to shuffle that information aside, not pay adequate attention to it and not take strong enough action to direct itself at these problems.

The key objective and the key recommendations in the past, and in this Report, is the need for an over-all legislative framework. That is clearly set out in the Auditor General's Report, and we responded to that in the Clark Government by presenting the legislation that is referred to in the Auditor General's Report in 1979.

To have the President of the Treasury Board try to take credit for that legislation by saying it was based on some work initiated by the previous Liberal Government is a joke. We see clearly in the Auditor General's Report that they have taken a major step back in a number of areas from the position that was taken in the legislation put forward by the Clark Government.

I want to read something from the Auditor General's Report at page 57, Sections 2.50 and 2.51.

Although Bill C-27, the Clark Government Bill:

—had a number of deficiencies, it represented a major step toward a comprehensive and effective framework for the control, direction and accountability of crown-owned corporations. It also responded to—

—a number of recommendations, et cetera.

In the next paragraph it says:

Part V of Bill C-123 does not take the same comprehensive approach as did Bill C-27. Instead, it addresses only issues which the Government presumably believes demonstrate the most pressing need for correction.

On the next page, on page 58, it does a comparative analysis in a number of areas of the initiatives in those two pieces of

legislation against the general accountability framework that the Auditor General felt was important. Of the 33 areas in which they wanted action taken, the Clark Government acted on 25 in a full sense and partially on one. In Bill C-123 it was a very pitiful action on seven and partial action on two.

There is no comparison whatsoever, and for the President of the Treasury Board to take credit for it and to say that the piece of legislation that he has put forward, Bill C-123, is an adequate response to the requirements of the Auditor General, is a joke.

The understatement of the year is also on page 57 of the Auditor General's Report when he expressed disappointment that the legislative framework had not been provided.

I am sure that the Auditor General is bitterly disappointed that this proposed legislation is so inadequate. We as Members of Parliament should also be bitterly disappointed because we have a clear responsibility to take action here, to take the Auditor General's Report as an action plan, to bring forward legislation that is needed to control the taxpayers' money invested in Crown corporations.

Bill C-123 in my judgment is a sham. What it is doing is trying to put the Government in a position of being seen to be doing something when time and time again we have seen they are not taking the action that is required of them. That is why we are here this evening. We are not talking about an insignificant part of Government here. Using the Auditor General's words, "A sub-Government employs more people than Government Departments do as a whole." They spend $30 billion of taxpayers' money, but what is key is the scope of the Crown corporations throughout our economy. We all know about Canada Post, CN, Air Canada, the Bank of Canada, CBC and so on. But let us look at another few of these Crown corporations: National Battlefields Commission; Northern Power Corporation; Canadian Saltfish Corporation; Canadian Arsenals Limited; Defence Construction (1951) Limited; Canadian Dairy Commission. They are in all parts of our economy and it is important that we understand what is going on in these parts of the economy, and whether the moneys are being used effectively.

The authorization and mandate for Crown corporations is clearly too loose. There is too little control here. That has been touched on by my colleague, the Hon. Member for Wellington-Dufferin-Simcoe. But let me just comment on this Canada Development Investment Corporation again, to which the Member for Laurier referred. It was incorporated without adequate parliamentary review. It was incorporated earlier this year but there was no parliamentary approval. There was a fanfare, a press release and the appointment of Liberal backroom boys to top management positions, but there was only an Order in Council to transfer the objectives of the Canada Development Corporation to this new corporation. It was also made an agent of the Crown. That means that any time it borrows money, it borrows on the credit of the taxpayer. The taxpayer is directly obligated to stand behind those loans. That was done without parliamentary approval. Clearly, Bill C-123 is inadequate.

• (2110)

I want to quote from the Auditor General's Report at page 62 where he said:

> Because CDIC has objectives virtually identical to those of CDC allowing it to participate in almost any activity, it has the potential to acquire and dispose of business interests without parliamentary approval.

Let me give another example of why I am worried about this whole matter. Crown corporations today are not adequately controlled by Ministers. In the Clark Government I was responsible for the Export Development Corporation. Shortly after I took on that responsibility I initiated monthly meetings with senior management of EDC. After the second meeting the President of the Corporation said, "Congratulations, you just had twice as many meetings as your predecessor had." I had been there for two and a half months, Mr. Speaker, and he had been there for two and a half years at that time.

The point is not that I was doing such a great job. The point is that I was taking an interest and the other Minister had not taken any interest. It was a nuisance to him. He was letting that very important corporation float along without adequate ministerial control.

The Auditor General has said that broader, stronger parliamentary control and accountability is necessary—and that is absolutely the right conclusion—as Ministers are not exercising this. He says that their primary concern is the Department under their responsibility. The Crown corporation is a diversion, and that is why we must return to Bill C-27 introduced by my colleague so that Parliament can take over some of these responsibilities from the Ministers if the Ministers are not going to do the job.

There is one other step that I believe is important, Mr. Speaker, and that is to require each new Government, when it comes into office, to provide a written mandate to each Crown corporation within a certain period of time after it takes office. This written mandate would establish clearly what the Crown corporation was to do. These mandates change. They are written in a vague way in the incorporating legislation. Time passes, Governments change and so the interpretation changes. The best example of that is Petro-Canada, as mentioned in the Auditor General's Report. When it was incorporated there was no intention whatsoever that it would own service stations. Now the taxpayers have seen $2 billion of their money going to buy a series of service stations across the country.

Mr. Benjamin: Good!

Mr. Wilson: It is not good. Let me point out why we have a problem with control of Crown corporations. If the Ministers do not take control of these Crown corporations then the bureaucrats take control. If there is one thing that I have heard time and time again in my travels in my constituency and across the country, it is that the bureaucrats have too much control and that there is not sufficient accountability to see that these corporations are run efficiently.

In closing, Mr. Speaker, let me say that the Government is moving down a very dangerous road if it ignores the advice of

the Auditor General and the legislation introduced by my colleague. After delaying for three years it has finally addressed the problem but in a totally inadequate way. The Auditor General has clearly said that the legislation is not good enough. Members of Parliament have a responsibility to their constituents and to taxpayers to listen carefully to the advice of the Auditor General. It is his responsibility to report directly to Parliament and not through a Minister. It is the responsibility of Members of Parliament to respond to the Auditor General. We must resolve today to force the Government to change this legislation. The taxpayers of Canada will accept nothing less.

Mr. Berger: Mr. Speaker, I rise on a point of order. I wonder if the hon. gentleman would entertain a short question.

The Acting Speaker (Mr. Corbin): The Hon. Member can only accept a question with the unanimous consent of the House because his time has expired. The Hon. Member for Burin-St. George's.

Mr. Roger Simmons (Burin-St. George's): Mr. Speaker, I listened with great interest to the Hon. Member for Etobicoke Centre (Mr. Wilson). Among other things he said that no Liberal Member has spoken about the motion. I will do that very directly, Mr. Speaker. Let us see what the motion says.

Mr. Malone: We will help you with the big words.

Mr. Simmons: The motion put down by the Right Hon. Member for Yellowhead (Mr. Clark) reads in part as follows:

That this House condemns the Government for its deliberate proliferation of Crown corporations accountable to the Government—

There is the sin, Mr. Speaker, "corporations accountable to the Government". Is that not an awful crime, that the legitimately elected Government of this country should have organizations or corporations accountable to it that are under its control and direction? I always thought it was a function of Government to be in charge of the way the taxpayers' money is spent, whether through Crown corporations or otherwise. But there is the indictment. There is the reason we ought to be hanged. Out there we have Crown corporations which are accountable to the Government. That is our crime. That is the sin we are accused of today by the Hon. Member for Yellowhead.

Hon. Members opposite have run out of ideas. On this, their last Opposition day, this is the best they can do—accuse us of doing our job. They accuse us of making Crown corporations accountable to the legitimately elected Government of this country.

That is count one in the indictment, Mr. Speaker. There is evidence to show that we are absolutely guilty of that charge. As late as June of this year the then President of the Treasury Board took the dastardly step of making those Crown corporations even more accountable. On June 30 he introduced the Bill on Crown corporations. I wish my friend, the Hon. Member for Etobicoke Centre had read it and understood it. The Bill provides very clearly for additional accountability to the people who have been charged with the Government of this country.

The Bill provides for a number of legislative changes, organizational changes and administrative changes, all aimed at enabling the Government to act quickly—there is the sin—and responsibly in enhancing the relationship between the Government and the Crown corporation. It also charges the Government with responsibility to provide for the over-all capability of Government to act as a vigilant and effective shareholder in relation to its wholly-owned corporations. That is the crime, Mr. Speaker. That is what they have been talking about over there today, that is what they are talking about over there tonight. They complain that we have a system of Government in the country—a government endorsed by the people and legitimately elected by the people—which insists on Crown corporations being accountable to it in ever more rigid form, especially when we implement this new legislation. That is our crime, but it is not the full crime.

• (2120)

The Right Hon. Member for Yellowhead went on and on and on as he usually does. In his motion he indicated further:

—and instructs the Government to immediately introduce a Bill substantially the same as Bill C-27 in the Thirty-first Parliament—

There is a good idea. On the surface that is an excellent idea. We could go back to the thirty-first Parliament. That, for those who have chosen to forget—and there are many in the country who have chosen to forget that Parliament—is the Parliament during which the Tory regime had that brief interregnum in power.

Mr. Blaikie: Yours was even briefer, Roger; yours was only one day.

Mr. Simmons: Oh, they are hurting now; they are even waking up over there.

Mr. Malone: You do sound like an alarm clock.

Mr. Simmons: Yes, they are waking up, they are hurting. The Thirty-first Parliament had not only a Bill C-27; it had another Bill about which I want to tell the House. On the surface the idea of the Hon. Member for Yellowhead is a good one. I commend it to the Government and to the House. We ought to go back to the Thirty-first Parliament and have a look at the legislation put down by the Conservative Government. In fact, we looked not only at Bill C-27 but we looked at another one. I give notice now to the Official Opposition that we on this side of the House have the full intention of giving them the opportunity to vote for another Bill which they had on their Order Paper. We will let them vote for it word for word, dot for dot, every last comma, as it was. The Bill in its new form, the Bill under its new number, is a Bill which my friends on the other side of the House will recognize very well. They did not write the Bill but they brought it into the House. It happened to die on the Order Paper like they did.

When this Government came back into power after February 1980, we had the courage to resurrect that excellent piece

of legislation which the Tories had had on the Order Paper. We will give those people the full opportunity at third reading to vote for that particular Bill. The Bill is Bill C-10. I mention it tonight in order to draw a parallel with the suggestion of the Hon. Member for Yellowhead concerning Bill C-27. He said that we should go back, get Bill C-27 and bring it in because it is a good Bill. We have taken his advice on Bill C-10.

Does the House know what happened as soon as we brought it in without changing a comma? Those who were for it in the Thirty-first Parliament were suddenly "agin it". They have gone across the country and have written clergymen in the country, spreading fear that the state is going to take over religion. Where do they get the basis for that charge? In Bill C-10. What is Bill C-10? It is a piece of legislation under another number which was the identical piece of legislation the Tories brought in when they were in power.

Some Hon. Members: Shame.

Mr. Simmons: If the Hon. Member for Yellowhead wants us to have a look at Bill C-27, we will want every Member on that side of the House to put in writing that they promise not to do a 180-degree turn on Bill C-27 as they did on Bill C-10.

Mr. Andre: You got it, let's bring it in.

Mr. Simmons: We want them to promise not to play cheap politics with Bill C-27 as they did with Bill C-10. We want them to promise not to go around the country spreading fear in the minds of the clergy, religious organizations and charitable organizations. We want them to promise not to be hypocritical on Bill C-27 as they were on Bill C-10. Give us that promise—

Mr. Andre: You have got it.

Mr. Simmons: I see the Hon. Member for Calgary Centre (Mr. Andre). It looks like he has dined very well again tonight. If he would only feed his mind half as well, what a man he would be.

This motion says more, although not a lot more. First it says that Crown corporations are accountable to the Government. I plead guilty to that sin. That is right. They are accountable, and we are making them even more accountable. The Government was elected to protect taxpayers' money.

Mr. Wilson: How?

Mr. Simmons: Read the Bill.

Mr. Wilson: You read the Bill.

Mr. Simmons: I have read it. Which page would you like me to recite?

Mr. Wilson: Never mind the page. What does it say?

Mr. Simmons: I know it is tender for my good friend. Somebody called him—I would not do it, being that kind of an individual—the "honourable fat cat from Bay Street". I said, "No, that is not fair". I saw him tonight as the champion of the public purse. It boggles the mind—someone from Bay Street protecting the public purse. It is something like having an arsonist as the new fire chief, I suppose.

Mr. Beatty: Or Marc Lalonde in charge of the economy.

Mr. Simmons: What are those tyrannical things called Crown corporations, these insidious things creeping out there in the country and destroying us all? We have such monsters as the National Battlefields Commission! There is a lot of scope for skulduggery and mischievousness! Imagine the damage it could do to the country if it were allowed to really get loose—the National Battlefields Commission! Then there are the International Joint Commission and Hockey Canada Inc.

Perhaps if the truth were known as to what is bothering them, it would be a Crown corporation called Petro-Canada. Petro-Canada ought to be a fond term in the minds of every Tory in the country because that is a subject they know well, both sides of it, because they have been on both sides of it. During the election campaign they were for privatizing it, but then they learned that that might not be the thing to do, so they did a Petro-Canada trip similar to the Jerusalem trip.

Mr. Fisher: They took a poll.

Mr. Simmons: Yes, they took a poll and for once they understood a poll. Then they said that perhaps they should not be for privatizing it at all, that perhaps they should keep it much as it is, somewhat like it is, maybe all like it is. They got the message and found that corporations such as Petro-Canada, the National Battlefields Commission, the International Joint Commission, Hockey Canada Inc. and Fashion Canada, were not the creeping monsters which they had conjured up in their minds. It must have been terrible for them to live with it every day. Every waking moment they must be shaking because they think one of those monsters, one of those Crown corporations, will get them by the throat somewhere. What a terrible thing to have to carry around with them, those poor, poor Tories.

Perhaps they are concerned about a couple of corporations with which I have had reason to deal. Perhaps it is the Canadian Saltfish Corporation. There is a villain, there is an absolute monster! Among other things it has its headquarters in Newfoundland. Have we heard about the damage it has done to this country? In all the time it has been there as a corporation, does the House want to know how much money it has received to bail it out, money from the Treasury of the country? How much money has Parliament voted to keep that outfit alive so that it could squander more of the taxpayers' money on behalf of fishermen in Newfoundland, part of Quebec and so on? Do Hon. Members want some idea of how much money? Not one red cent, not one red cent. They do not bother to tell you that some companies out there are making a few bucks for the Treasury. They do not bother to tell you that some of the Crown Corporations which they want to malign and undermine and soil the reputation of, and belittle, are doing a good job on behalf of the fishermen in this country. If people live too far West to know about the Saltfish Corporation, let me tell

them about another, the Canadian Freshwater Fish Marketing Corporation which has its headquarters in Winnipeg, just west of Thunder Bay. That, too, has taken a big fat nothing out of the Treasury. That corporation also has committed the heinous sin of going without funds from this Parliament.

• (2130)

There are a couple of corporations serving this country well. I could tell you about several more, in fact, many many more, Mr. Speaker, but Hon. Members over there do not want to hear about them.

Mr. Gustafson: Start naming them.

Mr. Simmons: That is why they keep bawling and yapping on the other side because they do not want to hear that the corporations of this country are answerable to the legitimately elected Government of this country, and, by and large, are doing a good job.

Some Hon. Members: Hear, hear!

Mr. Simmons: I said by and large because I, like any person in this House, have a few scores to settle with a Crown Corporation like CN Marine.

An Hon. Member: And Canada Post.

Mr. Simmons: There are a few with Air Canada I can settle.

An Hon. Member: Nationalize them then.

Mr. Simmons: But this is not the place to settle those scores. We might have individual beefs. I hear Members on the other side. Maybe they did not have the right kind of wine one night on the first class flight, but that does not mean we should wipe out the whole corporation—maybe the President, yes.

Mr. Gustafson: Get rid of the President because he is not a Grit.

Mr. Simmons: Seriously, we ought to recognize once in a while that you cannot, day in and day out, get your jollies or get your kicks out of raking everybody and everything down. The Crown Corporation has served this country well. If there are some imperfections, as I am sure there are, as there are with any organization established by man—

Mr. Malone: Or women. Quit being a sexist.

Mr. Simmons: The Hon. Member has learned a new word tonight. He does not understand it but he has learned it.

Some Hon. Members: Oh, oh!

Mr. Simmons: The Hon. Member for Etobicoke Centre quoted rather extensively from the Auditor General's Report. Well, two people can play that particular game. Somewhere in these pages—

Mr. Deans: Why don't you get someone to turn the pages for you?

Mr. Simmons: —the Auditor General also goes on to point out very clearly—

Mr. Wilson: You had better drink to that.

Mr. Simmons: I will drink to that as long as it is water.

Some Hon. Members: Oh, oh!

Mr. Simmons: The Auditor General points out something else very clearly on the same page as the page my hon. friend for Etobicoke Centre quoted from. I might say quoted selectively and conveniently. It is pointed out in the Report by the Auditor General how the Crown Corporations have a legislative base; how Parliament has a way of making those corporations accountable. I say to the Hon. Member, and I say to his Leader who put down this motion, that the problem with their logic and their approach on this particular issue is the same as their approach on any problem. They go at it back-foremost. They are coming at it from the wrong end. They would do well to read all of the Report before picking out convenient little bits. I would suggest Hon. Members over there have never read it at all. They ran to the newspaper this morning to get the juicy bits and figured they had a good thing going.

Mr. Wilson: Have you read it, Roger?

Mr. Simmons: A few pages to go.

Some Hon. Members: Oh, oh!

Mr. Simmons: A few pages to go. I say to the Hon. Member for Etobicoke Centre, who has the great reputation for being a man from Bay Street, a man who understands business, that he does his reputation no good at all to be associated with a group of people who are on this witch hunt of "How much is so and so paid; how much is that person's salary?"

Mr. Blenkarn: Why shouldn't we know that?

Mr. Malone: If you ask questions, you might get answers.

The Acting Speaker (Mr. Corbin): Order, please. The Hon. Member's time has expired. The Hon. Member for Mississauga South (Mr. Blenkarn).

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, it is always entertainment to the House to hear the Hon. Member for Burin-St. George's (Mr. Simmons) speaking about his National Battlefields Commission. We were most impressed by the costs of SaltFish Corporation and the Freshwater Fish Marketing Corporation, but what he fails to realize is that the shareholders of Canada, the people of this country, represented by Members in this House, are entitled, as shareholders in these corporations, to demand an accounting from the Corporations and their executive. They are entitled at least once a year, like any other shareholders of any other corporation, to demand an accounting from the president and the executive officers of the Corporation. It has been the habit of this Government to hide as much as it can. It is a situation of "bury it under the carpet and make sure it is never shown".

This Party on the other side of the House, this Liberal Government, is a master at hiding, burying and shoving things under the table.

We have, as the Auditor General says, a sub-government that looks after well in excess of $30 billion in transactions a year, and we as the representatives of the people cannot look, cannot see, cannot ask about them because the Government wants to keep the information buried under the table, and this Government wants to do its borrowing in one way or another and its manoeuvring in one way or another. This Government does not want the people to know what it is doing. That is the issue, and that is the issue the Hon. Member for Burin-St. George's and the entire Liberal Party runs away from. That is what this debate is about tonight.

I refer to two business Crown Corporations that have recently been transferred under the blanket of the Canada Development Investment Corporation, under the hideout controlled by the Minister of State for Social Development, of all things, Senator Austin from the other place. He is a Minister who says he does not know what Canadair and de Havilland are all about. A Minister who is taking over control of these Corporations says, just as the Auditor General said, "I do not know how much money they are going to need. I know that the $200 million that we are asked to vote for each of them tonight is not enough." He said, and he said it in testimony given to the Standing Committee on Finance, Trade and Economic Affairs, that the amount will last maybe until March. They will then need at least $100 million and maybe more than that by March. We are asked to vote in favour of spending more money when we, as Members of Parliament, as representatives, as shareholders of these corporations, cannot get an accounting.

• (2140)

Let me deal first with Canadair. Canadair is the subject of the Auditor General's Report. In his Report, dealing with the last fiscal year of this Government's operation, he indicated that the $1.35 billion authorized in loans to that corporation was not sufficient. It clearly was not sufficient because the Government is coming to us tonight to demand another $200 million for that corporation. The Minister of the Government who is responsible for the Canada Investment Development Corporation has said in committee that that is not enough. I say that the people of Canada have a right to know where we are going. Where are we going? Where is the Government taking us? Where is it spending the money of the people of Canada? It is as simple as that. It is not a question of whether we should build a Challenger jet or whether we should own an aircraft corporation. It is the basic right to know where we are going. What are the projections for sales? How is this management operating?

Let us discuss management for a while. The President of the Treasury Board (Mr. Gray), in his other capacity as Minister of Industry, Trade and Commerce before the latest shuffle, wrote two letters to the present Minister of State for Economic Development (Mr. Johnston), previously the President of the Treasury Board. Both of those letters are available for public scrutiny because they were leaked to us. In each of those letters, the present President of the Treasury Board, that great squanderer of the people's money, said that Consolidated Computer needed a little more money, another $25 billion, another $35 million. Indeed, while he was Minister of Industry, Trade and Commerce, he deliberately allocated over $50 million of money to Consolidated Computer, and then the lid blew off. Then we gave away that company for the sum of $1 and we sold nearly $50 million worth of assets for $100,000.

If the Parliament of Canada had had an opportunity to review Consolidated Computer annually, the Government and the people of Canada would not have lost $125 million, but it was hidden. It was swept under the carpet by a Minister of Industry, Trade and Commerce who wanted to protect himself, and it really did not matter to him whose money he was spending. After all, the money comes from the great money tree and the Government spends it and shuffles it here to try to cover up the losses, and the Auditor General points that out.

To say, for one moment, that the House should not have some control over the business activities conducted by the Government, under the guise of a Crown corporation, is to say that Members of Parliament have no right to examine the spending of the people of Canada. Sir, the barons of Runnymede did not put up with that with King John. I say to you, Mr. Speaker, that this House cannot put up with this kind of activity.

Representatives of Canadair appeared before our committee for two and one-half hours. During that time, the executives of that corporation refused to disclose their projections, refused to disclose their creative bookkeeping methods, refused to set out the costs of building an airplane, refused to say how many airplanes they had to build to get the company out of debt and refused, indeed, to give us any of the details. This Party asked for in camera hearings of the committee so that ordinary commercial matters would not be disclosed to the public, but the Government refused to give us those in camera hearings because it somehow wants to keep the lid on it all. Well, the Auditor General has blown their cover. I say to you, Mr. Speaker, the people of Canada will blow its cover when an election comes, because we cannot put up with this kind of failure to disclose and this failure of responsibility any longer.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Corbin): Order, please. It being 9.45 p.m., it is my duty, pursuant to Standing Order 58(10), to interrupt the debate and put forthwith every question necessary to dispose of the proceedings now before the House. The question is on the amendment.

Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

Supply

The Acting Speaker (Mr. Corbin): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Corbin): In my opinion the nays have it.

And more than five Members having risen:

The House divided on the amendment (Mr. Anguish) which was negatived on the following division:

(*Division No. 267*)

YEAS

Messrs.

Althouse
Andre
Anguish
Baker (Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blaikie
Blenkarn
Bosley
Bradley
Broadbent
Cardiff
Carney (Miss)
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Cooper
Corbett
Cossitt (Mrs.)
Crombie
Crosby (Halifax West)
Crouse
Dantzer
Darling
Deans
de Jong
Dick
Domm
Ellis
Elzinga
Epp
Fennell
Fraser
Fretz
Friesen
Fulton
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Hawkes
Heap
Hees
Hnatyshyn
Hovdebo
Howie
Huntington
Jarvis
Jewett (Miss)
Keeper
Kempling
Kilgour
King
Knowles
Kristiansen
Kushner
Lambert
La Salle
Lawrence
Lewis
MacDonald (Miss) (Kingston and the Islands)
MacDougall
MacKay
Malone
Manly
Mayer
Mazankowski
McCain
McCuish
McDermid
McDonald (Ms.) (Broadview-Greenwood)
McKenzie
McKinnon
McKnight
McLean
McMillan
Miller
Mitges
Murphy
Murta
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Oberle
Ogle
Orlikow
Paproski
Parker
Patterson
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Roche
Rose
Sargeant
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Skelly
Speyer
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Waddell
Wenman
Wilson
Wise
Wright
Young—122.

NAYS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dubois
Duclos
Dupont
Dupras
Erola (Mrs.)
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Ittinuar
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro (Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—139.

[*Translation*]

Madam Speaker: I declare the amendment lost. Amendment (Mr. Anguish) negatived.

• (2220)

[*English*]

Madam Speaker: Is it the pleasure of the House to adopt the main motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some Hon. Members: Nay.

Madam Speaker: In my opinion the nays have it.

And more than five Members having risen:

Madam Speaker: Call in the Members. Shall we dispense with the ringing of the bells?

Some Hon. Members: Agreed.

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

(*Division No. 268*)

YEAS

Messrs.

Althouse
Andre
Anguish
Baker (Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blaikie
Blenkarn
Bosley
Bradley
Broadbent
Cardiff
Carney (Miss)
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Cooper
Corbett
Cossitt (Mrs.)
Crombie
Crosby (Halifax West)
Crouse
Dantzer
Darling
Deans
de Jong
Dick
Domm
Ellis
Elzinga
Epp
Fennell
Fraser
Fretz
Friesen
Fulton
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Hawkes
Heap
Hees
Hnatyshyn
Hovdebo
Howie
Huntington
Jarvis
Jewett (Miss)
Keeper
Kempling
Kilgour
King
Knowles
Kristiansen
Kushner
Lambert
La Salle
Lawrence
Lewis
MacDonald (Miss) (Kingston and the Islands)
MacDougall
MacKay
Malone
Manly
Mayer
Mazankowski
McCain
McCuish
McDermid
McDonald (Ms.) (Broadview-Greenwood)
McKenzie
McKinnon
McKnight
McLean
McMillan
Miller
Mitges
Murphy
Murta
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Oberle
Ogle
Orlikow
Paproski
Parker
Patterson
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Roche
Rose
Sargeant
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Skelly
Speyer
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Waddell
Wenman
Wilson
Wise
Wright
Young—123.

NAYS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dubois
Duclos
Dupont
Dupras
Erola (Mrs.)
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Ittinuar
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro (Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—139.

Madam Speaker: I declare the motion lost.

Before putting the question on the opposed items in Supplementary Estimates (B) I would suggest to Hon. Members that in order to avoid confusion during the taking of divisions on Estimates, they follow the proceedings by referring to Roman numerals XI, XII and XIII in today's Order Paper and Notices.

Hon. Erik Nielsen (Yukon): Madam Speaker there have been discussions among House Leaders. I think if you make inquiries you will find that there is a general disposition that you put the question on the first item and have the division recorded on that item. Then, when you put items Nos. 2, 3, 4 and 5 you will find that there is a general disposition to apply the division taken on the first item to the subsequent four items and that that division be recorded in *Hansard* on each of the items Nos. 2, 3, 4 and 5.

● (2230)

Madam Speaker: Is there disposition to that effect?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I just want to make sure that everything is quite clear. We are agreed on Motions Nos. 2, 3 and 4, but I think Motion No. 5 is in the name of the President of the Treasury Board (Mr. Gray), and so for the time being, we shall withhold consent for Motion No. 5, and as the vote proceeds, we shall be able to decide on our position, and we shall then let you know what our decision will be.

[*English*]

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, my understanding was the same as that put by the House Leader for the Official Opposition. As I read No. 5, there would be two votes on No. 5. As I understand it, when we get to No. 4 perhaps we will have another vote on No. 5.

[*Translation*]

Madam Speaker: I would ask the President of the Privy Council (Mr. Pinard) to please check his list. Is the motion in

Supply

the name of the President of the Treasury Board (Mr. Gray) Motion No. 6?

Mr. Pinard: Madam Speaker, you are right. So in that case, the vote on Motion No. 1 will dispose of Motions Nos. 2, 3, 4 and 5, and we shall vote separately on Motion No. 6, if necessary.

[*English*]

MOTION FOR CONCURRENCE IN VOTE 1B, MINISTRY OF STATE FOR ECONOMIC DEVELOPMENT

Hon. Herb Gray (President of Treasury Board) moved:

That Vote 1b, in the amount of $7,479,600 under the Ministry of State for Economic Development—Program Expenditures and Contributions, in the Supplementary Estimates (B) for the fiscal year ending March 31, 1983, be concurred in.

Madam Speaker: Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Madam Speaker: All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some Hon. Members: Nay.

Madam Speaker: In my opinion the yeas have it.

And more than five Members having risen:

Madam Speaker: We will dispense with the ringing of the bells.

The House divided on the motion which was agreed to on the following division:

(*Division No. 269*)

YEAS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dubois
Duclos
Dupont
Dupras
Erola (Mrs.)
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Ittinuar
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro (Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—139.

NAYS

Messrs.

Althouse
Andre
Anguish
Baker (Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blaikie
Blenkarn
Bosley
Bradley
Broadbent
Cardiff
Carney (Miss)
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Cooper
Corbett
Cossitt (Mrs.)
Crombie
Crosby (Halifax West)
Crouse
Dantzer
Darling
Deans
de Jong
Dick
Domm
Ellis
Elzinga
Epp
Fennell
Fraser
Fretz
Friesen
Fulton
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Hawkes
Heap
Hees
Hnatyshyn
Hovdebo
Howie
Huntington
Jarvis
Jewett (Miss)
Keeper
Kempling
Kilgour
King
Knowles
Kristiansen
Kushner
Lambert
La Salle
Lawrence
Lewis
MacDonald (Miss) (Kingston and the Islands)
MacDougall
MacKay
Malone
Manly
Mayer
Mazankowski
McCain
McCuish
McDermid
McDonald (Ms.) (Broadview-Greenwood)
McKenzie
McKinnon
McKnight
McLean
McMillan
Miller
Mitges
Murphy
Murta
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Oberle
Ogle
Orlikow
Paproski
Parker
Patterson
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Roche
Rose
Sargeant
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Skelly
Speyer
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Waddell
Wenman
Wilson
Wise
Wright
Young—123.

Madam Speaker: I declare the motion carried.

Motion No. 1 agreed to.

Madam Speaker: In accordance with the wishes of the House, this vote will apply to Motions Nos. 2, 3, 4 and 5.

MOTION FOR CONCURRENCE IN VOTE 1B, DEPARTMENT OF FINANCE

Hon. Herb Gray (President of Treasury Board) moved:

That Vote 1b, in the amount of $5,358,000 under the Department of Finance—Financial and Economic Policies—Program Expenditures and Contributions, in the Supplementary Estimates (B) for the fiscal year ending March 31, 1983, be concurred in.

The House divided on the motion which was agreed to on the following division:

(Division No. 270)

YEAS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dubois
Duclos
Dupont
Dupras
Erola (Mrs.)
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Ittinuar
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro (Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—139.

NAYS

Messrs.

Althouse
Andre
Anguish
Baker (Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blaikie

Supply

Messrs.

Blenkarn
Bosley
Bradley
Broadbent
Cardiff
Carney (Miss)
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Cooper
Corbett
Cossitt (Mrs.)
Crombie
Crosby (Halifax West)
Crouse
Dantzer
Darling
Deans
de Jong
Dick
Domm
Ellis
Elzinga
Epp
Fennell
Fraser
Fretz
Friesen
Fulton
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Hawkes
Heap
Hees
Hnatyshyn
Hovdebo
Howie
Huntington
Jarvis
Jewett (Miss)
Keeper
Kempling
Kilgour
King
Knowles
Kristiansen
Kushner
Lambert
La Salle
Lawrence
Lewis
MacDonald (Miss) (Kingston and the Islands)
MacDougall
MacKay
Malone
Manly
Mayer
Mazankowski
McCain
McCuish
McDermid
McDonald (Ms.) (Broadview-Greenwood)
McKenzie
McKinnon
McKnight
McLean
McMillan
Miller
Mitges
Murphy
Murta
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Oberle
Ogle
Orlikow
Paproski
Parker
Patterson
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Roche
Rose
Sargeant
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Skelly
Speyer
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Waddell
Wenman
Wilson
Wise
Wright
Young—123.

Madam Speaker: I declare the motion carried.

Motion No. 2 agreed to.

MOTION FOR CONCURRENCE IN VOTE 20B, DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Hon. Herb Gray (President of Treasury Board) moved:

That Vote 20b, in the amount of $18,310,000 under the Department of Indian Affairs and Northern Development—Northern Affairs—Operating expenditures, in the Supplementary Estimates (B) for the fiscal year ending March 31, 1983, be concurred in.

The House divided on the motion which was agreed to on the following division:

(Division No. 271)

YEAS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau

Supply

Messrs.

Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne
(Chicoutimi)
Dubois
Duclos
Dupont
Dupras
Erola (Mrs.)
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd
(Argenteuil-Papineau)
Gourde
(Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette
(Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Ittinuar
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe
(Charlevoix)
Lapointe
(Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro
(Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid
(Kenora-Rainy River)
Roberts
Robinson
(Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—139.

NAYS

Messrs.

Althouse
Andre
Anguish
Baker
(Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blaikie
Blenkarn
Bosley
Bradley
Broadbent
Cardiff
Carney (Miss)
Clark
(Yellowhead)
Clarke
(Vancouver Quadra)
Cooper
Corbett
Cossitt (Mrs.)
Crombie
Crosby
(Halifax West)
Crouse
Dantzer
Darling
Deans
de Jong
Dick
Domm
Ellis
Elzinga
Epp
Fennell
Fraser
Fretz
Friesen
Fulton
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hamilton
(Qu'Appelle-Moose
Mountain)
Hamilton
(Swift Current-Maple
Creek)
Hargrave
Hawkes
Heap
Hees
Hnatyshyn
Hovdebo
Howie
Huntington
Jarvis
Jewett (Miss)
Keeper
Kempling
Kilgour
King
Knowles
Kristiansen
Kushner
Lambert
La Salle
Lawrence
Lewis
MacDonald (Miss)
(Kingston and the Islands)
MacDougall
MacKay
Malone
Manly
Mayer
Mazankowski
McCain
McCuish
McDermid
McDonald (Ms.)
(Broadview-Greenwood)
McKenzie
McKinnon
McKnight
McLean
McMillan
Miller
Mitges
Murphy
Murta
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Oberle
Ogle
Orlikow
Paproski
Parker
Patterson
Reid
(St. Catharines)
Riis
Robinson
(Burnaby)
Roche
Rose
Sargeant
Schellenberger
Scott
(Hamilton-Wentworth)
Scott
(Victoria-Haliburton)
Shields
Siddon
Skelly
Speyer
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Waddell
Wenman
Wilson
Wise
Wright
Young—123.

Madam Speaker: I declare the motion carried.

Motion No. 3 agreed to.

MOTION FOR CONCURRENCE IN VOTE 26B, DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE

Hon. Herb Gray (President of Treasury Board) moved:

That Vote 26b, in the amount of $200,000,000 under the Department of Industry, Trade and Commerce—Payment to Canadair Limited as equity, in the Supplementary Estimates (B) for the fiscal year ending March 31, 1983, be concurred in.

The House divided on the motion which was agreed to on the following division:

(Division No. 272)

YEAS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker
(Gander-Twillingate)
Beauchamp-Niquet
(Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss)
(South West Nova)
Campbell
(Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne
(Chicoutimi)
Dubois
Duclos
Dupont
Dupras
Erola (Mrs.)
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd
(Argenteuil-Papineau)
Gourde
(Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette
(Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Ittinuar
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe
(Charlevoix)
Lapointe
(Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro
(Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid
(Kenora-Rainy River)
Roberts
Robinson
(Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard

Messrs.

Schroder
Simmons
Smith
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—139.

NAYS

Messrs.

Althouse
Andre
Anguish
Baker
(Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blaikie
Blenkarn
Bosley
Bradley
Broadbent
Cardiff
Carney (Miss)
Clark
(Yellowhead)
Clarke
(Vancouver Quadra)
Cooper
Corbett
Cossitt (Mrs.)
Crombie
Crosby
(Halifax West)
Crouse
Dantzer
Darling
Deans
de Jong
Dick
Domm
Ellis
Elzinga
Epp
Fennell
Fraser
Fretz
Friesen
Fulton
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hamilton
(Qu'Appelle-Moose Mountain)
Hamilton
(Swift Current-Maple Creek)
Hargrave
Hawkes
Heap
Hees
Hnatyshyn
Hovdebo
Howie
Huntington
Jarvis
Jewett (Miss)
Keeper
Kempling
Kilgour
King
Knowles
Kristiansen
Kushner
Lambert
La Salle
Lawrence
Lewis
MacDonald (Miss)
(Kingston and the Islands)
MacDougall
MacKay
Malone
Manly
Mayer
Mazankowski
McCain
McCuish
McDermid
McDonald (Ms.)
(Broadview-Greenwood)
McKenzie
McKinnon
McKnight
McLean
McMillan
Miller
Mitges
Murphy
Murta
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Oberle
Ogle
Orlikow
Paproski
Parker
Patterson
Reid
(St. Catharines)
Riis
Robinson
(Burnaby)
Roche
Rose
Sargeant
Schellenberger
Scott
(Hamilton-Wentworth)
Scott
(Victoria-Haliburton)
Shields
Siddon
Skelly
Speyer
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Waddell
Wenman
Wilson
Wise
Wright
Young—123.

Madam Speaker: I declare the motion carried.

Motion No. 4 agreed to.

MOTION FOR CONCURRENCE IN VOTE 27B, DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE

Hon. Herb Gray (President of Treasury Board) moved:

That Vote 27b, in the amount of $200,000,000 under the Department of Industry, Trade and Commerce—Payment to The de Havilland Aircraft of Canada, Limited as equity, in the Supplementary Estimates (B) for the fiscal year ending March 31, 1983, be concurred in.

The House divided on the motion which was agreed to on the following division:

(*Division No. 273*)

YEAS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker
(Gander-Twillingate)
Beauchamp-Niquet
(Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss)
(South West Nova)
Campbell
(Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne
(Chicoutimi)
Dubois
Duclos
Dupont
Dupras
Erola (Mrs.)
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd
(Argenteuil-Papineau)
Gourde
(Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette
(Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Ittinuar
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe
(Charlevoix)
Lapointe
(Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro
(Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid
(Kenora-Rainy River)
Roberts
Robinson
(Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—139.

NAYS

Messrs.

Althouse
Andre
Anguish
Baker
(Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blaikie
Blenkarn
Bosley
Bradley
Broadbent
Cardiff
Carney (Miss)
Clark
(Yellowhead)
Clarke
(Vancouver Quadra)
Cooper
Corbett
Cossitt (Mrs.)
Crombie
Crosby
(Halifax West)
Crouse
Dantzer
Darling
Deans
de Jong
Dick
Domm
Ellis
Elzinga
Epp
Fennell
Fraser
Fretz
Friesen
Fulton
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hamilton
(Qu'Appelle-Moose Mountain)
Hamilton
(Swift Current-Maple Creek)
Hargrave
Hawkes
Heap
Hees
Hnatyshyn
Hovdebo
Howie
Huntington
Jarvis
Jewett (Miss)
Keeper
Kempling
Kilgour
King
Knowles
Kristiansen
Kushner
Lambert
La Salle
Lawrence
Lewis
MacDonald (Miss)
(Kingston and the Islands)
MacDougall
MacKay
Malone
Manly
Mayer
Mazankowski
McCain
McCuish
McDermid
McDonald (Ms.)
(Broadview-Greenwood)
McKenzie
McKinnon
McKnight
McLean
McMillan
Miller
Mitges
Murphy
Murta

Supply

Messrs.

Neil
Nickerson
Nielsen
Nowlan
Nystrom
Oberle
Ogle
Orlikow
Paproski
Parker
Patterson
Reid
(St. Catharines)
Riis
Robinson
(Burnaby)
Roche
Rose
Sargeant
Schellenberger
Scott
(Hamilton-Wentworth)
Scott
(Victoria-Haliburton)
Shields
Siddon
Skelly
Speyer
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Waddell
Wenman
Wilson
Wise
Wright
Young—123.

Madam Speaker: I declare the motion carried.

Motion No. 5 agreed to.

● (2240)

Mr. Elzinga: Madam Speaker, I rise on a point of order. I would like to have a ruling from you with regard to proper dress in this Chamber. I was under the impression that a male Member of Parliament had to wear a shirt, a tie and jacket. If that is the proper dress in this Chamber, I would suggest that the Hon. Member for Saint John (Mr. Landers) is not here in proper attire, and I would seek your ruling on the matter.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Madam Speaker: I was just going to ask the Hon. Member to please stand up so I could see how he is dressed.

Some Hon. Members: Oh, oh!

Madam Speaker: Order, please. The Hon. Member seems to be correctly attired. Perhaps the Hon. Member for Pembina (Mr. Elzinga) needs my glasses.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

MOTION FOR CONCURRENCE IN SUPPLEMENTARY ESTIMATES (B), 1983

Hon. Herb Gray (President of Treasury Board) moved:

That the Supplementary Estimates (B) for the fiscal year ending March 31, 1983, laid upon the Table Monday, November 8, 1982, except those items disposed of earlier this day, be concurred in.

Mr. Nielsen: Madam Speaker, I rise on a point of order. We are prepared to let this item go on division.

Madam Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: On division.

Motion agreed to.

Hon. Herb Gray (President of Treasury Board) moved that Bill C-140, an act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending the 31st March, 1983, be read the first time and be printed.

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

Mr. Gray thereupon moved that Bill C-140, an Act granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending the 31st March, 1983, be read the second time and referred to the Committee of the Whole.

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Corbin in the Chair.

The Assistant Deputy Chairman: Shall Clause 2 carry?

Some Hon. Members: Agreed.

Clause 2 agreed to.

The Assistant Deputy Chairman: Shall Clause 3 carry?

Mr. Hnatyshyn: On division.

Clause agreed to.

Clauses 4, 5 and 6 inclusive agreed to.

Schedule agreed to.

The Assistant Deputy Chairman: Shall Clause 1 carry?

Some Hon. Members: On division.

Clause 1 agreed to.

The Assistant Deputy Chairman: Shall the preamble carry?

Some Hon. Members: On division.

Preamble agreed to.

Title agreed to.

The Assistant Deputy Chairman: Shall I report the Bill?

Some Hon. Members: On division.

Bill reported.

Mr. Gray moved that the Bill be concurred in.

Motion agreed to.

Mr. Gray moved that the Bill be read the third time and do pass.

Motion agreed to and bill read the third time and passed.

[*Translation*]

Madam Speaker: It being 10.48 p.m., I do now leave the chair pursuant to the provisions of Standing Order 2(1).

At 10.48 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, December 10, 1982

The House met at 11 a.m.

• (1105)

MOTIONS UNDER S.O. 43

[*English*]

BANKRUPTCIES

EFFECT OF GOVERNMENT ECONOMIC POLICIES

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, today's Ottawa *Citizen* tells us that 9,962 companies have gone bankrupt in the first 11 months of this year, leaving behind them some $2.1 billion in debt. This represents an increase of 35.4 per cent over the same period last year, and 411 per cent over the 2,420 recorded during the height of the 1930s' depression.

The Party opposite has clung to power for 15 years by claiming to be able to unite our country. While its members efforts in every other regard have been utter failures—even to the point of being counter-productive—honesty compels us to acknowledge the unity they have forced upon all of us by their economic policies. Therefore I move, seconded by the Hon. Member for Fundy-Royal (Mr. Corbett):

That this House congratulate the Government for at last fulfilling, at least in part, its pledge to unify the country—even if that unifying force is despair—and urges it to quit while it is at least this far ahead.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

TRANSPORT

IDENTIFICATION OF TRUCKS CARRYING DANGEROUS CARGO

Mr. Girve Fretz (Erie): Madam Speaker, I rise today on an issue vital to the safety of Canadians. Last month a tanker truck carrying an explosive liquid rolled over on the Queen Elizabeth Way. Firefighters were unaware of the contents of the trunk and exposed themselves to an unknown danger. Later the Transportation Minister for the Ontario Government, when asked why there were no laws to force truckers carrying dangerous goods to label their vehicles for easy identification of their contents, told the press that he could not do so until federal regulations are in place.

Given that the Minister has been pressing the federal Government for five years on this matter and that the well-being of Canadian citizens is at stake, I move, seconded by the Hon. Member for Grey-Simcoe (Mr. Mitges):

That the Government immediately draft legislation requiring trucks to carry signs identifying dangerous cargo with a view to preventing serious accidents of this nature in the future.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

HUMAN RIGHTS

ANNIVERSARY OF UNITED NATIONS UNIVERSAL DECLARATION OF HUMAN RIGHTS

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the continuing denial of human rights in many parts of the world and the continuing need to urge all Governments to adhere to the substance as well as the spirit of the United Nations Universal Declaration of Human Rights, I move, seconded by the Hon. Member for Parkdale-High Park (Mr. Flis) and the Hon. Member for Kingston and the Islands (Miss MacDonald):

That this House note that today, December 10, 1982, is the thirty-fourth anniversary of the United Nations Universal Declaration of Human Rights, express its appreciation of and support for the important work being done by the United Nations Human Rights Commission, Amnesty International, and the Helsinki monitoring groups, and urge all nations to adhere to the spirit and the substance of the United Nations Universal Declaration of Human Rights.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

[*Translation*]

Hon. Serge Joyal (Secretary of State): Madam Speaker, it is with great pleasure that I rise on the motion proposed by the Hon. Member. I wish to say that on this side of the House, we strongly support the declaration whose anniversary we are about to celebrate today. I may add that since taking on the duties of Secretary of State of Canada, I sent invitations to all

my colleagues in the provinces and the territories, asking them to take part in a federal-provincial conference on human rights some time next year, the objective being to reassess initiatives taken by various levels of Government with respect to affirmative action, and also the manner in which UN member countries are meeting their international obligations. As Secretary of State, I earnestly hope that all private groups in Canada are joining in this celebration and that we can—

Madam Speaker: Order, please. I thought the Hon. Member was dealing with another matter. I need a copy of the motion in order to put it to the House, and I am waiting for the copy.

• (1110)

[*English*]

Do I have unanimous consent without having the copy? Do I have the unanimous consent of the House for the presentation of this motion?

Some Hon. Members: Agreed.

[*Translation*]

Madam Speaker: The Secretary of State has the floor.

Mr. Joyal: As I said before, Madam Speaker, I hope that all private organizations in Canada with a deep commitment to human rights will take appropriate action in order to meet the objectives set forth in the Canadian Charter of Rights and Freedoms.

As Secretary of State, I shall also have an opportunity to report to this House on the manner in which Canada has met its commitments to two extremely important international conventions one on eliminating racial discrimination, and this report will be tabled at the end of this year, and the other on eliminating discrimination against women, with a report to be tabled at the beginning of 1983. I therefore hope that the spirit of commitment and support shown by the parties in this House with respect to the Universal Declaration of Human Rights will lead to further initiatives and increased support in the course of this year, because it is extremely important for Canada to maintain the leadership demonstrated at the time the Declaration was drafted.

[*English*]

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, this thirty-fourth anniversary of the Universal Declaration of Human Rights is a day to which we all want to pay respect, as indeed the world community has done for 34 years in its efforts to enhance and respect human rights.

We know, nevertheless, that human rights have been violated time and time again throughout the world. So often we just use this occasion to pay lip service to a significant day, but one of the steps that we, as Canadian Parliamentarians, can take is to implement the recommendation that has been made to this House to establish a Parliamentary Association on Human Rights. In that way, as legislators in this Chamber we can give continuing and consistent support wherever human rights violations take place, whether they be in our own country or in any part of the world. We have an opportunity to set up an association and do something more than just pay lip service to this Universal Declaration of Human Rights once a year.

Mr. Bob Ogle (Saskatoon East): Madam Speaker, I should like to join with other Members of the House in acknowledging this day. I believe that at this time in our history the basic needs of not millions but of billions of people are being neglected, even the simple rights to food, water and shelter, as well as political rights and religious rights.

Today this House says that it will stand behind the Charter and do everything possible to see that it is carried out.

Madam Speaker: The House has heard the terms of the motion. Does the House agree to the motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

INDIAN AFFAIRS

ATTENDANCE OF DEPARTMENTAL OFFICIALS AT CONFERENCE IN HAWAII

Mr. Stan Schellenberger (Wetaskiwin): Madam Speaker, Mr. Ron Fournier and Mr. Dan Goodleaf of the Department of Indian Affairs and Northern Development are presently attending the International Indigenous Peoples Conference in Hawaii. At the same time our current economic and winter climates are keeping most Canadians at home. As the Department must obviously feel that the capabilities of these two public servants warrant such an arduous journey, I move, seconded by the Hon. Member for Cariboo-Chilcotin (Mr. Greenaway):

That the government recall Messrs. Fournier and Goodleaf immediately from the sunny climes of Hawaii and tell them to bend their backs to the wind, pull themselves up by their snowboot-straps and apply this expertise in Canada—for native Canadians—in the many long, hard winters ahead.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

• (1115)

ORAL QUESTION PERIOD

[*English*]

BANKRUPTCIES

INCREASE IN NUMBER INVOLVING SMALL BUSINESSES—EFFECT OF BUDGET

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is directed to the Minister of State for Finance. I am sure he is aware of the announcement of the bankruptcy figures for November of this year, which are up 35 per cent over the same period last year, and for the period to date this year 38,000 bankruptcies have been declared. Since almost all of these bankruptcies relate to small businesses, could the Minister explain why the Government has persisted in retaining so many parts of the disastrous November budget which hurt small business so badly? I am referring to such things as the 12.5 per cent dividend tax, the effective removal of the deferred profit sharing plans, the loss of the cumulative dividend account, the reduction of capital cost allowances, much tighter treatment of the reserve provisions of capital gains, and others besides those.

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, the Minister of Finance, in his statement to the House on October 28, indicated that the Government was concerned about the plight of the small business sector. In response to that, a number of changes have been made to the proposals in the November, 1981, budget. For example, an item talked about by the Hon. Member, that is the distribution tax on dividends and its supposed retroactivity, has been eliminated and the section simplified. A number of steps have been taken by the Minister. There are a number of provisions in the Bill placed before the House which have been well received by the business community, for example, the extension of the Small Business Bond until the end of 1983.

Of course it is the wish of the Minister, and I am sure of the Hon. Member who asked the question, that these provisions be dealt with quickly by the House so that they can be put into force. Perhaps there are some with which the Hon. Member does not agree but, nevertheless, they would bring certainty to the business community. We would urge quick consideration of those provisions.

Mr. Wilson: I should remind the Minister that the 12.5 per cent dividend tax is still there. If he says that this is well received by the business community, as always he is totally out of touch with what is going on with small business people in the country.

The announcement this morning represents 38,000 broken dreams. It also represents 38,000 people and their families who have had their nest eggs for the future destroyed. Also it means that many jobs related to those businesses have been lost.

QUERY RESPECTING GOVERNMENT POLICY

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, since these tax changes to which I referred a minute ago discourage these people, and many others like them from leaving their secure jobs, going out and starting a new business—and I should remind the Minister that this is one of the few sources of new job creation in the country today—why does the Government ignore the effect of these budget changes on the start-ups of new business and job creation?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, I think the Hon. Member is really missing the forest for the trees. For example, he takes one or two items but has not looked at the rest of the provisions in the Bill before the House, which we hope will be considered soon. He misses, for example, the fact that a small-businessman is not just a small-businessman; he is an individual. He is subject to other tax provisions in the Bill. Many small-businessmen would be some of the 5.8 million Canadians who, as a result of the reduction in the general rate, will receive a reduction in general tax increases. There are many provisions in the Bill that affect small-businessmen, that affect all Canadians, that mean good news to Canadians, and will be well received by millions of Canadians. That is why I am sure the Hon. Member will want to have that legislation dealt with quickly in the House.

• (1120)

Mr. Wilson: Madam Speaker, the Minister says that he wants to have this legislation dealt with quickly. He must realize that there are 295 pages of legislation. This is probably the most complex Bill we have seen in this House in years, probably since the last tax legislation reform ten years ago. Clearly we disagree with the small business part of the tax Bill and probably many Canadians will disagree with other parts.

PASSAGE OF TAX LEGISLATION

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, since I am told by tax lawyers and tax accountants that they can live with the delays and the uncertainties—they have been waiting for 13 months now and another month or two will not be the end of the world—would the Minister explain whether the reason for this pressure on getting the tax legislation through is simply to avoid further embarrassment and scrutiny of this Bill in the House of Commons?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, I cannot believe my ears. I cannot believe the hon. gentleman who has just phrased that question is the same gentleman who, for the last 14 months in this House, has been saying that businessmen in Canada want certainty in the tax system and want these provisions dealt with quickly so that that uncertainty is removed.

I cannot believe that he is unaware that the majority of taxpayers in Canada will receive refunds from passage of this legislation—

Mr. Wilson: When will you pay the refunds?

Mr. Cosgrove: —that the majority of Canadians, particularly those Canadians who unfortunately have been unemployed, and those Canadians, possibly who may be the small-businessmen to whom the Hon. Member refers, will receive tax refunds as a result of this legislation. Those are the main reasons which urge and move this Government to ask this House to deal with the legislation quickly.

* * *

CONSUMER AFFAIRS

REQUEST THAT DEPARTMENT ISSUE WARNING TO BUYERS OF TELEVISION SETS

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, my question is for the Minister of Consumer and Corporate Affairs. The Minister will know that there are now on the market maybe a million new television sets in Canada which have built-in cable converters but which cannot accommodate Pay TV. Cable companies are getting a lot of flack from consumers who invested in these cable ready or cable compatible sets and were not told that they cannot accommodate pay TV. What will the Department of Consumer and Corporate Affairs do to warn prospective purchasers, especially now it is Christmas time, that cable TV sets are no good for Pay TV?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, I want to thank the Hon. Member for his question, because it is very important for consumers to know that if they buy a television set and assume they will be able to use a regular converter to receive pay TV channels, they may have a few problems. I believe that right now, my departmental officials are meeting with the industry and with representatives from the Department of Communications in order to solve this problem. I think the public will be informed of any additional equipment it will have to purchase if the industry itself is unable to find a way to overcome this obstacle.

[*English*]

NECESSITY FOR INFORMATION ON PRODUCT LIMITATION

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, my supplementary question is also for the Minister of Consumer and Corporate Affairs. In a case such as this when a manufacturer knows there is a deficiency in a product and the consumer is in danger of being misled, has the Department of Consumer and Corporate Affairs considered establishing a policy, or even a law, which would require manufacturers and distributors to inform retailers and consumers about potential limitations to a product so as to avoid the kind of misrepresentation consumers have faced, with these cable ready TV sets?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, I do not think the Canadian public would wish to see the State intervene in the private sector in such a direct way. The Hon. Member will agree that we have here a new technology that is going to revolutionize television. It was impossible to anticipate these technological changes, but obviously, if consumers have been misinformed, we can take steps to correct this. I do not think we can deprive the consumer of this new technology. On the contrary, it should be made widely available so that modern society can reap the benefits.

* * *

• (1125)

[*English*]

LABOUR CONDITIONS

REQUEST THAT GOVERNMENT INTRODUCE NATIONAL PROGRAM OF RECOVERY

Hon. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Prime Minister. During the past seven sitting days of the House Members of the New Democratic Party have raised no fewer than 23 specific sections in the unemployment crisis in this country as areas to make constructive proposals to the Government in order to create jobs. On the one hand the Government's response has been arrogant indifference and, on the other hand, simply to dismiss the proposals out of hand. It has not accepted one idea. In the face of the continuing massive lay-offs that are occurring all over the country, will the Government now come to its senses, accept its social responsibility, and announce that it will bring in a national program of recovery before Christmas?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member in asking his questions always chooses to ignore deliberately the actions the Government has already announced, actions that it has already taken and actions that are now in the process of creating jobs.

Some Hon. Members: Name them.

Mr. Trudeau: Hon. Members of that Party ask me to name them; I did. I will send the Hon. Member a copy of my speech made about ten days ago. When I looked at the proposals made by the New Democratic Party, proposals which I think were made by its Leader himself, calling for some expenditure of close to $2 billion to create jobs, I totalled the expenditures which had been tabulated by the Government of this country to create jobs in the June budget and in the recent announcement by the Minister of Finance. It turned out that we had earmarked more money than the Leader of the New Democratic Party for creating jobs, so that is the difference between the two Parties. Even in Opposition the Leader of the New Democratic Party cannot come up with a program which is as stimulative to creating jobs as the Liberal Government can.

INCREASE IN BANKRUPTCIES

Hon. Edward Broadbent (Oshawa): Madam Speaker, as usual the Prime Minister has a little trouble in his reading. The proposals that we made offered, in addition to what the Government has proposed, in addition to what it has done, $2.2 billion more stimulus. We have told the Government where it could get the money if it wanted to provide a little fairness in our tax system. That is what we suggested to the Government. The Prime Minister should not use his time to distort his own bad record by trying to mislead the House about what we have presented.

I would like to ask the Prime Minister a question in this context. The statistics that came out today, and they have already been referred to on this side of the House, show that there has been an alarming 35 per cent increase in personal and business bankruptcies. For the same period of time on a comparative basis, there is now twice the number than at the height of the Depression. Does the Prime Minister not recognize that in order to obtain a reversal of this economic downturn, a major program, not the pittance that the Government has put out, is required? In short, we need a national program of economic recovery. If so, why does the Government not bring it in?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, if the Hon. Member is reduced to describe as a pittance the two billion and some three hundred million or five hundred million that we have earmarked to create jobs, whereas he was able to come up with $2.2 billion, I do not know what his notion of a pittance is.

Mr. Deans: A pittance is what people on old age pensions get.

REQUEST THAT GOVERNMENT TAKE ACTION BEFORE CHRISTMAS

Hon. Edward Broadbent (Oshawa): Madam Speaker, either the Prime Minister's hearing is bad or he is deliberately misinforming the House, and I say that with care. I said $2.2 billion in addition to what the Government has proposed. I hope the Prime Minister heard it that time.

In the past seven sitting days we have talked about lay-offs in the wood products sector of Newfoundland, in mining in the Yukon, in manufacturing in Quebec and Ontario, in the forest products sector of British Columbia, in short in every part of this country. We made suggestions that could be acted upon. Why could the Government of Canada not accept at least one of these suggestions? Why cannot it do something that will provide some hope before Christmas?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I can assure you that my hearing is not bad. I understood what the Hon. Member said. Therefore I wish he would withdraw when he said I was deliberately misleading the House.

• (1130)

Madam Speaker: Well, I heard that, and I do not know whether it was said very clearly that someone was deliberately misleading the House. I thought the Hon. Member said that he was trying to deliberately mislead the House.

Some Hon. Members: Oh, oh!

Mr. Baker (Nepean-Carleton): Rephrase the question, Ed.

Madam Speaker: Furthermore, he said "misinforming the House", and that is not considered to be unparliamentary language.

Mr. Nielsen: No!

Madam Speaker: I would just urge Hon. Members to be careful with the language they use in the House.

Mr. Clark: Not now, not now!

Madam Speaker: The Hon. Member for Durham-Northumberland.

Mr. Lawrence: Thank you, Madam Speaker. Madam Speaker, as a result of—

Mr. Trudeau: Thanks for your support.

* * *

NATIONAL SECURITY

CASE OF CANADIAN PROFESSOR—RCMP INTERROGATION OF FORMER SOVIET KGB COLONEL

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, as a result of what the Solicitor General said yesterday, both inside and outside the House, we have learned that the RCMP, or Canadian Government agencies, in any event, interrogated Colonel Rudolph Herrmann of the KGB in the United States in July of 1979 respecting the Hambleton affair. My question to the Solicitor General is whether he would confirm, as is our understanding, that as a result of that interrogation the Canadian Government or the RCMP, in any event, knew that direct evidence, not hearsay evidence, was therefore available that Colonel Herrmann passed United States secret classified information to Hambleton on Canadian soil.

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, I will not answer that question on the grounds of national security.

Some Hon. Members: Oh, oh!

Mr. Lawrence: Madam Speaker, I point out to you that it was the Solicitor General, here in this House and in the corridor right after the Question Period yesterday, who introduced this whole topic of that interrogation and also the transcript of that interrogation relating to Colonel Herrmann. Certainly, that is not an excuse now, at this late date, for him

to be once again sucking and blowing at the same time in respect to this information.

Some Hon. Members: Oh, oh!

MINISTER'S KNOWLEDGE OF INTERROGATION

Hon. Allan Lawrence (Durham-Northumberland): My supplementary question, then, to the Solicitor General does not relate to national security but, rather, to his own activities. When did the Solicitor General first learn of that interrogation and, second, when did he, himself, go through the transcript of that interrogation?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, I learned of that interrogation in the course of being briefed about the matter.

Mr. Clark: When?

Mr. Kaplan: I have been briefed on this particular operation periodically during the whole of the period I have been Solicitor General.

TRANSPORT DISCLOSURES

Hon. Erik Nielsen (Yukon): Madam Speaker, I would like to ask a supplementary question based on the transcripts of that interrogation of Herrmann by U.S. authorities as well as by security officials in the Minister's own Department. Can the Minister inform the House how many other Canadians were implicated by Herrmann in that interrogation?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, Hon. Members are asking me questions the answers to which would reveal matters that are within the national security of Canada. I was prepared to indicate that that meeting took place because it became an issue of public debate. I am not prepared to indicate what information Herrmann gave to the FBI that has not been made public, or what information he gave to the security service that has not been made public. I can assure all Hon. Members, though, that the entire brief of all of the evidence that had been gathered by the Security Service relative to Mr. Hambleton was presented to the Department of Justice and to the Attorney General of Canada when his consent for prosecution under the Official Secrets Act was sought.

Mr. Nielsen: I would like to ask a further supplementary question, Madam Speaker.

Madam Speaker: I will allow a very short supplementary question.

PASSING OF CLASSIFIED INFORMATION—PROFESSOR'S CLAIM

Hon. Erik Nielsen (Yukon): My brief supplementary question is directed to the Solicitor General. Does the Minister deny that, prior to the decision that was taken not to lay charges against Hambleton, he or his officials were aware that Hambleton had claimed to have passed classified information to the KGB?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, the Solicitor General of the former Government is aware of the facts. He has indicated more than once that he reviewed the file and, that he was fully briefed about it.

Mr. Nielsen: I am asking you.

Mr. Kaplan: That is not information that I think should be made public.

Mr. Nielsen: I am asking you.

Mr. Kaplan: However, I think Hon. Members opposite could find assurances given by their own Solicitor General—

Mr. Nielsen: I am asking you.

Mr. Kaplan: —that a full brief was presented of all the information that the Security Service had on Hambleton and that the FBI had on Hambleton that they communicated to the Security Service when the Attorney General was making his decision.

Mr. Nielsen: I am asking you.

POSITION OF CANADIAN GOVERNMENT VIS-À-VIS SOVIET GOVERNMENT

Mr. John Gamble (York North): Madam Speaker, in the absence of the Secretary of State for External Affairs, my question is directed to the Prime Minister. We know, as a consequence of the actions taken by the Government of the United Kingdom, that a Canadian citizen has been convicted of spying activities, and we know that the Government for which he was spying was that of the Soviet Union. When did the Government of Canada communicate to the Government of the Soviet Union its condemnation for the part played by the Government of the Soviet Union in the spying activities of Hambleton?

Right Hon. P. E. Trudeau (Prime Minister): In the particular case of Hambleton, Madam Speaker, I am not aware of any particular protests having been made, but there have been various occasions known to the public when the Government has protested to the Soviet Union at the time that they PNG'd Soviet Nationals in Canada.

Mr. Gamble: I suppose that I might have anticipated that kind of a response that no specific action has been taken by this Government against the Government of the Soviet Union.

REQUEST FOR REDUCTION IN NUMBER OF SOVIET EMBASSY OFFICIALS

Mr. John Gamble (York North): We are well aware of the activities of the Government of the Soviet Union in Canada, and it was not so long ago that 12 spies attached to the Soviet

Embassy were expelled from Canada. Surely the Government of Canada must now have realized that, in order to reduce the inducement to Canadian to commit treason against their country, it might be appropriate to reduce the number of KGB agents attached to the Soviet Embassy in Canada. I ask the Prime Minister whether he is not seriously contemplating such a sensible step.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member has just quoted, himself, occasions when the Government has demanded that the Soviet Union withdraw certain of its people who operate here under our ambassadorial cover. That has been done in the past and it will be done again when we have cause to believe that an ambassador or one of his officials here is not discharging his ambassadorial duties but, rather, is performing as a spy. That happens frequently, and the Hon. Member has quoted 12 cases when it did happen.

* * *

SPORTS

ANNOUNCED CHANGE IN VENUE FOR HENLEY REGATTA

Mr. Gilbert A. Parent (Welland): Madam Speaker, my question is directed to the Minister who speaks for the Minister of Sport. For a number of years, 100 years, the Henley Regatta has been held in St. Catharines. Information came forth yesterday that this regatta will be moved to Montreal.

Some Hon. Members: Oh, oh!

An Hon. Member: Along with everything else!

Mr. Parent: I was just wondering what would be done in order to ensure that this Regatta will continue to be in St. Catharines.

Some Hon. Members: Oh, oh!

Mr. Nielsen: Nobody to answer!

* * *

PENSIONS

GREEN PAPER ON PENSION REFORM—PROPOSAL TO APPOINT PARLIAMENTARY COMMITTEE

Mr. Neil Young (Beaches): My question is directed to the Prime Minister, if I can have his attention.

Some Hon. Members: Oh, oh!

Madam Speaker: Order. The Hon. Member for Beaches (Mr. Young).

Mr. Young: Madam Speaker, my question is directed to the Prime Minister.

Mr. Clark: He is busy with posterity. Don't bother him.

Mr. Young: Yesterday, after 18 months of study, the Government finally tabled in the House the Green Paper on pension reform. The major recommendation in that Green Paper appears to be a proposal that the House strike a committee to study pension reform for at least another year, and probably two. The Prime Minister knows that over the last five years there have been some 50 major studies on pension reform, and the last thing that seniors in this country need is yet another study on what they need in terms of pension improvement.

Will the Prime Minister tell the House why the Government, after all of those studies, and knowing exactly what must be done in terms of pension reform, has shelved that very important question for at least another two years, instead of coming forward with real proposals to improve the lot of senior citizens?

• (1140)

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, the answer is very easy, and I think the Member knows this.

First of all, it would be great if the New Democratic Party had a position of which we could be aware. That would be of interest.

For example, what avenue would they choose to recycle the billions of new dollars that will have to be invested for the benefit of the Canadian economy? Which avenue would they choose for the 80's or the 90's? Do they have an idea? What do they think of the CPP as a means? Do they have an idea? Are they backing credit splitting for homemakers and for spouses?

Mr. Clark: You should be in Opposition with all those questions.

An Hon. Member: It won't be long.

Miss Bégin: How would they do it? How much do they think that the workers whom they represent, like we do, will be ready to donate from their paycheques, right now?

There are many very serious questions which were never put to the Canadian public, and on which we need the work of the special committee of the House to create as large a consensus as possible from the Canadian public.

Some Hon. Members: Hear, hear!

GOVERNMENT PLANS

Mr. Neil Young (Beaches): Madam Speaker, my supplementary is directed to the Minister of National Health and Welfare. I will tell the Minister one thing we would not do, and that is we would not further victimize the victims of inflation by restricting their purchasing power over the next two years by six and five per cent. We would not do that.

The Minister of National Health and Welfare indicated three or four weeks ago that senior citizens in this country

needed an immediate increase in the OAS of $25 a month. We know what we would do if we were the Government. We want to know what they are going to do.

Some Hon. Members: Hear, hear!

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, now the Member is switching to another issue, which is public pensions. I thought he had started with private pensions, which was the object of the Green Paper. According to the Green Paper, simply to improve existing pensions—and I hope everyone knows that half the workers do not even have pension plans—it would cost about $2 billion this year. That is the order of magnitude of the cost of this reform. We think this is not the year to do it. If and when public consensus develops certain measures, that the time is right, for example, corrections to the Tax Act or to the Pension Benefits Standards Act which we are recommending in quite specific detail, could be started as soon as there is a demand, and I hope the committee will create that demand.

* * *

ADMINISTRATION OF JUSTICE

MANDATORY SUPERVISION PROGRAM—RELEASE OF DANGEROUS SEXUAL OFFENDERS

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, my question is directed to the Solicitor General. Recently the Solicitor General said, and I quote, "That no one with a bad evaluation will be released under mandatory supervision in the future."

If it is the intention of the Minister not to use mandatory supervision, under what auspices does he plan to release dangerous sexual offenders in the future?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, I do not think the question is very clear. I would like to see the context of that statement. I have been reminding people recently of the new policy of the National Parole Board of stopping the eligibility and granting of mandatory supervision to dangerous offenders, even when they reach the date on which they become eligible for mandatory supervision.

There are six cases like that now in which, starting just a few months ago, the National Parole Board has begun, in effect, to withold the mandatory supervision. Three of the individuals have appealed on habeas corpus grounds or under the Charter for the right to be released under mandatory supervision. The law officers of the Crown tell us we have a good case to keep them behind bars, and we intend to continue with that policy.

REQUEST FOR DEFINITION OF "A BAD EVALUATION"

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, the Minister is interested in protecting Hambleton, and he is interested in protecting Clifford Olson. It would be nice to see him protect the law-abiding citizens of this country for a change.

Some Hon. Members: Hear, hear!

Mr. Friesen: And rather than foist his responsibilities on the National Parole Board or the Provincial Attorneys General it would be nice to see him take on his own responsibilities in this legislation.

The phrase he used in that quotation was, "a bad evaluation". With a subjective term like that, I would like him to define for us in the House and for the Canadian people what he terms "a bad evaluation".

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, I would like to remind the Hon. Member that several changes have been introduced by this Solicitor General to toughen up the procedures for dealing with dangerous offenders. The answer that I gave a moment ago was explaining to him a new policy which is helping to keep dangerous offenders behind bars. I do not see how the Hon. Member can characterize that as increasing the danger to the public. It is increasing the security of the public.

The Bill which I sent to the Senate will have the same effect. It will toughen up mandatory supervision to make sure that, to the greatest extent possible, dangerous offenders stay behind bars as long as their sentences last.

* * *

SMALL BUSINESS

PROGRESS OF LEGISLATION

Mr. J. R. Ellis (Prince Edward-Hastings): Madam Speaker, I wish to direct a question to the Minister of State for Small Businesses. We have been looking forward for some time to the Small Business Investment Grants legislation. I would like to ask the Minister two questions. One, when does he anticipate that we will see that legislation again, and the benefits from it? Secondly, within the legislation there is a clause that asks that only new equipment be used. In the case of many small businesses, good, used equipment would be a far better buy. Will the Minister, if indeed we are going to have this legislation, assess the possibility of allowing good, used equipment to be used?

Hon. William Rompkey (Minister of State (Small Businesses and Tourism)): Madam Speaker, the Bill is before the House at the present time. It has passed second reading and committee stage, and hopefully it can be brought forward at the earliest possible opportunity for report stage and third reading. I would certainly welcome that, as I know the Hon. Member would, because it is going to be a help to the small business community.

STIPULATION RESPECTING EQUIPMENT TO BE USED

Mr. J. R. Ellis (Prince Edward-Hastings): Madam Speaker, I appreciate that, but the main part of my question had to do with the utilization of used equipment, as a part of this particular piece of legislation, which would be tremendously helpful to many small businesses which, even with the legislation, would find it extremely difficult to expand.

Hon. William Rompkey (Minister of State (Small Businesses and Tourism)): Madam Speaker, the reasoning behind limiting it to new equipment was that there would be a double effect in the sense that it would create more jobs, and in the sense that if indeed we stuck with new equipment rather than used equipment, it would be a two-pronged effect. That was the rationale behind it. I believe that rationale was reasonable.

* * *

RAILWAYS

SUGGESTED ELECTRIFICATION OF RAILWAY SYSTEM IN MARITIME PROVINCES

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, I wish to direct my question to the Minister of Transport. The quality of the transportation services available in the Maritimes is the key factor in the Maritime economic scene. Since railway systems in most of the world, especially Europe and Japan, are fully electrified at present, I ask the Minister is he giving any thought to the electrification of the railway system in the Maritime Provinces since we need a major, mega, Maritime long-term project to alleviate high unemployment and a constantly increasing welfare and social assistance caseload in our area.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the subject of electrification of railways is one that is popular in Canada as a subject for research. My Department has a research program on it. Recently the Government provided funds for a British Columbia Railway pilot project to which it contributed about $5 million, if I remember well. The Government considers that as an investment toward greater railways development in the future by way of electrification.

REQUEST THAT SPECIAL COMMITTEE STUDY PROJECT

Mr. Lloyd R. Crouse (South Shore): Madam Speaker, in view of the fact that electrification of the Maritime railway system would halt the dangerous erosion of the present system, move manufactured goods and materials at competitive speeds, assist more industry to locate in the Maritimes and assist present industries to expand, I would like to ask the Minister if he would consider appointing a special committee composed of Members from all Parties to study this proposal and to bring to this Parliament a recommendation on this important matter.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, my opinion on the subject is not a very worth-while one but, generally speaking, people who have written and talked on this subject, particularly in my Department, tend to believe that the investment that this would bring about would be considerable, and too great for the benefit to be harvested at this particular moment.

The subject is one that is interesting, indeed. I have already said that. If my hon. friend wants to suggest to the chairman of the committee on transportation of the House of Commons that this might be a good object for a short inquiry with a few witnesses, I would suggest that he do so.

* * *

• (1150)

INDIAN AFFAIRS

REQUEST FOR ASSISTANCE TO CONNE RIVER COMMUNITY IN NEWFOUNDLAND

Mr. Jim Manly (Cowichan-Malahat-The Islands): My question is directed to the Minister of Indian Affairs. What is the Minister going to do for the Indian community of Conne River, Newfoundland, which is heading for 100 per cent unemployment because it is caught in a federal-provincial power play over funding? Is the Minister aware that banks extended credit to the Conne River Band on the strength of the Minister's promise to provide funds, and that these banks now threaten court action against the Band because the Minister has not kept his word?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, the Hon. Member is mistaken. I purposely did not tell the banks that I would supply funds, and when it was suggested that my intervention might be interpreted that way, then I said I would not call the banks and I was assured by the people in my office that they would never allege that that is what I did. The Hon. Member is certainly letting the Conne River Indian people down badly on an essential undertaking on their part.

May I also tell the Hon. Member that the only reason we cannot flow funds to the Conne River Indian people is that we can only do it, under any authorities I have as a Minister, under the auspices of a federal-provincial agreement, and the terms which are being insisted upon by the Newfoundland Government are so obnoxious to the Conne River people that they prefer I never agree to such an agreement, and I have indicated to them I am prepared to go along with their wishes in that regard.

REGISTRATION OF BAND

Mr. Jim Manly (Cowichan-Malahat-The Islands): Madam Speaker, my supplementary is directed to the same Minister. The Minister should know that he told the committee last spring that, if funds could not be delivered through the agreement, he would have to find some other way to provide those funds. To date he has not done that. Will the Minister confirm that, when Conne River Indian people visited his office two years ago, he showed them an Order in Council which in effect

would have created the Conne River Band as a registered Indian Band under the Indian Act? Will the Minister tell the House what became of that Order?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, we have not been prepared to proceed with that Order at the present time. Let me indicate also to the Hon. Member that, as far as endeavouring to find some other way to flow funds is concerned, he is quite right, Madam Speaker—that is precisely what I am endeavouring to do. Have I found another way to do it? I have not yet. I am taking the matter up with—

Mr. Manly: Why don't you register them?

Mr. Munro (Hamilton East): I am taking the matter up with my colleagues to ascertain whether there is another way. If there is, and we can find it, I would be the first one, and so would my colleagues, to try to afford assistance inasmuch as we have received no co-operation whatsoever—

Mr. Manly: Register them.

Mr. Munro (Hamilton East): —from the Province of Newfoundland.

* * *

FISHERIES

COST OF IMPLEMENTING KIRBY REPORT RECOMMENDATIONS

Hon. John A. Fraser (Vancouver South): Madam Speaker, my question is for the Minister of Veterans Affairs. In view of the fact that the Kirby Report on the Atlantic fisheries is not yet made public and is presently being discussed in front of a Cabinet ad hoc committee, can the Minister tell us why he apparently has publicly said that the recommendations would cost the federal Government $100 million, when we have no idea how it would be spent?

Hon. W. Bennett Campbell (Minister of Veterans Affairs): Madam Speaker, that particular quote was in response to a reporter who visited with me some two or three weeks ago and asked my personal views as to what I thought might be a rough figure, and that was the figure I gave him.

MINISTER'S ESTIMATE OF COST

Hon. John A. Fraser (Vancouver South): Madam Speaker, I wonder if the Hon. Minister was giving that figure as a consequence of information which he has received from seeing the Kirby Report, or was that just a guess that the Minister put out to satisfy the reporter?

An Hon. Member: That is not the responsibility of the Minister of Veterans Affairs.

An Hon. Member: He has already answered the question. How long did it take you to figure that out?

Hon. W. Bennett Campbell (Minister of Veterans Affairs): Madam Speaker, it was not as a result of seeing the report. It was a personal point of view.

* * *

NATIONAL REVENUE

DONATIONS TO RELATIVES IN IRON CURTAIN COUNTRIES—DEPARTMENTAL REGULATIONS

Hon. Jake Epp (Provencher): Madam Speaker, I would like to direct my question to the Minister of National Revenue. Many Canadians who have relatives behind the Iron Curtain, especially in the U.S.S.R. and in Poland, have regularly been sending financial and other donations to their relatives. The Department of National Revenue is now insisting that an affidavit be sent by those recipients stating that they are not in receipt of a pension from either one of those Governments, and if that verification is not received, those donations by Canadians will not be regarded for tax purposes.

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, the income tax application rules for which the Department is responsible and which are now being applied more stringently to donations made to persons residing abroad, derive from the changes made in the last budget with respect to the provisions of the Income Tax Act.

[*English*]

DEPARTMENT'S VIEW

Hon. Jake Epp (Provencher): Madam Speaker, I would like to ask the same Minister another question, because the circumstances behind the Iron Curtain are very different from the possibility of getting an affidavit from another country where a dependant might be living. Let me read one sentence from a letter from his Department:

> We have found that most residents of the U.S.S.R. and Poland who are 65 years of age or over are in receipt of a pension reasonably necessary to support the individual.

That is simply not the case. We know that is not the case for many people behind the Iron Curtain in the U.S.S.R. and Poland who have relatives in Canada. They are not receiving enough money to sustain themselves and that is why the money is sent. Surely we are dealing with a bureaucratic jungle here which should be able to be cleared up so that these Canadians in fact could get tax credit for moneys which they sent to their dependants.

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, the Hon. Member raised the point that it was difficult to establish income figures. I can assure him that

I shall look into this matter and find out whether there is any basis for the statement he is making. I shall then be in a position to let him know the results of my investigation.

* * *

[*English*]

PENSIONS

PROVISIONS OF CANADA-WEST GERMANY AGREEMENT

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, my question is for the Minister of State for Finance, and I have given him notice of the question. It has to do with the reciprocal agreement which the Prime Minister signed on behalf of Canada in the summer of 1981 with the Federal Republic of West Germany, having to do with taxation, one article of which deals with the double taxation of pensions. The agreement was ratified in the German Parliament early this year, and I have now learned that, even though the Bill has passed through the Senate, the Department of Justice has some reservations about it and another tax year will pass before pensioners, who have earned some rights in the Federal Republic, will receive the benefits which are slanted significantly in favour of Canada. Can the Minister report today whether he will be making an effort with the Department of Justice and the House Leaders to have this Bill passed before we go home for Christmas?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, I can confirm to the Hon. Member that I have in fact asked departmental officials to give me a report on the difficulty he outlines. In view of the fact that he has indicated there is the potential of some difficulty which has been raised by lawyers in the Justice Department, I would be reluctant to confirm that it could be dealt with as quickly as he wishes.

* * *

TRADE

PROPOSED ESTABLISHMENT OF ASIA-PACIFIC FOUNDATION

Miss Pat Carney (Vancouver Centre): Madam Speaker, my question is addressed to the Prime Minister, if I could get his attention. One of the concrete moves which the Government could make to help the economy to recover is to increase our trade opportunities with the Pacific Rim which, as he knows, is an area with which we now do more trade than all of Europe. With that in mind, we welcomed his support last week in Vancouver for the Asia-Pacific Foundation, which arose out of the initiative of the Clark administration in 1979. Unfortunately, he failed to give us specifics on when he proposes to introduce the Foundation. Could he tell the House now when the Foundation will be established? When will he allocate the

$20 million to it? Where will it be located? And who will head it?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I indicated last week when I was in Vancouver in relation to this that the Secretary of State for External Affairs had just received the report of the Foundation and that he had set up a group in his Department to study the answers to the very questions which the hon. lady is asking.

* * *

• (1200)

VETERANS AFFAIRS

REQUEST THAT PERMISSION BE GRANTED TO HOLD LOTTERY

Mr. Bill Kempling (Burlington): Madam Speaker, I have a short question for the Minister of Veterans Affairs. Last November 11, after returning from a Remembrance Day service, the Hamilton Naval Veterans Association were told by regional police that a 25 cent lottery they were operating to raise money for needy veterans was illegal and that charges would be laid if the lottery operation was continued. On that day, November 11, there was $40 in the pot.

Would the Minister support an application from veterans associations to National Revenue to allow them to operate a lottery legally during the month of November, and such other times as they may decide, in order to raise money for needy veterans who are not covered by the various assistance programs?

Hon. W. Bennett Campbell (Minister of Veterans Affairs): Madam Speaker, that particular issue was brought to my attention a few days after the event. I think it was most unfortunate that the local police force chose Remembrance Day to visit this particular association. As the Hon. Member is aware, it involves areas of the Criminal Code and federal-provincial jurisdiction. We are looking into the matter and hopefully it can be resolved very shortly.

* * *

[*Translation*]

PETITION

MR. HALLIDAY—GENERAL DISARMAMENT

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table the 351st Report of the Clerk of Petitions stating that he has examined the petition presented by the Hon. Member for Oxford (Mr. Halliday) on Thursday, December 9, 1982 and found that the petition meets the requirements of the Standing Orders as to form.

[*English*]

POINTS OF ORDER

MR. TRUDEAU—ALLEGED UNPARLIAMENTARY LANGUAGE OF MR. BROADBENT

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I would like to raise an interesting point of order with you. You have perhaps received the blues now, and I am quite certain I understood the Hon. Leader of the New Democratic Party (Mr. Broadbent) to indicate that either I was deaf or I was deliberately misleading the House.

Mr. Towers: Both.

Mr. Trudeau: I am sure you will find the words in *Hansard*. I am not sure there has been a ruling on this particular matter in any other circumstances, but obviously I could not, using that form, indicate that any Member opposite is either ten feet tall or is lying to the House. So it seems to me that the accusation is one which should be withdrawn by the Leader of the New Democratic Party.

Some Hon. Members: Hear, hear!

Hon. Edward Broadbent (Oshawa): Madam Speaker, the Prime Minister (Mr. Trudeau) shows remarkable sensitivity to the truth in the House here today, something he has not always shown outside the House.

Some Hon. Members: Oh, oh!

Mr. Broadbent: But as someone who respects the rules, if I at any—

Some Hon. Members: Hear, hear!

Mr. Broadbent: I see that our little boy has gone home, Madam Speaker.

Madam Speaker: Order, please. I really thought the Hon. Member was rising in order to withdraw those words. I would urge him not to make his case any worse than it is by debating.

Some Hon. Members: Hear, hear!

Madam Speaker: I have checked the blues.

Mr. Beatty: It is just a lover's quarrel, Madam Speaker!

Some Hon. Members: Hear, hear!

Madam Speaker: I have also looked at the dictionary because I was not sure whether there was a great difference between "mislead" and "misinformed". I thought there was a big difference between them, but in checking the dictionary I find they mean approximately the same thing.

Some Hon. Members: Withdraw.

Madam Speaker: Now, the Hon. Member said that the Right Hon. the Prime Minister (Mr. Trudeau) deliberately misinformed the House and I rule that that is unparliamentary, and I ask the Hon. Member if he would withdraw those words.

Mr. Nielsen: Kiss and make up.

Mr. Broadbent: Madam Speaker, another synonym is "distort", but I do not want to carry on with this linguistic game. The Prime Minister knows what he said, he knew what he attempted or did not attempt to do. If there was any suggestion that I breached parliamentary tradition, which is to show at least formal respect in this House for our political opponents, I would withdraw any words that give offence because I am interested in the truth.

MR. DEANS—REQUEST FOR CLARIFICATION OF SPEAKER'S REMARKS

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I have a very brief point of order I would like to raise. I wonder if I could ask you to review page 21286 of *Hansard* dated December 6, 1982 concerning an exchange on motion under S.O. 43 moved by my colleague, the Hon. Member for Churchill (Mr. Murphy). I would like to know clearly and exactly what is meant by the following words which are attributed to the Speaker:

> Order. I do want to remind the Hon. Member that I cannot put this motion to the House, because it seems to be out of order. It is not acceptable to refer to the absence from or the presence of Members in the House.

I want to be clear on the matter inasmuch as Citation 316 on page 103 of Beauchesne makes it quite clear, under Subsection (c), that a Member may not refer to the presence or absence of "specific" Members. In the case of the motion put by my colleague, he did not make reference to the absence or presence of specific Members.

Madam Speaker: Order. I have dealt with that matter. I am quite aware that the Standing Order deals with individual Members. Some of my predecessors have dealt with this problem and have indicated that since that particular Standing Order had not been used, I think since 1877 or something, it should probably be deleted. But I have dealt with the matter.

I do not think it is fair for Members to refer to the absence of other Members, implying that they were not doing their work. Members who are not in the House may be otherwise occupied with duties relating to their function as Members of Parliament and it is not proper to refer to their absence in this respect. Furthermore, the Hon. Member was reflecting on a vote of the House, and that, too, is not acceptable. I have dealt with that matter.

Some Hon. Members: Hear, hear!

PRIVILEGE

MR. DE JONG—REMARKS OF MR. MCKNIGHT

Mr. Simon de Jong (Regina East): Madam Speaker, I rise on a question of privilege. As reported on page 21422 of *Hansard* of December 9, 1982, the Hon. Member for Kindersley-Lloydminster (Mr. McKnight) rose on a point of order and questioned my motives in raising a matter relating to a decision of the Premier of Saskatchewan and one—

Madam Speaker: Order, please. The Hon. Member is too late. The only time a Member can raise a question of privilege without notice is when the particular question of privilege flows from the debate of that very day. If the Hon. Member has a question of privilege he can give me written notice and a brief statement of what it is about, and then I will hear him.

* * *

POINT OR ORDER

MR. KRISTIANSEN—REQUEST FOR CLARIFICATION OF SPEAKER'S REMARKS

Mr. Lyle S. Kristiansen (Kootenay West): Madam Speaker, I am seeking clarification regarding your answer to the Hon. Member for Hamilton Mountain (Mr. Deans). Simply clarification.

Mr. Malone: Sit down.

Mr. Kristiansen: Do you want to try it?

Madam Speaker: The clarification is that I have dealt with the matter.

* * *

PRIVILEGE

MR. MALONE—PROCEDURE RESPECTING TABLING OF DOCUMENTS

Mr. Arnold Malone (Crowfoot): Madam Speaker, I rise on a question of privilege, the necessary information about which I have just been able to acquire within the past half hour. I raise it because it deals with the way in which we table documents in the House of Commons and the process which took place yesterday which I believe is offensive to Members of Parliament.

Madam Speaker: Order, please. If it took place yesterday, the Hon. Member may raise it but he must give me written notice with a statement of what his question of privilege deals with. I will hear him then. But the Hon. Member may not spontaneously, in the way he is doing now, raise a question of privilege unless it flows from today's deliberations.

POINTS OF ORDER

MR. REID (ST. CATHARINES)—HENLEY REGATTA VENUE

Mr. Joe Reid (St. Catharines): Madam Speaker, my point of order arises out of today's proceedings and concerns me as the Member for St. Catharines, the home of the Henley Regatta. The Minister was asked what justification there was for the moving of the centennial regatta from St. Catharines to Montreal. No Member of the Government responded. While I recognize that the Minister responsible for Fitness and Amateur Sport is in the other place, there should be a Member in this House to answer Members of this House.

• (1210)

Madam Speaker: That is an opinion which the Hon. Member is expressing. Ministers are not obligated to answer questions if they feel they do not want to. There is no way that the Speaker can intervene in order to force them to answer a question.

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I want to inform the Hon. Member that the Minister who answers for sports in the House of Commons is the Minister of State for International Trade (Mr. Regan). Unfortunately, he was not in the House today because he was busy dealing with his responsibilities, but most often he is in this place. He will be pleased to answer questions related to sports in future.

MR. KRISTIANSEN—REQUEST FOR CLARIFICATION OF SPEAKER'S REMARKS

Mr. Lyle S. Kristiansen (Kootenay West): Madam Speaker, this is not a new point of order, but I want to be clear on something. You gave a reply to the Hon. Member for Hamilton Mountain (Mr. Deans) that leaves some of us in some wonderment about your exact meaning. In clarifying your previous ruling you suggested that there was an implication that Members may have been absent because they were not doing their jobs. Madam Speaker, it may be that on occasions of this sort the suggestion is that Members were doing their jobs, as they see them, by being absent.

For instance, in the case of their repeated mass desertions whenever the Government Party is in danger, it may be that Members of the Official Opposition feel that to be their duty. But—

Madam Speaker: I am sure the Hon. Member knows that he is not raising a point of order but is debating the question.

MR. BAKER (NEPEAN-CARLETON)—REMOVAL OF CHAIRMAN OF STANDING COMMITTEE ON MISCELLANEOUS ESTIMATES

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, my point of order concerns the recent unanimity with respect to the rules of the House of Commons, the work of the Special Committee, and the fact that the report was accepted unanimously in the House, in a spirit of goodwill. It also concerns

the fact that yesterday, for some reason or other, the Government saw fit to engineer the removal of the Hon. Member for Ottawa-Vanier (Mr. Gauthier) as Chairman of the Standing Committee on Miscellaneous Estimates and even his removal as a Member of that Committee.

I want to raise this matter publicly and openly to say to Members of the Government and to you, Madam Speaker, that the spirit of unanimity and the importance we attach to committees as a result of it may well have been damaged. I would like to warn the Government and the House that we do not want that kind of thing to occur.

Madam Speaker: The Hon. Member may do that on the appropriate occasion if he wants to, but it is not a point of order. Furthermore, it is a matter that deals with committees. As Hon. Members know, the Speaker, not being present at deliberations of committees and not having anything to do with the formation of those committees, cannot deal with this question. There are forums where these questions can be dealt with and I would urge the Hon. Member to use them.

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, just to follow the spirit of this matter, which clearly belongs to this House, I want to say that we are all concerned about the spirit of the reforms that were adopted. There has been a clear departure from that spirit of independence of committees that was part of the reform package adopted unanimously by all Members of the House not too long ago.

I should like to ask the Government House Leader if he is contemplating any other changes in the agreement reached by all Parties. The Government has already tarnished the question of the independence of committees of the House. Is there an intention, for example, to breach the agreement regarding the date on which that new agreement comes into effect, and is there an intention on the part of the Government to breach the date on which the House will meet in 1983? Are there any other intentions to breach the spirit of that all-Party Committee of which the House should be advised?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I do not think there was any breach on the part of the Government. I may draw the attention of the Right Hon. Member for Yellowhead (Mr. Clark) to the Standing Order which relates to committees, and if he looks carefully at Section 65(2)—

[*English*]

—and Standing Order 65(4)(a), he would understand that everything that occurred in the Committee was proper. I have doubts about his sincerity. I should like to know if he was really talking about what happened in Committee. We do not ask questions about who removed the Hon. Member for Calgary North (Mr. Wright). In Committee it is a standing practice, according to the Standing Orders, that Members are changed from time to time, especially when they request a change.

MR. CULLEN—PROCEDURE RESPECTING PRESS INTERVIEWS

Hon. Bud Cullen (Sarnia-Lambton): Madam Speaker, I rise on a point of order regarding a problem that keeps recurring. From time to time members of the press gallery, particularly those with cameras, are out in the front lobby. Every Member of Parliament has now received a letter from the president of the parliamentary press gallery explaining that interviews are still taking place and that they are held behind the lines indicated on the floor.

As a Member, I would like to know what the rules are. Are the people who do not have cameras allowed to do the interviews but those with cameras are not allowed? What is the situation?

Madam Speaker: This is a matter that could be more properly discussed with me in my office. I want to inform Hon. Members that I have canvassed the representatives of all caucuses and they have discussed this matter. Some new arrangements have been devised in order to allow the press to do its job. If Members do not agree with these particular measures, they can come and discuss them with me and I will be glad to hear what they have to say.

I am only trying to accommodate everyone. We thought we had devised something that would be adequate and convenient for everyone. If it is not, I am quite willing to look into it.

ROUTINE PROCEEDINGS

[*Translation*]

AGRICULTURE

PRESENTATION OF NINTH REPORT OF STANDING COMMITTEE

Mrs. Éva Côté (Rimouski-Témiscouata): Madam Speaker, I have the honour of tabling, in both official languages, the Ninth Report of the Standing Committee on Agriculture.

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

* * *

COMMUNICATIONS

REFERRAL TO STANDING COMMITTEE ON COMMUNICATIONS AND CULTURE REPORT ON CULTURAL POLICY

Hon. Francis Fox (Minister of Communications): Madam Speaker, I move, seconded by the Hon. Member for Don Valley West (Mr. Bosley):

That the Report of the Federal Cultural Policy Review Committee, tabled in the House on November 16 of this year, be referred to the House Standing Committee on Communications and Culture.

[*English*]

Mr. John Bosley (Don Valley West): Madam Speaker, I should like to indicate on behalf of this Party that since we have been seeking this reference since some time late in the summer, we of course wish to give our consent and to see the report moved to the committee as soon as possible.

Motion agreed to.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following question will be answered today: No. 4,365.

[*Text*]

STUDY OF MULTICULTURALISM PROGRAM

Question No. 4,365—**Mr. Mazankowski:**

1. Did the Secretary of State authorize an evaluation assessment study of the multicultural program and, if so (a) by whom was it performed and at what cost (b) what is the status of the study?

2. Did the study make any recommendations and, if so, what action did the Secretary of State take to implement them?

Hon. Jim Fleming (Minister of State (Multiculturalism)): 1. An evaluation of the multiculturalism program has been authorized as part of the Departmental five-year evaluation plan and scheduled for 1985-86. In planning for this evaluation, an evaluation assessment study was commissioned in order to develop (i) a definition of the program evaluation component, (ii) a program component profile, (iii) a report on formal structure and resources, (iv) an evaluation assessment and (v) terms of reference for data collection to assist a future evaluation.

(a) The evaluation assessment study is being performed by RES Policy Research Inc. at a cost of $44,610. (b) The study is in progress. The Department anticipates completion of this study by the end of 1982.

2. The study has not been completed and therefore there are no recommendations at this time.

[*Translation*]

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

* * *

[*English*]

STARRED QUESTION

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, would you be so kind as to call starred question No. 3,747?

[*Text*]

*BOOKLET "STANDARDS OF CONDUCT"

Question No. 3,747—**Miss MacDonald:**

1. Does the "Standards of Conduct" booklet issued to taxation employees by the Department of National Revenue have any legal status and, if so, what is it?

2. Was this directive the subject of negotiation between government management officials and members of any Public Service union or the national joint council?

3. Who defined the section of the directive referring to "public statements" and does this restrict employees from publicly expressing views on any government program or policy?

4. How does the directive correlate with Section 2 of the Charter of Rights, which guarantees freedom of speech as a basic fundamental right that all Canadians enjoy?

5. To whom do the standards of conduct apply, other than to employees of the Department?

[*English*]

Mr. Garnet M. Bloomfield (Parliamentary Secretary to Minister of National Revenue): Madam Speaker, I am replying to a number of questions by the Hon. Member as follows:

1. The "Standards of Conduct" booklet was prepared pursuant to legal authority. Section 7 of the Financial Administration Act gives Treasury Board the authority to establish conditions of employment and the right to delegate to deputy heads of departments that authority.

Pursuant to Section 106 of the Public Service Terms and Conditions of Employment Regulations, Treasury Board has delegated to deputy heads of departments the authority to establish standards of discipline.

2. The "Standards of Conduct" booklet was not the subject of negotiation between Government management officials and members of any Public Service union or the National Joint Council. However, it was the subject of consultation with the taxation component of the Public Service Alliance of Canada.

3. The current "Standards of Conduct" booklet does not deal with the subject of "public statements".

4. I suggest the Hon. Member refer to the answer I have just given in 3.

5. The standards of conduct of National Revenue, Taxation, apply to employees of National Revenue, Taxation.

Mr. Smith: Madam Speaker, I ask that the remaining questions be allowed to stand.

Madam Speaker: Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

• (1220)

GOVERNMENT ORDERS

[*English*]

OLD AGE SECURITY ACT (NO. 2)

MEASURE TO AMEND

The House resumed from Tuesday, November 30, consideration of the motion of Miss Bégin that Bill C-131, an Act to amend the Old Age Security Act (No. 2), be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, we are debating Bill C-131 today. It is a Bill to reduce old age pensions by allowing for indexing of only 6 per cent for Old Age Security this year and 5 per cent next year; hardly the rate of inflation which is well over 10 per cent. Even the Minister of National Health and Welfare (Miss Bégin) stated her agreement at the National Pension Conference when she said:

> Pensions which are not protected against inflation naturally tend to dwindle over the years. People who thought they had purchased protection for the rest of their lives find they have more serious financial problems the older they become.

With inflation as it is, I am shocked that the Government can even consider restraining the already limited income of senior citizens and further adding to their financial burdens.

It would seem to me that our older population is not being given the consideration they have earned. Due to the fact that we had 2,360,975 senior citizens living in Canada in 1981 and that this number is increasing at the rate of 3 per cent per year, I feel it necessary that action be taken immediately to ensure that the voices of our senior citizens are heard. It is important that they be easily able to inform us of their thoughts and concerns, as well as share with us their collective experience and judgment, which might better enable us to deal more effectively with their problems.

Therefore, I am proposing that a Senior Citizens' parliament be formed, similar to that of the very successful Canadian Youth Parliament and based upon the same idea as the organization established in Florida, namely the Silver-Haired Legislature. A number of articles have been written in the Manitoba "Seniors Journal" by Mr. H. W. Brown of Winnipeg on this very subject.

The State of Florida Silver-Haired Legislature was commenced some years ago, and at least ten other States are in the organizing stage of similar legislatures. The successful attempt to convince various groups of the need for such an organization was brought forward by the identification of what was perceived to be important and necessary concerns for the over-all and ultimate well-being of older adults. Promotion, public information and the mass media brought to the public interest the potential of such a seniors' lobby. Funded through the Older Americans Act, the first Silver-Haired Legislature was organized and co-ordinated by the Department of Health and Rehabilitative Services, Office of Aging and Adult Services, and co-sponsored by the League of Women Voters and Florida State University. Responsibility for monitoring and administering the over-all operation of this legislature lies within the structure of the State Office of Aging and Adult Services. Personnel of the various area and local programs were convinced of the value of the Silver-Haired Legislature and trained to organize the necessary tasks for electing persons to the legislature.

The following goals reflect the intent of implementing the Silver-Haired Legislature:

> (a) To provide an educational opportunity for the elderly to learn through participation in legislative activities.
>
> (b) To increase the level of participation and involvement of retired professionals that may have no prior or continuing contact with older adult programs.
>
> (c) To develop a collective awareness among older persons with regard to needs, issues and policies that are of concern to themselves and their age cohorts.
>
> (d) To stimulate community organization involvement with groups of older adults, and
>
> (e) To provide a stronger base for influencing policy which reflects the self-perceived needs of the older population.

We will all be part of the Silver-Haired Legislature sooner or later. Not all of us; as I look around the Chamber I see that some still have a bit of brown hair.

Miss MacDonald: You missed the Hon. Member for Victoria (Mr. McKinnon).

Mr. McKenzie: Yes, and some have no hair.

Mr. McKinnon: Why have I been left out of this legislation?

Mr. McKenzie: Because of the increasing number of senior citizens in Canada, we are certainly not at a loss for people to become involved in such a plan. For example, the National Pensioners and Senior Citizens Federation is comprised of more than 400,000 members. In my own riding alone, we have the St. Andrews Over 60 Group, the 1600 Recreation Club, the Boulton Bay Seniors Association, the Sturgeon Creekers Over 60 Club, the Hamilton House Recreation Club, the Hendon Avenue Residents Tenants Society, and the Carefree Curling and Recreation Association. They are only a few of the many seniors' groups which could become active in such a mini-parliament.

One group which comes to mind is the Rail Pensioners organization. There has never been a group in Canada which has been treated so shabbily by successive Liberal Governments; they have been given the runaround for years. The group could certainly become part of a senior citizens' parliament to explain how they have been shabbily treated and have received a mere pittance each year in terms of increases in their pensions.

Every Senior citizens' organization across Canada could elect a representative who would meet as often as necessary with other elected Seniors under one umbrella. They could discuss the obstacles being encountered by the older population and their solutions and then collectively make representation to the federal Government. This parliament would not only have the power of recommendation but would undoubtedly

tend to influence public opinion, as well as hopefully make the Government more aware of its concerns, problems and needs which are now, particularly today, being so carelessly overlooked.

Legislative successes in the State of Florida are indicative of the effectiveness of a self-advocacy model. Furthermore, this approach provides an opportunity for the implementation and expansion of the political input of the elderly. The presence of a potential age-related backlash could be offset by an awareness of community issues which include those issues confronting older adults.

An immediate example would be the issue which we are discussing now, that of Bill C-131. Certainly the increased visibility of the issues facing the older adult population specifically can serve to reduce the misconceptions of the community at large which might result in a hesitancy to support policies affecting the elderly.

In Florida the successes of the Silver-Haired Legislature delegates include the funding of bills for community care for the elderly and recommended the spending of $11.8 million which was increased by the Legislature to $13.2 million. A Silver-Haired Legislature bill mandating Medicaid payments for eye glasses, hearing aids and dentures recommended $3 million, and this was raised to $5 million by the Legislature. A Silver-Haired Legislature in Canada could recommend spending authority, but that would probably be the extent of it. With the urging of the SHL, the Legislature allocated $2.5 million to help with transportation for the elderly and handicapped. Hospital cost containment was taken up by the regular Legislature, and a special committee on aging was created. A recommendation that seniors be nominated to advisory boards resulted in seniors being appointed to at least five State-wide boards.

It is fairly evident that the Florida experiment has been highly valuable to seniors, the general public, advisory boards and the State Legislature. Therefore, I would ask that the Government take into consideration my proposal, as I am sure it could be as successful here in Canada and invaluable when we in the House of Commons debate subjects such as Bill C-131, which is only one issue, if passed, that will drastically affect the lives of Canadian senior citizens.

• (1230)

We have just received this document from the Government which is entitled "Better Pensions for Canadians". In the Foreword we find these words:

> Many Canadians have expressed concern over the adequacy and fairness of the retirement income system. In response to these concerns, the Government of Canada is putting forward for discussion and debate a number of proposals for reform. These proposals will be referred to a Parliamentary Committee, where all interested parties and the public at large will have the opportunity to express their views.

The establishment of a senior citizens' parliament might be the way to do this. These comments continue:

> Consultations must be as broad and effective as possible in the revision and improvement of Government policies.

That, of course, would fall in line with the formation of a senior citizens' parliament which would meet, say, on an annual basis or twice a year to discuss problems and make presentations to the Government.

It has always been Progressive Conservative policy to maintain the quality of life on retirement, Mr. Speaker. Therefore, so that we can spend time studying the recent report "Better Pensions for Canadians" before we start cutting any more old age pensions, I move, seconded by the Hon. Member for Nepean-Carleton (Mr. Baker):

> That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:
>
> "Bill C-131, an Act to amend the Old Age Security Act (No. 2), be not now read a second time but that it be read a second time this day six months hence".

I believe, Mr. Speaker, that this should receive the approval of the House.

The Acting Speaker (Mr. Blaker): In order to assist the House, the Chair declares that the six-months' hoist is in order.

Mr. McKenzie: Mr. Speaker, that concludes my remarks.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I do not frequently speak on this subject in this House because my friend and colleague, the Hon. Member for Winnipeg North Centre (Mr. Knowles), who has been here for almost 40 years, has made hundreds, if not thousands, of speeches and asked questions about old age pensions. To a large extent I felt I could leave the subject to him, but because of the fact that he has not been well and is not able to participate in this debate today, I thought I would try to do the best I could to put the case against the proposals in this Bill as he would have done.

It is interesting and somewhat significant that we are debating and will vote on this Bill today, a day after the Government, through the Minister of National Health and Welfare (Miss Bégin), finally, and very belatedly, tabled its green paper on pension reform. In the last two years there have been 15 major studies on pension reform. These have been done by groups appointed by the federal Government, by some provincial Governments, by trade unions and by business. Yet here we are debating a Bill that will limit the increases old age pensioners will get. These increases will be limited to 6 per cent this year and 5 per cent next year. Yet the green paper makes it very clear, as does the Minister, that there is much wrong with the pension system as we have it, and that so many people are dealt with in a miserly niggardly way.

In the Minister's press release of yesterday when she tabled the green paper, she said, in part:

> Reform of the pension system is important because there are serious deficiencies relating to coverage, inflation protection, portability and the treatment of women. As a result, many Canadians face a significant decline in living standards on retirement due to inadequate pension incomes.

Having said that yesterday, the Minister today brings forward a Bill which will reduce the protection which our old age pensioners had against the increased cost of living.

There are blatant contradictions between the public declarations which this Minister has made over the years and her actions in the House sponsoring what we consider to be a repugnant and despicable piece of legislation. We condemn that.

While the Minister bemoans the lack of inflation protection and said that "women suffer most from deficiencies in the current pension system", she sponsors this Bill which cuts inflation protection and the already meagre stipends that over 100,000 elderly Canadians, the majority of them women, exist on. While piously declaring herself for pension reform, the Minister of National Health and Welfare puts before us legislation to erode a system which she herself has stated again and again is inadequate.

The Government argues that any loss in Old Age Security will be made up by an adjustment in the Guaranteed Income Supplement. If an individual receives $6,123 or more in outside income—perhaps in savings—this individual is disqualified from receiving GIS. The individual would receive $3,058 per annum from OAS, and his or her outside income, making a total as low as $9,200 a year. What these individuals are receiving from the Minister is a kick in the teeth, not pension reform.

The National Council on Welfare estimates that over 100,000 of Canada's elderly citizens "fall through the cracks this way". In cities such as Toronto, they would exist at a level 37 per cent below the officially recognized poverty line. In rural areas Canada's elderly citizens exist at a level 15 per cent below the officially recognized poverty line.

The United Church of Canada commissioned a report recently entitled "Income Security". We find in this report the following:

> It would seem that increases in the OAS, the GIS, and provincial supplements may have been sufficient to move many older couples from the "poor" to the "near-poor" category, but leaving a large number of single elderly people below the poverty line. All in all, the elderly make up a very large portion of the "poor" and "near-poor" group in this country.

Why, then, does the Minister attack the elderly poor? On June 29, 1982 the Minister stated that measures in the budget, now contained in the Bill before us, "fully protect the lowest income Canadians and the working poor". Only those who are not in need will be asked to share in serious sacrifices which are required to bring our country out of the economic crisis, she said.

Is the Minister not by her own admission attacking those she purports to want to aid? How does she expect Members in this House or the people who are now receiving Old Age Security to take her seriously? Through the Bill before us, Bill C-131, the Minister of National Health and Welfare is attacking the very group which she has vowed will be protected.

Let me quote from a speech which the Minister made to the Men's Club of Vancouver in November, 1980. She said:

• (1240)

> We have too many retired Canadians who find themselves living below or near the poverty line ... Can you imagine if 53 per cent of the total population in Canada under age 65 had to rely on Government welfare payments to survive? That would be shocking, shameful and economically disastrous. Why is it we ask this for our pensioners?

We say why indeed. What is the argument for bringing forth the proposals in this Bill? Supposedly to save an estimated $105 million a year, the Minister is cutting the already meagre welfare payments to the elderly poor. She does this by arguing that restraint is needed during the current recession.

The Liberal Government, of which this Minister is one of the key Ministers in its strategy for recovery, if there is one at all, is to put money in the hands of the rich for increased investment. Changes announced by the Minister of Finance (Mr. Lalonde) in October, recommended to him by his blue ribbon committee on taxation, and changes which he will bring forward next week in his income tax Bill, will offer $750 million in tax breaks for the first year and $1.5 billion in the second year to Canada's wealthiest citizens.

How can the Minister of National Health and Welfare, who proclaims that she is the champion of justice in social programs in Canada, support such a policy? Where is her personal integrity? The Minister states that pension reform "is the highest social policy priority of the Government today".

I have tried in the years I have been here not to deal in personalities, but I have to say to the Minister, and I wish she were here, that we in the New Democratic Party, and I believe this would be true of old age pensioners, are bitterly disappointed in her. This Minister has frequently spoken about the needs of the old age citizens, the needs of the poor and the desirability and importance of maintaining our health care system, yet she is involved in cutting back on old age pensions and income security programs. We will see in the next year this Minister, through the federal Government and with the co-operation of the provincial Governments, cutting back on medical and hospital insurance.

We expected a great deal more from this Minister. In my opinion, if this Minister really believed what she has been preaching for the last couple of years, she would have resigned when the Government brought forward this kind of legislation.

This Bill will affect all those who now receive Old Age Security. That was 2.4 million people in 1981, of whom 57 per cent were women, many single or widowed. The argument has been advanced, and I say this in a cynical way, that in absolute terms the reductions in income as a result of the implementation of this Bill will be small. That is not true. It will seriously affect those who do not qualify for the Guaranteed Income Supplement and whose outside income does not provide them with adequate support.

Even a cursory examination of the facts reveals the weakness of the argument that the implementation of this Bill will affect only a relatively small amount of people. After all, prices are always relative to income. In a world of double-digit inflation, even the smallest cuts in income are debilitating for the elderly living in poverty.

More than 100,000 people will have the indexation of their pensions capped at 6 and 5 per cent, and suffer because they do not receive GIS. They are being told that they will not be

affected. However, the cost of living is still rising by 10 per cent. The Government's argument that by the summer of next year it will be down to 6 per cent is a specious argument. It will not happen. All the evidence is that the cost of living will be running at something like 9 per cent next summer. Those who have their old age pension increase capped at 6 per cent will have a reduction in their already too low standard of living of between 3 and 4 per cent.

We estimate that this Bill will cost those who depend on OAS $77 in 1983 and $220 in 1984, in total approximately $300 in the next 24 months. This is a piddling amount for this Liberal Government but a very significant amount for the 1.2 million Canadian senior citizens who depend on OAS to sustain themselves.

In the rush to apply six and five to all sectors of the economy, has the Government not forgotten its priorities and ignored the history of social welfare in Canada? While the Government will be niggardly with the incomes of those struggling to maintain their dignity and a decent standard of living in their old age, it has no compunction in allowing price increases well over their six and five guidelines for other sectors of the economy.

Let me give a few examples. In the summer of 1982, rent increases in Canada Mortgage and Housing Corporation-owned housing projects in my Province were allowed of 16.4 per cent. The Ottawa-Alberta energy pricing agreement will increase the price of gasoline and home heating oil by 20 per cent or more for each of the next two years. In September, 1982 TransCanada PipeLines received, with the approval of the federal Cabinet, an increase of 16 per cent in natural gas transportation charges. That provides an average rate of return for the shareholders of 15.4 per cent. Shareholders can get 15.4 per cent, but old age pensioners will have their increases capped at six and five per cent.

In September of this year the excise tax on beer, wine, liquor and cigarettes was raised by 15 per cent by the federal Government. In October, 1982 the Government announced that unemployment premiums will go up by 39 per cent.

The Government overlooks the long-term effects of cutting indexation to six and five. This cuts the base on which further indexing will be calculated after 1984. That will be true only if we assume that the Government will go back to full indexing in 1984.

Once having breached the principle we have lived with for a number of years, that old age pensions and the Canada Pension would be increased quarterly by the amount that the cost of living goes up, having said that no matter how much the cost of living goes up the increase in indexation will be kept to six and five per cent, what assurance do the old age pensioners have that in 1984, given that we may still be in a recession, the Government will not say that it is going to continue to cap indexation? What assurance is there that any Government might not say that the economy is so bad and Government revenues so low that indexation could be done away with altogether? This is indeed a very serious step.

• (1250)

I indicated earlier that we are discussing a reduction of $300 in the next two years in the amount that old age pensioners receive. If and when indexation begins at the full rate in 1984, the base on which the indexation will begin will be $300 less than it would have been. That means that all increases from then on will be based on a lower amount than they should have been. Therefore, what we are talking of concerning old age pensioners is not a reduction of $300 in their pensions. We are talking of a reduction in the life span of the old age pensioners because, after all, they will live 20 or more years after they begin to receive their pensions. We are talking of a reduction in real money to old age pensioners running into the hundreds of millions of dollars.

With the cut to 6 per cent in the increase in OAS in 1983, and generously assuming some reduction in the rate of inflation, there will be a reduction in real income of 5 per cent and more in future years for our pensioners. We have estimated that, realistically, the loss to the elderly in the next four years will not be $300, but rather $900.

The elderly are unjustly the victims of what has become a Government campaign of promising pension reform, as it did in the green paper tabled yesterday, while in fact it is eroding the fundamental basis of Canada's social security system. Old Age Security is one of the pillars of Canada's social security system. It represents 65 per cent of the income of the elderly from combined Old Age Security, Guaranteed Income Supplement, and the Canada Pension Plan or Quebec Pension Plan. From its inception in 1952 when the Old Age Security pension represented 17 per cent of the average industrial wage, the Old Age Security benefit has now been allowed to slip until it represents barely 13.5 per cent of the average industrial wage, amounting to a loss, in just a few years, of 20 per cent.

When the Old Age Security Program was enacted in 1951, after work done for many years in this House by Hon. Members of my Party, like the Hon. Member for Winnipeg North Centre, by organizations such as the Canadian Welfare Council and the Canadian Labour Congress, it was a major achievement because we thought then that we had gone a long way toward abolishing the humiliation which had been part of the old pension system, the means test, which characterized the antiquated and limiting plans which preceded the open and universal program embodied in the Old Age Security Program.

In this Bill with which we are dealing today, the Government is asking the 2.4 million elderly Canadians to take a cut in benefits, but, further, it moves the whole social security program a few more paces back to the days when proud and dignified elderly citizens were required to submit to the means test. Why, Mr. Speaker? Because this Bill assumes that those who really need it can get the means tested Guaranteed Income Supplement. The Guaranteed Income Supplement has been excluded from the six and five limitations on the basis that it is more equitable to do so. This is part of the campaign which puts more and more emphasis on the means tested GIS as the basis for the whole system of social security.

The GIS was introduced in 1966 to assist pensioners with little or no income. However, OAS was to act as a bridge until the Canada Pension Plan had ripened sufficiently. In this Bill, the Government justifies cutting OAS by putting more weight on GIS to select a program.

We have fought for a long time so that universal old age pensions providing a decent living standard would be considered a right for all elderly Canadians, not a welfare program or not a gift. The fact is that people, particularly the elderly, will use a program much more when it is open to everyone. When a program is organized on a welfare basis, which we consider the GIS to be in part, requiring those who can participate to undergo a means test, it is clear that fewer will participate. The fact that over half of the 2.4 million Canadian pensioners are GIS recipients speaks for the Government's record on this issue. That fact alone demonstrates how many of our senior citizens are living in poverty. The latest statistics show that, of all individuals aged 65 years and over, almost 75 per cent have incomes under $10,000. The average income for this group is $9,280 a year. This includes Old Age Security benefits as well.

After the June budget, when the Bill was first announced the Minister of National Health and Welfare claimed that the budget "fully protects the lowest income Canadians and the working poor". She said that "only persons who are not in need will be asked to share in the serious sacrifices which are required to bring our country out of the economic crisis". I can only assume that the Minister, in presenting this piece of legislation, did not realize its full impact on the lives of elderly Canadians.

We say that the Government should withdraw the Bill. We expected a great deal more from the Minister. We say that if this country is in a recession, which it is, if sacrifices must be made, the sacrifices should be made by those people who can afford it, those people in the higher income brackets, those thousands of people who have incomes of $50,000 and $100,000 a year and pay no income tax at all because of the loopholes which are built into the income tax system as we have it.

Therefore, we say that if we must call on Canadians to make sacrifices, the last people upon whom we should call are retired Canadians who have contributed so much to building up the greatness of this country. They are the last people who should be called upon to make these sacrifices and, for that reason, we propose to vote against the bill.

Mr. Jack Masters (Thunder Bay-Nipigon): Mr. Speaker, I wonder if, given the hour, I may call it one o'clock and continue at 2:00 p.m. Do I have the agreement of the House?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): It seems that the House agrees to that suggestion.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

The Acting Speaker (Mr. Blaker): Order, please. When the House rose at one o'clock, the Hon. Member for Thunder Bay-Nipigon (Mr. Masters) had the floor.

Mr. Masters: Mr. Speaker, I would like to begin my intervention on the subject of Bill C-131, an amendment to the Old Age Security Act, by mentioning my mother. She is a senior citizen, and I hope I am a dutiful son to her. Her means are modest as is the case with so many senior citizens today. I mention my mother not to garner sympathy or to make my speech different from any other, but only to underline the point that when we debate issues like this, so often it becomes "they".

Everything we do in this House really relates to people, both collectively and in a general sense. Not only do we have to think in terms of helping the most people most of the time, but in order to arrive at our decisions to do certain things in this House we have to remember that what we decide to do has an effect on individuals, because all of those broad "theys" are just a collection of individual people.

Somehow when we get into an extremely important subject such as this, it would seem that Members opposite suddenly garner the market on compassion and on understanding and really feel that we, the big bad Liberals and those that support the Government of the day, somehow have lost our mothers, our sons and our daughters. I submit that it takes a great deal of courage for a Government to introduce and support this kind of legislation, because if you take it out of context as one single act, yes, it becomes an unfair practice.

What we are really discussing in Bill C-131 is an amendment to the Old Age Security Act. We are saying that this is a necessary piece of legislation that is part of a broad range of programs designed to help all Canadians, and especially those senior citizens who have given so much to this country. What we are talking about is putting a cap on an increase. I do not think we should ever forget the fact that we are still talking, both in this piece of legislation and related pieces of legislation, about capping an increase. That is what is happening in this instance, but there is still further money to come.

In its wisdom the Government in this Bill has said to those of our citizens who are really going to be hurt the most: We understand your plight. We understand that this is their sole means of livelihood. We will do the best we can with limited funds and will maintain the status quo, and in fact do a little bit better for those people who are receiving the supplement. That is not the act of people who are not thinking, who lack compassion or understanding.

• (1410)

As always when we debate these points, one wonders about the information going around. I have heard all kinds of figures about what the actual dollar cost to the senior citizen might be. They range, from our side of the house, from $29 in 1983

and $52 in 1984 to figures conjured up on the other side which go as high as $900 over five or six years. I think we have to think about what is really being said. In effect, Hon. Members, without thinking, are saying, "We don't think that inflation will come down". That is what this is all about. The Hon. Member nods, "Yes, that's what we're saying". But may I just respectfully suggest to all of us in this House that if we, as Parliamentarians, do not believe that inflation will come down, do we not then fuel in our own way the expectations of Canadians of more inflation and not less? I might add, Mr. Speaker, that the trends of the moment indicate that in reality inflation is coming down. As inflation comes down, current projections show that in reality there may not even be a modest change in that capping of senior citizens' pensions, and they will at least maintain the level they are at now because inflation will hit that 6 per cent level.

Some very dear senior citizens I know have wondered why Members of Parliament, and other leaders in whatever part of society, do not concentrate more on encouraging businessmen to bring prices down. Then their dollar would be worth more and they would not be doing too badly. Senior citizens are saying, "You people in the labour movement, or in the work force in general, please consider, if you bring your expectations down just a little bit more, if you accept a little bit less, then we collectively as a nation gain and we won't have to get into this kind of legislation or greater controls somewhere down the line".

This Bill is a part of a package that no one is happy with, including my mother, but they recognize that it is part of a program which is trying to set an example whereby all of us can find a vehicle, if you will, in which to participate in a very important and necessary fight, and this is the fight to bring down inflation.

In this season of goodwill perhaps more Canadians should say, "Wait a minute. I think for a change I will truly think of my fellow man. Maybe I will be more careful in how I comment on the restraint of inflation. I will reconsider how I will gear my expectations for the future, how I will direct my thoughts toward wage increases, and so on, and I will consider that we collectively caused the problem and we can collectively solve the problem."

There is something else which the senior citizens of this country, and particularly my riding, recognize, Mr. Speaker, and that is that their sons, daughters and grandchildren have a right to expect something in the future. Many of the thoughtful senior citizens say, "We will, albeit it reluctantly, join in this fight against inflation. We will join in this fight to stabilize Canada not only for the sake of ourselves but for our children and grandchildren." I believe it is an accurate perception that senior citizens think of their children and grandchildren even more than we do in our sort of central sector of life. They want to make sure their grandchildren also have a place in the sun.

I believe also we have to stop and think about introducing this kind of legislation from a political point of view. It is dynamite, because nothing can turn people on more, and no better Brownie points politically, in the crassest sense, can be garnered, than when you start speaking of widows, orphans and children. But I believe that thoughtful Canadians recognize that no Government of any Party would introduce this kind of legislation unless it was being very thoughtful and responsible.

It is not an easy thing to do, nor is it easy to stand in my place today, Mr. Speaker, and support this kind of legislation. I would not do it if I did not really believe that all of us collectively have to do something more to bring down inflation in order to make this a better country in which to live and to give all citizens a chance to participate more equally in its bounty. If this involves taking another look at programs, to be consistent, such as the Old Age Security Act and many others, then I say I do not want to do it; but I have done a lot of things in my life I did not want to do because it was the responsible thing to do, because it was necessary.

As I said on an earlier occasion, Mr. Speaker, I would really hate to think that all of these things will go for naught. We in this House have a larger responsibility than just getting elected the next time, or forming the Government the next time, and that is to keep this country on an even keel, to bring inflation down for the short term, the medium term and, what is even more important, the long term.

Hon. Members opposite have as much information as we on this side, or anyone else in the country, as to world-wide conditions in regards to productivity, what inflation rates are elsewhere, and what we have to do to compete in a world-wide situation because we belong on the same planet with these other countries. Members opposite know that. Therefore, they know this is not a trivial fight, this fight against inflation. It is an essential fight. We may be going to pull out of it now. People are uniting in a more meaningful way. We are beginning to move, all too slowly perhaps, but in a more positive direction. We have to accelerate that move and we also have to put ourselves in a position where we can say to the people of Canada, who also pay to help support our senior citizens whom we dearly love and are so proud of, that they will be in a position tomorrow to do even better. We can compete with anyone in the world, and we can do it well; but we cannot do this if Hon. Members opposite, I do not say deliberately, keep fueling these negative thoughts and expectations. If they keep saying day in and day out that there is no way inflation will come down, some sectors of the population will begin to believe they are right. And if they believe inflation is going to go up, maybe they would feel they should have a little bit more just in case, whereas in reality they should be saying collectively, "No, we don't like to take measures like this. We wish they weren't necessary but, by golly, it's a start."

If we all join in the fight collectively and sincerely, I think we can in fact bring down the inflation rate and can say to the senior citizens of this country, "We haven't been able to give you all you would like, or perhaps all we would like to give you, but you haven't lost ground because inflation did come down and your dollar is worth more". So that 6 per cent increase—it is an increase and I wish people would keep that in mind—is still realistic in these times.

• (1420)

So, Mr. Speaker, as I said at the beginning, I too have a mother. I am also just old enough to remember the Depression years. That has been brought into the debates of late a great deal as though only one side of the House knew anything about the Depression or about living in houses that were lit by kerosene lamps and all that sort of thing. I too have had my share of that and I have not forgotten; but I think I will be able to vote for this Bill, not because I want to see less in any way, at any time ever, go to our senior citizens, and not just because I want to see this as a positive step towards pension reform so we solve the ongoing problem of how we look after our people as they get older, but I will be able to vote with a clear conscience because I have thought it out and feel honestly that I have supported a measure which is absolutely necessary as part of a total package to bring down inflation, help restore confidence of Canadians and others in our country, so that we look after the immediate future and do the very large job of setting the stage for tomorrow.

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I thought I was dreaming when I listened to the Hon. Member for Thunder Bay-Nipigon (Mr. Masters) telling us about his mother. If he can tell us today that he is going to phone his mother tomorrow or tonight and say, "Mother, I voted to cap the indexing on your pension", and she does not slap his wrists or something more serious, Mr. Speaker, then I will be very surprised.

Mr. Rose: He knee-capped her.

Mr. Clarke: Maybe she will knee-cap him, Mr. Speaker.

I listened in amazement to a Member from the Government Party trying to tell this House that inflation is coming down and that we should not be the ones to go around saying that inflation is going to stay up. If his Party believes what he said today, there would not be any need for this Bill because the pensions would be automatically capped at the rate of inflation. So what the Government is telling us today is that there is no way we can expect inflation to fall from 11 per cent to anything approaching 6 per cent or 7 per cent. Well, I believe that, Mr. Speaker, because the Government has not shown any responsible actions which will in any way ever attack the problem of inflation. The Government told us that ten years ago. The Hon. Member for Sarnia-Lambton (Mr. Cullen) smiles. He was here ten years ago and must have laughed when the Prime Minister (Mr. Trudeau) said that he was wrestling inflation to the ground.

Mr. Cullen: I rise on a point of order, Mr. Speaker. I was sent a message by the Hon. Member across the way and I was smiling at that. However, I think I should remind the Hon. Member that when the Prime Minister (Mr. Trudeau) said he was wresting inflation to the ground, wrestling is always two out of three falls.

Mr. Rose: Which one is he on now?

Mr. Clarke: Well, now I am smiling, Mr. Speaker, at the Hon. Member for Sarnia-Lambton. He was here ten years ago when his Government first admitted that inflation was out of control and indexing had to be brought in to protect the taxpayers, pensioners and all sorts of people against the ravages of inflation. Now they say, "Well, inflation is coming down anyway, so we do not need it". But here we have this legislation. Well, Mr. Speaker, that certainly is not the attitude we on this side of the House take when we look at a serious Bill like this one.

As I add a few words to the debate on Bill C-131, I have to ask myself why is this the last day of the debate? Why do we have this limited debate? The Government says it is an important Bill and it has to go through in a hurry, but we note the Government waited about four of five weeks from the date it was first introduced in the House until it was brought to the floor for debate. I suggest the reason is that the Government does not want the message to get out across the country. It is well known around here that short debates are not generally noticed across the country.

Mr. Cullen: Want to bet?

Mr. Clarke: If we do not have a long, protracted debate, then the news is going to be on something else and people out there will not know what the debate was all about. I think the Parliamentary Secretary said there were 23 contributors to the debate, five from the Government side and obviously 18 from both Opposition Parties. We could ask why were there only five Liberals addressing the issues in this Bill. I suggest it was because the others were afraid—or ashamed, as the Hon. Member for Mission-Port Moody (Mr. Rose) says. They were afraid to be seen to be eager to penalize pensioners.

Why were there so many speakers, relatively speaking, on this side? I am not admitting that 18 is a large number at all. Because people on this side know that the message has to get out and we have to have some kind of debate on a matter of deep principle which this debate involves. The House Leaders of both Parties on this side have said that we are opposed to this Bill, and what better way to show our opposition than to have a number of speakers get up and debate the issue and get the message out to the public.

Mr. Baker (Nepean-Carleton): Hear, hear!

Mr. Clarke: Mr. Speaker, the Parliamentary Secretary to the President of the Privy Council (Mr. Smith) told us, with some pride I thought, that we had already had eight and a half hours of debate on this Bill and today we are probably going to get two or three more. Well, that is 11 hours. Now, is 11 hours too much? Would 21 hours or 31 hours be too much debate on a Bill which changes a very serious principle which was entrenched by this Parliament about ten years ago, that of indexing? We might also ask how many debating hours there has been between the time the Bill was introduced on October 28 and when the debate started, or even up until now.

I said this was an entrenched principle, Mr. Speaker, and to put that into perspective. I want to refer to the remarks of the

Prime Minister from just last year—not a decade ago, but just last year—at the National Pension Conference. I am quoting from his opening remarks:

> Put simply, people must be protected in their retirement years. The Canadian Government has pledged that they will be better protected in the future than they are now. Pensions which are not protected against inflation naturally tend to dwindle over the years. People who thought they had purchased protection for the rest of their lives find that they have more serious financial problems the older they become.

That last sentence, of course, refers not to the old age pension but to contributory pensions. But the seniors of this country believe that they have contributed to the welfare and the coffers of this country and have purchased the protection promised to them by their Government. The Prime Minister went on in that same paragraph to say:

> The unfairness of that situation . . . is not tolerable in a nation which believes in social justice.

Well, Mr. Speaker, we have heard our Prime Minister tell us that the land is strong and we have heard him talk about the just society, and now we have heard what he said about pensioners. That was said 1981, it is now 1982, and what is he doing? Has he changed his principles? Has he changed his mind? I do not know. Now he is asking the pensioners of this country to take a cut in purchasing power—not in numbers of dollars but in purchasing power—which they can ill afford.

I think we can go back to the original concept when indexing was entrenched in the legislation of this country and ask why we had indexing in the first place. The reason we had indexing was that inflation was found to be robbing seniors because of Government action. As Government action was robbing seniors of their purchasing power, the Government and Parliament thought they should take it upon themselves to restore that purchasing power. For nearly a decade, because the Government has seen fit to do nothing effective about the problem of inflation, we have had indexing in order to give seniors some measure of protection. It cannot be said that they are getting total protection from the ravages of inflation because of the way the consumer price index is calculated, which is not reflected in the living habits of all groups. Those on low income spend a greater proportion of that income on the necessities of life which are given a certain rating in the index.

• (1430)

We must consider who is going to suffer as a result of the proposition put forward today. Since the Guaranteed Income Supplement will be increased to cover the loss of the pension increase by those who receive the Guaranteed Income Supplement, I suppose we could say that only those with an income of over $8,912.40 will be affected. Let us round out that to $9,000. Every pensioner who has an income over $9,000 will have that income cut by about $3.40 in each of the first three months of 1983. That does not represent a lot of money to the Government but the increase to the pensioner will be cut from 11.5 to 6 per cent. That is quite a large percentage of the total pension income.

The Hon. Member for Northumberland (Mr. Hees) and the Hon. Member for Parry Sound-Muskoka (Mr. Darling) both receive the old age pension and it will be cut. But they receive a salary as well, Mr. Speaker. There are thousands of pensioners with incomes of well over $9,000 who will not mind cutting back and giving up some pension. But that does not take away from the fact that it is a right and something that Parliament made a bargain on. It is something that Canadians should be able to rely on.

The Prime Minister talked about trust in one of his television speeches. How can he expect taxpayers and senior citizens to trust anyone here when the Government pulls tricks like this one?

Anyone who earns over $9,000 is not rich. Those who earn $10,000 will suffer more proportionately than the person whose income is $30,000. Should the cut come at $11,000? It is impossible to say. That is why the program should not have been adjusted the way the Government is trying to do it. It will make only a small dent in its huge deficit problem anyway.

I mentioned the $3 loss for the first three months of 1983 that will be incurred by pensioners on a cumulative basis. I have not figured out how much the total loss will be by the end of 1985 when indexing will be restored. That is not the whole problem, of course. The loss suffered by pensioners for those two years will carry on for the rest of their lives. The younger pensioners, those who can expect to live longer, will suffer more as the effects of the program accumulate.

I do not think many Members of the House would argue against the over-all restraint program. Six and five is good in certain ways. I think we must ask ourselves if the program is a good measure when it attacks the incomes of our senior citizens, those who can least protect themselves and the people who need to spend their money. The restraint program is good in so far as it will control Government expenditures and reduce Government deficits.

One of the things that we need in order to get the economy rolling again is to have more people investing and spending money. That helps to create jobs, to create multipliers and so on. It is well known that senior citizens, those with low incomes, spend it all. Every dollar the Government pulls out of the pension program will mean that one dollar less will circulate to improve the economy.

This Bill is a short-sighted action which may contribute a little bit to the solution of the Government's over-all problems. It is a niggardly action. It is directed at the wrong people in Canada. If it is successful in helping with the Government's program, then the seniors of Canada will not thank the government for it.

Mr. David Weatherhead (Scarborough West): Mr. Speaker, I am sorry that I have not had a chance to listen to all the contributions to this debate on Bill C-131 but I have listened to the last two speakers.

I am pleased to take part in the debate this afternoon. This Bill gives us an opportunity not only to discuss the success of the Government's six and five program but it also gives us an

opportunity to show the good record of this Party in dealing with seniors over the last 30 years, if not more. In the brief time that I have been listening to speeches in the House, I have not heard too much about that, particularly from Members on the other side.

The Hon. Member for Vancouver Quadra (Mr. Clarke) says that he is in favour of the six and five program but that it should not affect certain types of people. Surely the whole success of the program is that it affects everybody on the federal payroll, those receiving federal pensions or federal allowances of one kind or another unless their incomes are below the poverty line. That is the psychological reason why the program has been a success—and it has been.

When the program was introduced in the June budget I wondered how it would be received in the country. I recall very well, as I am sure you do, Mr. Speaker, how the Opposition Parties ridiculed and pooh-poohed it following June 28, 1982, and how the provincial Premiers when they met in Halifax a month or so later also ridiculed and pooh-poohed it. Just a few months later Members on the other side like the Hon. Member for Vancouver-Quadra had to admit that it is a good program. A Gallup poll shows that two-thirds of the people in the country believe it is an excellent program and about the same proportion of union households agree with the need for it.

I was speaking to the Hon. Member for Egmont (Mr. Henderson) at lunch today and he said that the Chamber of Commerce in Summerside, Prince Edward Island had made a survey. The result showed that 90 per cent of those surveyed approved of the six and five program. Owners of large and small businesses are embracing the program with open arms. Some of the most influential names in the business world are actively promoting it as the only plan that will make our economy competitive again.

That is the name of the game. We cannot have double the inflation of the United States. We are a trading nation; our whole economy depends on our competitiveness in foreign markets. Unless we get our inflation rate down to near that of the United States, we cannot compete. Our manufacturers will not be capable of producing, new jobs will not be created and new investment will not take place. The more sensible and realistic Members of the Opposition realize that.

Some people say that while this is a good principle it should not affect this or that group—it should always affect some other group than the one they are dealing with at the present time.

As the Hon. Member for Thunder Bay-Nipigon (Mr. Masters) mentioned, no Party is going to bring in legislation—particularly a Party that has been in power for most of the last 50 years—that is damaging to it unless it thinks there is a good reason for doing so.

• (1440)

In a few moments I will deal with our record in terms of senior citizens over the years, but particularly in the case of the Family Allowance legislation, Bill C-132, and Bill C-133, as far as it is concerned, unless we make all these groups subject to the six and five formula, with a bit of change in Bill C-133 because of contributions, the psychology of the program will be badly affected.

We heard provincial Premiers and Members opposite deride the program in June and July, but let me look at what has happened since that time. Since then most Provinces have brought in their own programs. For example, in my Province of Ontario, Premier Davis brought in his own program after seeing how the wind was blowing in favour of six and five. After a few months he brought in his own 9 per cent and 5 per cent program, I believe it was. Most Premiers have done the same in one way or another.

I mentioned the business reaction before, and I mentioned that unless we get inflation down, our economy will not get rolling again and our people will not get back to work. It is worthwhile to mention the bases of finances here. At the present time, in December, 1982, people on OAS are receiving $246.92 per month. This time next year, December, 1983, they will be receiving an increase to $261.74 per month, and in December, 1984 they will be receiving $274.83 per month, another increase.

This will affect everyone on OAS, but what happens to the 53 per cent, more than half our seniors, who receive the Guaranteed Income Supplement at the present time? These 1.2 million seniors do not have any other real income. They receive the GIS or part of it. They will not be hurt at all by Bill C-131. Their GIS will be fully indexed in the coming two years. This new Bill will only be in effect until the end of 1984. In addition, those on GIS, more than half our seniors who need it most, will be compensated in lump sum payments for moneys they would otherwise lose by the OAS not being fully indexed for the next couple of years. Those who need it most among our seniors—and I am sure they are the ones about whom most of us are really concerned—will not be affected or hurt at all by this particular Bill.

The Hon. Member for Vancouver Quadra talked about the actual amount of money involved here. If we get inflation down to 6 per cent by the end of 1984, those receiving the OAS but not the GIS will lose about $29 in 1983 or less than $2.50 per month, and about $52 in 1984 or a bit more than $4 a month. For everybody, but particularly for our seniors, every dollar is important, but $2 or $4 per month is not the end of the world, if it helps get the idea firmly implanted in all parts of the country and with every group in the country that we are serious about the six and five program, that everybody should support it and do his or her part.

A few minutes ago I heard the Hon. Member for Thunder Bay-Nipigon (Mr. Masters) refer to the fact that seniors are not only concerned about themselves, but they are concerned about their country, their families, their children and their grandchildren. They have gone through hard times themselves. They are the ones to whom we owe our comparative prosperity today. They are the ones who went through the wars and the Depression. They are the ones who worked hard to build the country after World War II. We owe an awful lot to those people.

In my area of Scarborough West there is a large proportion of senior citizens. This is what I tell them every time I see them, and this is what I believe. They are not only concerned about themselves; they are concerned about their grandchildren, many of whom do not have jobs. They are concerned because plants are closing down as a result of high inflation and lack of competitiveness in world markets. They are concerned that some of their children in middle age are unemployed for the first time. They are the ones who have always done their part. They answered the call to duty in the First and Second World Wars. Those are the ones who fought a hard fight during the Depression. They have always done their duty. People on OAS who have other income and do not receive the GIS want to do their part in the six and five campaign at the same time, which is a two-year campaign ending in 1984. I think Hon. Members will discover that as they go across the country.

There are some savings involved, but I do not think they are the big items in the Bill. After we take into account the money saved in reduced OAS increases and additional moneys paid out in GIS increases, we will have an estimated saving of $115 million. I suppose $115 million should not be sneezed at and I am not sneezing at it. Basically the idea is that this group of senior citizens who are above the poverty line and have other income want to do their part. It is true that many of them do not have too much other income. In some areas of the country seniors have a fair amount of other income, but not in my riding. If $100 million could be saved to contribute to employment opportunities elsewhere, they are willing to do their part.

What is our record? What is the record of the Liberal Party regarding senior citizens over the years? The Hon. Member for Fraser Valley East (Mr. Patterson) who is in the Chair at present has been in the House for a long time and has participated in many debates. He will remember 1952 when the Hon. Louis St. Laurent brought in the first universal Old Age Security after discussions for a great number of years. Also he will remember that at that time it was effective at age 70. From 1966 to 1970 the age was reduced one year at a time to age 65. Then the Guaranteed Income Supplement came in for those seniors below the poverty line. Indexing came in for the first time in 1973. In 1975 the spouses' allowance came in for spouses between ages 60 and 64 who were living with spouses over age 65. Also, Mr. Speaker will remember that in 1979 the GIS was increased by another $20 flat rate as well as continuing to be indexed, and that in 1980 after the last election it was increased by another $30.

Mr. Bossy: That was all done by the Liberal Government.

Mr. Weatherhead: Yes, as my hon. friend says, this was all done by the Liberal Government.

Our record with respect to seniors does not just rest with Old Age Security and the Guaranteed Income Supplement. Our Party brought in the Canada Pension Plan in the mid-1960s; it was the Government of the late Right Hon. Lester B. Pearson. That plan has been built up since 1966 and it is now becoming a more and more significant portion of pensions for workers once they retire. Perhaps just as important is our record for seniors and everyone else with respect to Medicare and hospitalization.

My father was a lawyer. He was comparatively well off although he never thought so. He always had a fear, going through his life, that he would run into some dire medical disease or whatnot which would strip him of all his savings. My father was fairly well off, but this fear was always in the back of his mind.

• (1450)

Going back 20 years or so many people felt the same way. No matter how wealthy or poor they were a person's life savings could be wiped out if they suffered any kind of disease that required hospitalization. Hospitalization insurance came into being in the late 1950s. It was brought in by the Government of the Right Hon. John G. Diefenbaker. Medicare was introduced in 1964 or 1965 by the Government of the Right Hon. Lester B. Pearson. Senior citizens are more apt to have disease than younger people, but after hospitalization insurance and Medicare were brought in they no longer had this fear of having their life savings wiped out as a result of ill health.

We take hospitalization insurance and Medicare for granted in this country, but we should be reminded of the situation in the United States. Senator Kennedy and others have been fighting unsuccessfully for years trying to get the same sort of medicare legislation in the U.S. They have been fighting against medical lobbies of various kinds. There are some plans for those on charity, but other than that Americans have to pay high premiums to get some sort of health insurance. The Medicare and hospitalization schemes that we have here in Canada give very good protection. Medicare was brought in by my own Party and has played an important part in the over-all protection of senior citizens.

In closing, might I mention a program which I think delivers the most benefit per dollar to our seniors. I am, of course, referring to the New Horizons Program brought in by our Government. In my riding of Scarborough West, which comprises the old suburbs of East Toronto, we have many older people. This riding is not like other suburbs in the City. We have 20 to 25 senior citizens' clubs in this area. People who belong to these clubs are very active. They want to get involved. They not only live in senior citizens' towers but in family homes around the area as well. With a little bit of seed money, often no more than $5,000 per club for a year or two, they are able to get themselves organized. Some of them have weekly meetings. There are daily activities for some of them. These clubs are a focal point for sociability, athletic exercise and stimulating conversation for men and women. The New Horizons Program is an excellent program. I am sure Members on all sides of the House will agree with me that for a very few dollars we are able to get seniors to organize themselves, to take an interest in everything from nutrition to athletic endeavours. I also think of ceramics and woodworking. This is not a big program money-wise. It does not go into the

billions as do some other programs for seniors that we have, but it is a very worth-while program.

I am not apologetic at all, nor is the Hon. Member for Thunder Bay-Nipigon and others on our side of the House who have spoken, for this piece of legislation. I can go into any seniors' group—I have 20-odd in my area—and say very clearly that they know who their friends have been over the last 30 years in this country. That is why we take the seats in Toronto, in the urban areas of the country and in Eastern Canada. These people know who their friends are. We do not come in making wild promises. We do not say, as do Members in the Party across from me here, sitting at the far end of the House from you, Mr. Speaker, that everything the Liberals do they will double automatically. We do not say that. Our seniors know who their friends are, and that is us.

Mr. Riis: With friends like you, who needs an enemy?

Mr. Weatherhead: You will remember that in the 1980 election campaign, Mr. Speaker, the Conservatives did not have any ideas about increasing the GIS at all. The Conservatives were going to study it. All of a sudden the Conservatives were not in the Opposition any more, they were the Government in power. They became awfully responsible. They did not think the seniors needed more money for the GIS. They were going to study the GIS and that was that.

I do not want to get overly partisan, but we have had a good record over 30 years. Our seniors, the ones who have some extra income, are not on GIS and are concerned about their children and their grandchildren, want to take part in the six and five program, which is a two-year program only. I urge Members on all sides of the House to support the legislation this afternoon.

Mr. Jack Murta (Lisgar): Mr. Speaker, it is with mixed feelings that I participate in the closing stages of this debate this afternoon. The Hon. Member who has just spoken is a very distinguished and well thought of Member in this chamber. I think of him as a very good friend who is a very highly respected Member from Toronto.

Mr. Rose: He used to be until he made his speech.

Mr. Murta: I do think it would be stretching one's imagination to believe for one minute that the Hon. Member, or indeed any Member of the Liberal Party, could go into a senior citizens' home in Canada—other than some very wealthy ones—and expect to get out with any more than the clothes on their backs after they were through trying to explain this legislation. It is virtually unexplainable.

The Bill itself has been characterized in many, many ways over the course of this debate, but one of the best descriptions of the legislation is that it is a mean piece of legislation. It is designed, as it has to be designed if it is going to move in the area of restricting benefits, to impose a 6 per cent increase this year and a 5 per cent increase next year on old age pensions in terms of the Government's proposed plan to curb inflation. By the very nature and the very design of this Bill, it will curtail old age pensioners' incomes. It has to. It cannot do anything else.

As I have said, the Bill limits the increase in old age pensions to a maximum of 6 per cent in 1983 and 5 per cent in 1984. As we all know, this pension previously had been fully indexed to the rate of inflation as measured to the consumer price index, which moves from time to time.

The legislation is basically directed against approximately 1.2 million senior citizens in this country who do not qualify for a full or partial Guaranteed Income Supplement. Looking at the scenario of a 10 per cent inflation rate, which will certainly occur this year, and also at the general economic situation, the scenario is bleaker now than it was some months ago, first because the American economy has not responded in the way that President Reagan and the powers that be in the United States hoped for, and, second, because we are on the verge of a very detrimental trade war. This will slow down the rate of recovery as well.

Everyone is hoping for a recovery. Everyone is hoping that consumer confidence will pick up and people will start to buy goods and services once again. If that does not happen, and it is increasingly more evident that it will not, then we could see, even with the six and five program, that inflation will remain at very substantial levels, well above the hoped for targets of six and five.

• (1500)

If we were to take an inflation rate of approximately 10 per cent, which is what it is presently, each of the 1.2 million old age pensioners would lose $290 in the next two years. On a year to year basis, that would be approximately $70 in 1983 and $220 in 1984. Those who will be affected to the greatest degree will be the single elderly with incomes slightly above the $8,900 or, to round it off, $9,000 which is the cut-off figure for those who receive the full Guaranteed Income Supplement. Anyone with an income marginally above that will certainly be affected very significantly. Those with incomes marginally above the $9,000 level will be the hardest hit. They are the ones who cannot afford a decrease.

Those who earn $8,900 a year receive a little less than $25 a day. The Government is going to carry out its fight against inflation by telling them that they have to sacrifice. The sacrifice made by someone who receives $25 a day is significantly more than the sacrifice made by someone who earns significantly more. Those who can least afford to make a contribution in the fight against inflation are being asked to make biggest contribution.

An elderly married couple with an income of just over $15,000 per year will lose approximately $580 over the next two years. Clearly the Government intends to fight inflation on the backs of the elderly, admittedly not all but 1.2 million of them, which is a significant number. The cut-off level will be $9,000 for a single person and $15,000 for a married couple. Those marginally above that cut-off level will have to do further belt-tightening at a time when I suspect the belt is drawn as tightly as it can be.

How much does the Government expect to save with this proposal? If the savings amounted to millions and millions of dollars and if one were hard hearted enough, one could say that it would be worth it in view of the good to the Canadian economy. However, that is not the case. I do not know what the savings will be, but I am sure they will be small in comparison to the total amount of money that this Government should be trying to save.

The sum will be small compared to the detailed criticisms made this past week by the Auditor General, particularly with regard to Crown corporations. The savings will be minuscule when compared to total Government spending. We are not talking about a lot of money, but we are talking about a significant amount of misery. That is an area we must look at.

A country is not judged on how it treats its more privileged citizens, but how it treats those at the lower levels, the low income earners. It can be judged in no other way. We are judged by the compassion we have for those less fortunate than ourselves. That is how we judge our friends, neighbours and, in fact, other countries.

If someone were to look at Canada, they would see that the Government is asking this Parliament to pass legislation which asks those who are already struggling to struggle even harder. We would not be judged in a very positive way.

Closure is being imposed and this afternoon we will vote on this Bill. We should hang our heads in shame for what we are doing to a significant portion of our population who helped to make this country what it is today, a good place to live.

The elderly in our society scrimped, saved and sacrifices in order that we might have what is ours today. Today we will be saying to these people that they must scrimp, save and cut back on their standard of living even more. That is not right, and the Members of my Party will not support it. While we agree generally that inflation must be dealt with, we cannot in good conscience vote for a measure like this in the same week that the Auditor General came out with horror stories of excess Government spending in the hundreds of millions of dollars over the past year by this Government, which is now asking us to impose a further hardship on our old age pensioners. It is not right, it is not fair, it should be voted against and it should be condemned by every sane person in this country.

Hon. Bud Cullen (Sarnia-Lambton): Mr. Speaker, I welcome the opportunity to participate in this debate because there are some people who need to be reminded of what has occurred. It has been said that a country is judged by the way it treats its senior citizens. It is equally true that a Party can be judged in the same way. Given that circumstance, I think the Liberals can stand tall. What Hon. Members should recall, particularly those in the Opposition, is the fact that the GIS and the Old Age Security will not be reduced to the 6 and 5 per cent for those who are on GIS and Old Age Security. We will have full indexing in that particular area.

• (1510)

The senior citizens of this country will not judge the Liberals or this particular Government on one measure alone. They will look at the over-all picture of how they have been treated by a particular Government. I think the Opposition should be remained of the fact, because its Members, of course, never mention it, that something like $8.5 billion is paid directly to Canadian senior citizens on an annual basis through the Old Age Security, the Guaranteed Income Supplement and the spouses' allowances. That amounts to $8.5 billion, approximately one-tenth to one-twelfth of the total expenditures of the federal Government, including transfer payments, moneys that we must pay out in interest on the national debt, and money that we spend on the Department of National Defence, be they direct or be they transfer payments.

Senior citizens, those over the age of 65, have gone through two world wars and a Depression as well as the conflict in Korea. They know what it is to plan and to prepare, but, more important, they know what it is to be independent, and they like to have the accompanying feeling of pride. Therefore, I was particularly proud to have been elected in 1968 when one of the earlier moves of the Government was to bring in low rental housing for senior citizens. The mood and the approach of the Canadian public has changed quite a bit. In my day there was the sort of thought that grandparents in their old age would probably live with one of their children. That is not the case nowadays. The time came when people felt that senior citizens lost a bit of their dignity. They were quite often shut off in one room. Sometimes they had to put up with grandchildren whom they were frankly ill-equipped to look after on a permanent basis. They had spent a quarter of a lifetime looking after children and felt that they were entitled to something just a little bit better.

Low rental housing units for senior citizens gives them that sense of independence and the opportunity to invite friends and relatives over. They are still able to visit their grandchildren so that they can enjoy them, and when the children start becoming a little less than congenial, they can be dumped back on their parents' laps and looked after in this way. This gives senior citizens the sense of independence, value and worth and, primarily the opportunity of feeling that they are in a position in which they can act as they have acted all their lives, namely, in the position where they are not beholden to anyone.

Bringing in the Old Age Security so that everyone receives the benefits on a universal basis is appropriate, not so much for people who really do not need it but for the average working person who puts aside a few dollars so that he or she will have something upon which to retire, supplemented by the old age pension. These people are encouraged to save because they will then have their pensions or savings looked after and the old age pension as well, and that is across the board.

Others, through no fault of their own, are not in a position to put a few dollars aside because they have not received sufficient compensation for their work to permit them to do so. Some senior citizens incurred heavy medical expenses before

the introduction of Medicare. I say, thank heaven for Medicare. Many senior citizens lost their life savings because of a sickness in the family. These savings could have been wiped out in a six month period. Senior citizens no longer have the fear that if they go to the doctor it will eat into their incomes. The Liberal Government has brought in the kind of legislation to allay such fears.

Who stands to gain the most if we are able, through this program, to bring down the rate of inflation? Obviously, it will be the people on fixed incomes and, very obviously, those who are drawing only old age pensions and the Guaranteed Income Supplement. Inflation is invidious. It cuts right across the board. I believe the Hon. Member for Thunder Bay-Nipigon (Mr. Masters) indicated earlier that people who had set aside money for their pensions had seen it being eaten away by inflation. Therefore, we have indexed pensions so that they will not be eaten away in this manner.

No one is suggesting that the old age pension should be decreased in its value and in payments to pensioners, and no one is suggesting that, for all time, indexing should be taken away. However, if this program is successful, then our civil servants who are under the six and five program and the senior citizens who are finding their pensions increasing by 6 per cent and 5 per cent rather than according to the consumer price index, are the ones who will have taken the leadership role, once again, in aiding the economy. They will be the chief beneficiaries when the inflation rate comes down to an appropriate level.

Obviously, the Government cannot do it all alone. With the success of the six and five program, many people in the private sector are now coming forward and saying, "We actually initiated that ourselves. We had put freezes on our salaries, on the salaries of members of boards of directors and mid-management, and in some instances we had actually cut salaries or the amount of compensation payable to our employees and, in some cases, even encouraged employees to take early retirement at wages similar to those they would have received if they had stayed on". In that way they tried to rationalize the situation so that their employees would be able to meet the difficulties lying ahead.

The six and five program is appropriate because it will help our senior citizens. They will probably become the chief beneficiaries. My colleague—my colleagues—

Mr. Deans: Colleague. Right.

Mr. Cullen: No, my colleagues, the Hon. Member for Thunder Bay-Nipigon, the Hon. Member for Scarborough West (Mr. Whitehead) and others who have spoken have indicated the various programs which have been put in place by Liberal Governments. We have a proud record, and we can indicate to our constituents what the Liberal Government has done on their behalf.

I have already mentioned the old age pension, the Guaranteed Income Supplement and indexing. If we needed any indication that senior citizens like independence, have initiative and are prepared to work if only given a little seed money, the New Horizons Program is a magnificent example as it has had great success. The low rental housing units have given back to the senior citizens their sense of dignity which they were losing. It is not because they were not loved, because they were loved when their children would take them back into their homes, although admittedly, as I have said, many of them were lodged in a room upstairs, but because many of these senior citizens felt ill at ease in such a situation. In probably 90 per cent of the cases they really did not feel at home. Certainly they did not feel as though they were in their own homes, but rather as though they were there almost by sufferage. They had a tendency to forget all the wonderful things they had done for their children and wondered if they were becoming a burden. Certainly, because they had to live in someone else's home, they did not feel as good as they should have and not as independent. To some extent, they were losing their sense of pride and dignity. Low rental housing units gave that kind of independence to citizens.

Mr. Deans: That's where I came in.

Mr. Cullen: The Hon. Member for Hamilton Mountain (Mr. Deans) says, "This is where I came in".

Mr. Deans: That is where you started.

Mr. Cullen: It is nice that the Hon. Member recognizes this particular effort, and only one of several which have taken place at the initiative of the federal Liberals. I sometimes think one must comment on something more than twice in order to get the point across.

Mr. Deans: There are always some of us who would not listen long enough to hear it twice.

Mr. Cullen: Then there is the wonderful independence of the senior citizens who do not want to retire. I am thinking of people like Senator Croll and his study on aging. I am thinking of a chap named Jim Woods who "retired" at age 65. I know that he is out selling Christmas trees at age 80, not because he needs the money, although every additional bit of money is helpful, but, rather, he wants to make a contribution. He knows that in tough times, it is a role that he can play. I think of the voluntary work done by senior citizens. The healthy ones do work on behalf of the unhealthy ones. Those with the talent for organizing, putting things together, do so. Organizations of concerned pensioners make representations here in Ottawa to each individual Member of Parliament.

• (1520)

This Government need make no apology for the work, the service and the programs it has initiated to help the senior citizens. It is not meant to sound as though it is a charity; it is something they have earned and something that they deserve. But we were the ones who came up with the ideas and we were the ones who located the money and set the priorities so that senior citizens in Canada can maintain a dignity and live in a situation to which they are entitled and so that they can say they are proud of the country that treats them so well.

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, I would just like, in discussing Bill C-131 today, to draw to the attention of the Members opposite who have spoken that it was not only by the votes of the Liberal Government Members that these senior citizens programs were put in place. They were supported by all Parties in this House. There was some discussion and some debate on each occasion as to whether it was the right step, or there was enough money, or the allocation was proper or a certain group would be left out. But all Parties in this House, when all the measures that had been discussed earlier were voted on, supported those measures.

Let us take a look at the basic provisions in Bill C-131. It amends the Old Age Security Act, and the purpose for this legislation is the implementation of the six and five. This is what we are told. This is what speaker after speaker on the Government side reiterated, that this legislation is necessary to bring forth the Government's restraint program known as six and five.

In specific terms, the Old Age Security payment that is now fixed at $246.92 per month will be increased by 6 per cent in 1983 and by a further five per cent in 1984. The result is that the absolute limit of that increase, the only increase that can take place by the end of 1983, will be $14.82 per monthly payment, bringing it to $261.74, slightly more than $3,000 for the full year, and you can compare it: $2,999.04 versus $3,140.88.

Why is this action being taken in the guise of restraint? The answer is quite simple, it is being done in this way so as to save $90 million in 1983 and $150 million in 1984. The Government is now saying that the senior citizens, the people who built this country, will have to be restrained. The total funds that we are talking about over the two years, $240 million, will be taken from 1.1. million Canadians, and $125 million will be paid to 1.2 million Canadians. Those are the Canadians who receive the Guaranteed Income Supplement. So we are only talking in this House right now about $110 million. This is restraint? It is not restraint, it is re-allocation.

I do not think that Members on the Goverment side are being quite straightforward with people receiving Old Age Security. It is not restraint, it is re-allocation. Why is it necessary to re-allocate funds in that manner? We have been told that we have to bring inflation down, below six and five, and we say that that is an admirable goal. The problem arises that while the oldest people of this country, the senior citizens, are being asked—not really asked, it is being demanded of them—to take part of this program, the Government itself is not taking part. The Government is going on its merry way continuing to spend, continuing to increase. I think we all know of much less harmful instances to the fabric of this country on which the Government could practise restraint than the senior citizens who have helped to build this country.

It takes away the encouragement, the feeling of self-sufficiency that most people in this country have, as they feel it is their responsibility to provide in their senior years. We come to a point where a very small segment of society will be affected by this Bill, but those people are proud that they have been able to provide an income for themselves in the $15,000 to $16,000 range in their retirement years.

A senior married couple with one income of just over $15,000 are going to lose $580 over the next two years, and 250,000 married senior citizens with incomes between $15,000 and $16,000 will be affected, and they will be the hardest hit. If the Members feel that $25 a day, and that is what it works out to,, is adequate to provide shelter, travel, food,, clothing and some luxuries like being able to visit children who live far away, why do we and why do other employees of this Government and of the public of Canada receive incomes that are much higher than $25 per day?

When we look at people who are living just above the Guaranteed Income Supplement, that amount that they are allowed is in statistical terms above the poverty line. We all know that the poverty line is a figment of someone's imagination. When you look at the ever-growing necessities of life and the cost of those necessities, the poverty line is changing probably daily. The Members on the Government side insist that that is because of inflation, and that is right. I think that probably inflation will eventually be well below 5 per cent or 6 per cent. Those people in Canada who went through the years of Depression can tell you that inflation was well below 6 per cent in those years. It does not mean that our country and our economy was growing and generating the goods and services that were needed. It is not just to get below 6 per cent, it is to try to restrain Government spending so that the rest of the economy can go ahead and generate wealth, and allow the Government to have its fair share.

When we look at some of the things the Government has spent money on, rather than spending it on senior citizens, we find that, for instance, the Canadian International Development Agency paid $1.5 million for late and damaged food shipments. That is not to say that late and damaged food shipments were the fault of CIDA, but people ask, why should we restrain our senior citizens when a Government agency is not able to control or to manage its own affairs?

The senior citizens are being asked to accept an increase of 5 and 6 per cent. Let us look at spending in all Government Departments and by all Members of Parliament where spending increases in travel are apparent. In the Department of Agriculture spending on travel by the Minister is up by 43 per cent; the Secretary of State, up 1179 per cent; the Prime Minister's Department, 184 per cent; the Office of the Minister of National Defence, 584 per cent.

Mr. Pepin: What is yours?

Mr. McKnight: We have to come up with 5 and 6 per cent. It is just a matter of trying to impress on Government Members that you are asking a segment of society to assist in the recovery of the economy. That segment of society is the segment that built this country and built the economy that in some points I think this Government has helped to turn down. There is no reason why we should go ahead and support a motion that deprives a segment of society that is least able to defend itself against Government restraint, such as the senior

citizens, when we have other areas we can draw from. There are certain areas that could be restrained which would not harm the economy of the country and would not harm individuals. I am not sure why senior citizens are being asked to partake in this, because the carrot which is held out is not too much of a carrot. I would like to quote the Minister of National Health and Welfare (Miss Bégin) when she said as reported in *Hansard* of November 18, 1982, at page 20799:

• (1530)

After all, we know that we cannot give any guarantees to pensioners that others will join them in the fight against inflation but, at the same time, we are optimistic and believe in the willingness of all Canadians to participate in this critical national challenge.

Canadians do respond to challenges, Mr. Speaker, but I do not think the Government should expect the senior citizens to pay for mismanagement and deliberate mistakes.

On the motion to put over the vote for six months, which was put forward by the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie) if the Government Members believe in their own programs, six months down the road this vote may not be necessary. It may not be necessary to impose upon senior citizens a restraint program. If the programs which have been presented are as earth shattering and as beneficial to Canada as some Hon. Members on the Government side believe, there is no need now to make the decision that we put the restraint program in place as it affects senior citizens.

Senior citizens have always done their part for this country and will continue to do so, but I think there are other segments of society we can look to, and if we do not, we are doing a disservice for all the efforts and toil which these people have put into building this country. I certainly will not be voting in favour of the restraint program as it affects senior citizens.

Some Hon. Members: Shame!

Mr. McKnight: I hear some Members over there say, shame. It may be surprising, but I do not think a lot of the Hon. Members on the Government side of the House would voluntarily wish to impose this restraint, and if they had the right to vote as they wish—

An Hon. Member: Otherwise they would be cut off committees.

Mr. McKnight: —as the Hon. Member for Edmonton North (Mr. Paproski) can on this side of the House, then they probably would be voting with those of us on this side of the House against this Bill, Mr. Speaker.

Mr. John Evans (Ottawa Centre): I am happy, Mr. Speaker, to be able to stand and speak in this debate, especially following the Hon. Member for Kindersley-Lloydminster (Mr. McKnight), who generally gives a very thoughtful speech. I am sure he really, sincerely believes everything he says, and I listened to him quite carefully. I would like to point out one or two things about what he has said, particularly with regard to the comment that we could look to others, that the program of restraint should not be as broadly spread as possible, that it should not apply to certain segments of our society, and that there are other segments of our society that could indeed make a greater contribution to the restraint program. When you look at the over-all situation we now face, I find that hard to believe. What other segments of our society are better able to absorb more of the strain of the situation we now find ourselves in?

An Hon. Member: The poor people.

Mr. Evans: If we look at the situation of corporations, we have heard the New Democratic Party say we should tax corporations more heavily. I think it was the Hon. Member for Regina East (Mr. de Jong) who said the other day that is where we can get the money, tax the corporations, because the corporations are making excessive profits. Corporate profits in the last year have fallen 50 per cent. They are 50 per cent lower. It is not a matter of increasing by only six and five; it is a matter of actually declining absolutely by 50 per cent from where they had been the year before. And as a result of that decline, people are being thrown out of work, firms are shutting their doors, and that is increasing the burden on individuals, and it is increasing the burden on the state which has to pay unemployment insurance and other forms of social assistance to those who have lost their jobs.

I believe, rightfully so, the corporate sector, the business sector, has to pay their fair share, but is that the sector which can absorb more of the load right now? I suggest to you at this point in time that that sector cannot carry more of a burden than it is already carrying. As far as public servants themselves are concerned, the working population of public servants has been subjected to the six and five program. Their salaries will go up by 6 per cent this year and 5 per cent next year.

We have heard a great deal of discussion in committee with regards to Bill C-133 and some of the other legislation, that indeed it is not fair to apply restraint to pensions in the various areas, the general transfer programs, because where it is fair to apply it to wages and salaries, it is not fair to apply it to pensions. The reason is that those who are working are able, through collective bargaining and other means, once the restraint is over, to recapture that lost ground, and this is not possible for pensioners. That gave me pause for thought for a long time because it sounds right. It sounds right to say yes, pensioners cannot bargain, they cannot get an increase, and workers can because there is such a thing as bargaining.

Then I went back and looked at the facts to see if it was true. If you look at the figures and the facts you will find that, indeed, workers are not able to extract more from the system than the system is able to pay. Workers' salaries and wages have not increased out of line with productivity over the long term. They have not increased at astronomical rates above inflation over the long term. Certainly, in short-term periods that has been the case, where wages in a particular sector have gone up. But you would expect that. If there is a shortage of certain kinds of workers, their wages will go up. But over the five to ten-year period wages on average have gone up about the same as inflation, plus a productivity factor.

It is not, therefore, fair to say that workers are able to recapture what they might have lost during a period of restraint. I really do not think that kind of thing can happen. I believe that restraint is going to be there and it is going to affect their incomes over the long term. Indeed, if we believe that wages tend to go up by inflation, plus a productivity factor, then any restraint now is going to affect their pensions five or ten years down the road because it lowers the base from which that pension is calculated ultimately. So the workers in the Public Service are certainly carrying their share of the burden at this point in time under the six and five program.

Regarding workers in the private sector, Mr. Speaker, we have heard from Members of the New Democratic Party—again I think it was the Hon. Member for Regina East, and some others—that some workers, not all workers, are making large wages and salaries, and I looked at the figures on that. Unionized workers are not receiving salary increases which are excessively out of line at this time. They have restrained their wages to a general degree. Management, clerical, and the non-unionized workers in the private sector, if we can believe the Conference Board survey, will be receiving wage and salary increases of 5 per cent to 6 per cent in the next year. There is restraint there, Mr. Speaker. And if it is not the corporate business sector that is able to carry a heavier burden now, and if it is not the private sector work force, and it is not the Public Service work force, because not only at the federal Government level, but also in the provincial Government, these kinds of restraint programs are in place, then I would honestly ask the Hon. Member for Kindersley-Lloydminster what other sector of our economy is left to carry this additional burden of restraint, if it does not apply to transfer programs in this area.

• (1540)

I have talked to a great many senior citizens in my own riding since the six and five program was introduced. I have heard from the majority—certainly not all of them—that, certainly, we do not like restraint, you do not like restraint, but we understand. When we are really honest about it, we probably never had it better. The Hon. Member for Lambton-Sarnia (Mr. Cullen) pointed out the kind of advances we have been able to make in this country over the last 15 years—longer, but primarily the last 15 or 20 years—for senior citizens.

The Acting Speaker (Mr. Corbin): The Hon. Member for Calgary West (Mr. Hawkes) on a point of order.

Mr. Hawkes: Mr. Speaker, I may have missed something. Did the Hon. Member explain to those pensioners that poor people pay—

The Acting Speaker (Mr. Corbin): Order. The Hon. Member may only put a question if the Hon. Member who has the floor consents to receive it. Does the Hon. Member for Ottawa Centre (Mr. Evans) accept the question?

Mr. Evans: Mr. Speaker, I really do not think the Hon. Member had a question; he wanted to make a point in debate. That is not an unusual thing for that Member to try to do, but I do not think I am going to let him at this time.

The senior citizens I have talked to, Mr. Speaker—the majority, not all—have indicated that they are willing to share in a restraint program. What is the restraint being imposed, Mr. Speaker? As the Minister of National Health and Welfare has indicated, it amounts to an increase in pensions of $2 a month less than would have been the case without the restraint this year, and $4 a month less than the increase would have been next year. That is a modest amount of restraint, but it does spread the six and five program widely so it applies to everyone. It is only fair to do that, but there are some exceptions.

As I indicated in my speech earlier on Bill C-133, the six and five program is terribly important because if we can make it succeed—and all indications are that it is succeeding, inflation is coming down, and inflationary expectations are coming down—then the country is going to be stronger and better able to generate economic growth in the future. As a result, we are going to be in a better position to move ahead economically and socially. So that program is terribly important and we must support it. I think to be successful the program must be spread widely throughout our society. It cannot be limited to just public servants or the private sector through voluntary restraint; it has to be spread very broadly. It applies to wages and salaries, it applies to transfer programs such as Old Age Security and Family Allowances. But the Government, in the tradition of the Liberal Party, has made the exception that those who are in greatest need will not be asked to contribute excessively, and in this case not at all because the Child Tax Credit is fully indexed, in fact double indexed, as well as the Guaranteed Income Supplement. So anyone receiving the GIS will not lose a penny as a result of the restraint program.

However, Mr. Speaker, I mentioned an exception, and that was the restraint program as it was originally conceived to apply to superannuation, which I talked about the other day. That exception was that it was treated like a transfer program, kept out of the six and five program even though it was contributory. The CPP is contributory and it was not touched, and superannuation was. The President of the Treasury Board (Mr. Gray) brought forward an amendment to recognize the contributory nature of that program, and he maintained that the restraint only applied to those parts of the program which were paid for by the taxpayer dollar, and any contributory part is over and above that.

[*Translation*]

The Acting Speaker (Mr. Corbin): Order, please. It being 3:45 p.m., pursuant to the order made Thursday, December 2, 1982, it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the second reading stage of the Bill now before the House.

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

Some Hon. Members: Agreed.

Old Age Security Act (No. 2)

Some Hon. Members: No.

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

Some Hon. Members: Yea.

The Acting Speaker (Mr. Corbin): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Corbin): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Corbin): Call in the Members.

The House divided on the amendment (Mr. McKenzie), which was negatived on the following division:

● (1550)

(*Division No. 274*)

YEAS

Messrs.

Althouse
Andre
Anguish
Baker (Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blaikie
Bosley
Bradley
Broadbent
Cardiff
Carney (Miss)
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Cooper
Corbett
Cossitt (Mrs.)
Crombie
Crouse
Dantzer
Darling
Deans
de Jong
Dick
Ellis
Elzinga
Epp
Fennell
Fraser
Fretz
Friesen
Fulton
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hargrave
Hawkes
Heap
Hees
Hnatyshyn
Hovdebo
Howie
Huntington
Jarvis
Jewett (Miss)
Keeper
Kempling
Kilgour
King
Knowles
Kristiansen
Lambert
La Salle
Lawrence
Lewis
Lewycky
MacDonald (Miss) (Kingston and the Islands)
MacDougall
MacKay
Malone
Manly
Mayer
Mazankowski
McCain
McCuish
McDonald (Ms.) (Broadview-Greenwood)
McKenzie
McKinnon
McKnight
McLean
Miller
Mitges
Murphy
Murta
Neil
Nickerson
Nielsen
Nowlan
Oberle
Ogle
Orlikow
Paproski
Parker
Patterson
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Roche
Rose
Sargeant
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Skelly
Speyer
Taylor
Thacker
Thomson
Towers
Vankoughnet
Waddell
Wilson
Wise
Wright
Young—114.

NAYS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chénier
Collenette
Corbin
Corriveau
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dubois
Duclos
Dupont
Dupras
Erola (Mrs.)
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Gauthier
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gray
Guilbault
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Ittinuar
Johnston
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
MacBain
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro (Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rossi
Savard
Schroder
Simmons
Smith
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—126.

● (1610)

Madam Speaker: I declare the amendment lost.

Amendment (Mr. McKenzie) negatived.

Madam Speaker: The question is now on the main motion. Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Madam Speaker: All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some Hon. Members: Nay.

Madam Speaker: In my opinion, the nays have it.

And more than five Members having risen:

Madam Speaker: Call in the Members. Shall we dispense with the bells?

Some Hon. Members: Agreed. The House divided on the motion (Miss Bégin) which was agreed to on the following division:

(Division No. 275)

YEAS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker (Gander-Twillingate)
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chénier
Collenette
Corbin
Corriveau
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dubois
Duclos
Dupont
Dupras
Erola (Mrs.)
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Gauthier
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gray
Guilbault
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Ittinuar
Johnston
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
MacBain
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro (Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rossi
Savard
Schroder
Simmons
Smith
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—126.

NAYS

Messrs.

Althouse
Andre
Anguish
Baker (Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blaikie
Bosley
Bradley
Broadbent
Cardiff
Carney (Miss)
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Cooper
Corbett
Cossitt (Mrs.)
Crombie
Crouse
Dantzer
Darling
Deans
de Jong
Dick
Ellis
Elzinga
Epp
Fennell
Fraser
Fretz
Friesen
Fulton
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hamilton (Qu'Appelle-Moose Mountain)

Capital Punishment

Messrs.

Hamilton (Swift Current-Maple Creek)
Hargrave
Hawkes
Heap
Hees
Hnatyshyn
Hovdebo
Howie
Huntington
Jarvis
Jewett (Miss)
Keeper
Kempling
Kilgour
King
Knowles
Korchinski
Kristiansen
Lambert
La Salle
Lawrence
Lewis
Lewycky
MacDonald (Miss) (Kingston and the Islands)
MacDougall
MacKay
Malone
Manly
Mayer
Mazankowski
McCain
McCuish
McDonald (Ms.) (Broadview-Greenwood)
McKenzie
McKinnon
McKnight
McLean
Miller
Mitges
Murphy
Murta
Neil
Nickerson
Nielsen
Nowlan
Oberle
Ogle
Orlikow
Paproski
Parker
Patterson
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Roche
Rose
Sargeant
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Skelly
Speyer
Taylor
Thacker
Thomson
Towers
Vankoughnet
Waddell
Wilson
Wise
Wright
Young—115.

● (1620)

Madam Speaker: I declare the motion carried.

Motion agreed to, bill read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Madam Speaker: It being 4:20 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper, namely, Notices of Motion, Public Bills, Private Bills.

PRIVATE MEMBERS' MOTIONS

[*Translation*]

Madam Speaker: Is there unanimous consent for allowing all items preceding No. 4 to stand?

Some Hon. Members: Agreed.

* * *

[*English*]

CRIMINAL CODE

NATIONAL REFERENDUM ON CAPITAL PUNISHMENT

The House resumed from Friday, June 13, consideration of the motion of Mr. Fretz:

That, in the opinion of this House, the Government should consider the advisability of holding a national referendum on the issue of capital punishment and, following such referendum, amend the appropriate sections of the Criminal Code to conform with the majority views of the people of Canada.

Capital Punishment

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, I want to begin by complimenting the Hon. Member for Erie (Mr. Fretz) for bringing this motion calling for a national referendum to be held on the subject of capital punishment.

I take pleasure in this debate largely because the motion is so similar to the one that I introduced in the House in November, 1976. At that time I called for a national referendum to be held on the same subject. I very clearly recall the debate, which happened to be on November 15, of that year. I remember what the Hon. Members on the Liberal benches were saying in the argument against my motion.

The Hon. Member for Windsor-Walkerville, now the Minister of Justice (Mr. MacGuigan), who was a reputed constitutional expert on the subject, entered the debate. He had two very singular arguments for putting down my motion. One was that such a referendum would be very divisive to the country. He called upon history and the conscription debate of the 1940s when in fact a referendum was very divisive. The way the question was put, the experience was very divisive for the country. I accept that particular argument on that particular subject for that particular period of time.

The other argument which he put to the House at that time was that a referendum would be considered unconstitutional, that in fact it was against British parliamentary tradition to have a referendum because the elected Members of Parliament have been chosen by the population at large to represent them in Ottawa in this case, to speak on behalf of the people and therefore it was not the tradition of the British parliamentary system to hold referenda.

It was very interesting to follow that debate. As I said, it went on during the day of November 15. While we were debating that motion in this House, the good citizens of the Province of Quebec were going to the polls. On the evening of November 15 we watched the results come in. They had elected a Pequiste Government.

You never saw such a marvelous conversion in the Liberal ranks on the subject of referenda. What had been an anathema to the country before, a divisive subject, a divisive mechanism, an unconstitutional mechanism, overnight gained immediate credibility.

I recall that within a year of that debate the Prime Minister (Mr. Trudeau) introduced Bill C-9 in this Chamber. It was to provide the mechanism whereby in this British parliamentary system, which is not designed to allow for referenda to be held, all of a sudden after a particular dramatic election in the Province of Quebec there would be a mechanism, and it was articulated by the Prime Minsiter of Canada. A Bill was tabled in this House which would provide and legitimize the mechanism whereby a referendum could be held on that subject.

The Bill which the Prime Minister tabled in the House at that time had a very narrow reference. It was made to deal with one particular topic. If in that very narrow reference there could be a mechanism and legitimacy provided for a referendum in this country, why could it not be applied to subjects other than the matter of separatism? If it is legitimate to have a referendum to cover that very important subject to the future of our nation, why not on the matter of capital punishment?

If there is one subject which all Members of the House are consistently confronted with in their constituencies, across the board, why is it not possible to have a referendum on the subject of capital punishment? That is a question that comes to all Members whether they are abolitionists or in favour of capital punishment.

There was a very simple reason for that. Public opinion polls consistently show that between 70 and 80 per cent of the population is in favour of capital punishment. This is very clearly understood by all Members of Parliament, and indeed all candidates in every general election. All Members of Parliament accept that by far the majority of Canadian people are in support of capital punishment.

The fact that in 1976 the Parliament of Canada voted against the wishes of the Canadian people has been one of the singular features of our Parliament which has tightened the level of cynicism in our country toward the work of Members of Parliament. If on the one hand the people of Canada are saying this is what we want you to do and they make that known to Members of Parliament during an election campaign and through representations later, and in the face of that known position the Parliament of Canada votes against the wishes of the majority of the Canadian people, that in itself is enough to heighten the level of cynicism toward the political process in our country.

In 1976 we were promised that there would be a free vote. Some free vote. I remember that free vote and the pressure that there was on Government Members to vote with the Government on that issue. It is because the Parliament of Canada has not fulfilled the wishes of the Canadian people that we have this continual request for a referendum on the subject of capital punishment. It is because of this continual request that the Hon. Member for Erie has fulfilled the request of his constituents that we present to the House this motion, which is a further request that the Government honour the wishes of the majority of the Canadian people.

On every other issue, the Government always makes the argument that they are doing something because that is what the people of Canada want them to do. It does not matter whether it is the subject of PetroCan, six and five or any other subject, the rationale on the part of the Government is that the people of Canada want it to do it.

• (1630)

If the people of Canada want the Government to do that, and the argument of the Government is that it wants to do what the people of Canada want it to do, then why does it not do it on this subject? Very clearly, the answer is that the Government thinks that the people of Canada are wrong. I think that one of the most cherished rights we have in this country, above every other right, is the right to be wrong. It was our right. That is what brings about the differences of opinion in our country. That is what makes democracy a vital experience in our country, because one side thinks the other side is wrong, and that is all right. If the people of Canada, 70 per cent to 80 per cent, are wrong, it is their right to be wrong, and it is the requirement of the Parliament of Canada to fulfil the wishes of the Canadian people, even if it thinks the Canadian people are wrong.

It seems to me that when we go through an election campaign, one of the frequent campaign statements by all candidates and one which we have all said here in one way or another is, "Let me represent you in Ottawa. I want to represent you in Ottawa". That is a good statement to make to the electorate. However, on this subject, when the people of Canada said, "I want you to represent me in Ottawa," the majority of the Members of Parliament said, "No, I will not do that. I will represent myself, not the majority of the Canadian people". Candidates in a campaign never say, "When I go to Ottawa, I will think for myself, and even if you want me to do something else, I will do what I want to do because I happen to think that I am right". Candidates are always saying, "I want to represent you." They never say, "When you elect me, I will go to Ottawa and I will study the issues but I will do exactly as I please".

Mr. King: "Or as I am told".

Mr. Friesen: Yes, or, as the Hon. Member for Okanagan-Similkameen (Mr. King) says, "Or as I am told." That is a fact. It seems to me that if people want to be elected on a popular or populist basis, and be honest with the electorate when they become elected, saying, "I want to represent you", then they must represent the Canadian people on every issue.

I pay tribute to my predecessor in the riding of Surrey-White Rock-North Delta. He happened to be a Member of the New Democratic Party. However, he was an honourable man. He took a poll of Surrey-White Rock-North Delta residents at that time and found that something like 80 per cent of the people of that riding wanted him to vote for capital punishment. He was the only Member of that caucus to vote in favour of capital punishment because he was determined to do what his constituents wanted him to do. I tip my hat to him because he maintained his sense of honour.

If there is one thing that we cannot afford in this country, it is a spirit of elitism on the part of the elected representatives who say to the electorate, "I can do as I please". We cannot afford that kind of elitism. If we want to be a populist Parliament, if we want to represent the people of Canada, we must represent what they want, whether or not we agree with it. Frankly, I think one of the most anguishing votes in which I ever participated was one in which I disagreed and I voted against what I thought was good for the country because I thought the people wanted me to vote that way, and it was on the Constitution. I do not think that the Constitution that we passed in this Chamber is a good Constitution. However, I know that the people of Canada, by far, wanted us to get it over with, wanted to have it done with, and they wanted a Charter of Rights and Freedoms, whether they agreed with that particular Charter or not, and I voted for it, much to my dismay, worry and conviction that in the long run it would not be good for the country.

There is one argument I want to put forward with regard to the issue of capital punishment itself and, with that, I will turn the floor over to some other Hon. Member. I spoke on this subject on June 8, 1976, I believe, and the former Solicitor General, who was piloting that Bill through the House, is sitting opposite me here today. I know that he hung on every word I said during that debate. The one point I want to make is that those people who want to see the abolition of capital punishment continuously say that a civilized nation cannot put people to death. Civilization depends on two very important factors. The first is that it be an orderly society and the second is that it be a compassionate society. That is a civilized society.

Murderers, particularly those who kill prison guards and policemen, are the most anarchistic, order-destroying people in our country. To protect those people who want to create anarchy in families, in communities and in nations is a contradiction of the word "civilization", because they are anarchists. Why should we protect those people whose personal goal is to create anarchy?

The second point I want to make with regard to civilization is that it is a hallmark of all civilizations, if, indeed, they are comprised of civilized people, that they will protect the unguarded and the weak from those who would ravish them. They will protect those who have suffered the consequences of the actions of murderers and rapists and they will protect those who have suffered as a result of that kind of ravishment and provide some kind of support mechanism afterwards.

I want to ask you, Mr. Speaker, of all the hours of time we have spent in this Chamber discussing the rights of criminals who have taken the lives of other people, how much time have we spent thinking about the anguish of those people who are members of the families of those who have been murdered?

Some Hon. Members: Hear, hear!

Mr. Friesen: How much time have we agonized with the families of the victims of the Olson cases? What have we done to provide psychiatric and medical care and all of the support

mechanisms that these people need as a result of the anguish that they have endured as a result of the Olson murders?

Mr. Fretz: Precious little.

Mr. Friesen: Mr. Speaker, if the public at large knew, if the journalists knew—

Mr. Kelly: I rise on a point of order.

Mr. Friesen: I wish the Hon. Member would not disturb me now, Mr. Speaker.

The Acting Speaker (Mr. Corbin): Does the Hon. Member for Scarborough Centre (Mr. Kelly) rise on a point of order?

Mr. Kelly: Although I have not been in the House for the duration of the Hon. Member's speech, I have been listening and following it carefully. I am not in disagreement with what he has been saying—

The Acting Speaker (Mr. Corbin): Would the Hon. Member please state his point? I would like the Hon. Member to resume his seat, please.

Mr. Kelly: I would like to ask the Hon. Member a question. Will he permit a question, Mr. Speaker?

Mr. Kempling: No.

The Acting Speaker (Mr. Corbin): The Hon. Member was recognized on a point of order. Would the Hon. Member state his point of order?

Some Hon. Members: Right on!

Mr. Kelly: Mr. Speaker, I would like to ask the hon. gentleman if he would permit a question.

Mr. Friesen: Mr. Speaker, I will do that at the end of my remarks. I wish he had not interrupted me. I did not intend to use my full time allotment, and he could have done it at that time, but he has broken into my train of thought and I am sorry for that.

I want to go on to say that if the public at large or if the journalistic community, for example, knew what kind of anguish the families of the victims involved in the Olson murders had gone through, they would not print one more word about Clifford Olson. They would not give him the notoriety he hungers for, and they would clamour for some kind of help to all those families of victims of murderers.

• (1640)

Some Hon. Members: Hear, hear!

Mr. Friesen: We are calling for psychiatric help for murderers. How about psychiatric and psychological help that is needed for those who have suffered distress, grief and remorse as a result of what they have endured?

Some Hon. Members: Hear, hear!

Mr. Friesen: The second point is with regard to Ministers who clamour for the human rights of those who are murderers. I have yet to see $1 devoted in their budgets to be spent on behalf of the victims. There is no such thing as dollar expenditures for families of victims. All we hear about is protecting the criminals.

Is that the hallmark of a civilized society, to devote all of its attention to those who rape and pillage and kill, and ignore the anguish of those who are ravaged?

It is because of our distorted values, our distorted goals and our distorted laws that I commend the Member for Erie for bringing forward this motion that will let the people of Canada express their will on the subject of capital punishment.

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, I am also pleased to participate in this debate on what I consider to be a very important and serious question, one that deserves much more time than we can give it today.

Let me respond right away to the last remarks of the Hon. Member. I am not speaking here today for the Government, but he criticized the Government for spending too much time on the issue of capital punishment and the abolition of capital punishment, and not on what we should do for victims and so on.

If that is the case, why is he today supporting a motion or a Bill which would bring about a reconsideration of capital punishment? Why did he not bring forward today a Bill or motion which would allow us to deal with the subject of the victims of crime.

The point of my speech, which I will get to in due course, is that our time would have have been much better spent today if we considered motions and Bills that, first, dealt with the causes of crime and how to prevent crime; second, how we can help the victims of crime, and the Hon. Member seems to be in favour of that; and, third, how we can have better rehabilitation programs in prison so that when people leave prison they will go to a productive life and not back into a life of crime.

I will return to those in a minute, but I see many contradictions in the Hon. Member's speech. If he is really interested in those things, why should we have a referendum on capital punishment?

I am not dogmatically opposed to referenda on some matters but I do not think that a referendum or a plebiscite is the best way to settle or solve a complex emotional question in this country. Certainly it is not the best way to decide on the important issue of capital punishment.

In the British parliamentary system, which is part of our Constitution, it is not that it is unconstitutional to have referenda or plebiscites, but it is against the general spirit of our system. I think in all Canadian history, at the federal level, we have had two plebiscites, not referenda I make the distinction. Generally a referendum is when we allow all voters to vote, but the result of that vote becomes law without any further action by Parliament or town councils or legislatures. On the other hand, we have had plebiscites in the past 100 years of our history on two occasions, for conscription and with respect to our drinking laws. These were plebiscites. Once the vote was taken the Government still had to deal with the issue in Parliament. As you know, in the conscription plebiscite, the Government took action not quite in line with the plebiscite results because it felt it would have very badly divided the country. Also around the turn of the century, the same was done with the plebiscite on alcohol.

In Britain, the only time that I can recall that a plebiscite or referendum was taken was on the case of joining the Common Market, and again it was a plebiscite and not a binding referendum.

The fact that it is not normal in the British parliamentary system does not mean that it cannot be used. I maintain very strongly that it is the wrong way to deal with complex emotional issues.

During his speech the Hon. Member opposite referred to public opinion polls. He said public opinion polls have shown over and over again that the public in Canada favours capital punishment. I would ask this House, are we saying that we are favour of public opinion polls as a basis of governing this country?

Mr. Kempling: That is how you govern.

Mr. Pepin: No, we govern by vote.

Mr. Allmand: That is not the way Governments under the British parliamentary system have governed for over 600 years, and it is not the way they should govern. I would agree with the Hon. Member that too often today some Governments are attempting to govern by polls.

Mr. Kempling: You people do.

Mr. Allmand: I would submit that that is completely wrong. It negates the whole tradition of our system whereby we run on platforms; we run on principles of different views, a Conservative principle or a Liberal principle or Socialist principle or whatsoever. If we are elected, we govern through a policy of implementing the policies that we ran on.

It is completely contrary to the traditions of the British parliamentary system to govern by public opinion polls.

An Hon. Member: Hear, hear!

Mr. Allmand: With respect to this very complex and very emotional issue, it would seem to me that if we were to decide this issue by referendum, which is one of life and death—we are dealing here with the lives of individuals—the whole question would carry with it more emotion than light and reason.

Another argument that I give against having referenda or plebiscites settle this very important question is that much will depend on how you formulate the question. It is obvious that if you put out a public opinion poll or a plebiscite or a referendum in a community or in a country where there has been a problem of murder, where there have been some severe and horrible murders and the people are upset, and rightly so, they should be upset at horrible murders, but if you put out an opinion poll or a plebiscite in those communities immediately afterwards and asked, are you in favour or against capital punishment as the penalty for murder, of course they are going to say, yes. You are putting before a group of people who are upset by murders being committed in their community one solution to deal with the problem of murder, and asking them whether or not they agree.

I say how you put the question is very important. I have seen public opinion polls on this issue where instead of merely putting forward one solution to the problem of murder, the pollster put forward ten solutions. He says, we have a serious problem of murder in this country—this was back in the sixties—and here are some solutions: stricter gun laws, better community education programs for youth, better programs for alcoholics and drug abusers, and so on. He listed ten things and asked, would you put these in the priority in which you think they are most important in dealing with the problem of murder. In that type of poll, capital punishment came fourth or fifth, not at the top. Even then it was subject to emotional problems and lack of information and so on. I submit very strongly that this would be the wrong way to deal with this very complex and important issue.

The Hon. Member says that many of us changed our views on referenda when the Parti Québécois put the question of independence on a referendum in the Province of Quebec. I am a Member from the Province of Quebec. I am a citizen of Quebec. I never approved of that referendum as a way of settling that question. I thought it was completely wrong. I thought it was a way in which to appeal to the emotions and not to the reasons of the people of the Province. I would have much preferred that the whole question be dealt with within the National Assembly of Quebec and within the Parliament of this country, not by a referendum, and I stand by that today. Once we had the referendum, of course, we had to deal with it, and we fought hard on the "no" side of the question and we won, but it was not our preferred way of dealing with that question, not mine, in any case, as a citizen of Quebec.

Capital Punishment

• (1650)

I would like to comment on the Hon. Member's remarks with respect to the free vote which we had in 1976 on this issue. He questioned whether it was a free vote or not. I would like to tell him, since I was the Minister who introduced the Bill and had to pilot it through this Parliament, that as far as I was concerned, it was a free vote. I was on this side and I had a hang of a time getting the support I needed to get that Bill through. I recall the day I stood up in the House and answered the question and said, "yes, it will be a free vote for everyone except the Cabinet", because I thought if the Cabinet approved of the Bill, certainly it would not be a free vote for them. I was contradicted at the time by the House Leader and the Prime Minister who said it would be a free vote for everyone. In fact, we only won that vote by six votes, I believe, on the final reading of the Bill, and by 15 votes on the second reading. It was a very close vote. Thirty per cent of the Government caucus voted against the Bill. I believe, on the other side, 30 per cent of their caucus voted for the abolition, and almost the entire New Democratic Party voted for the Bill, and all the Social Credit Party voted against. But they should have been involved, Mr. Speaker, in the problems which I had on this side of the House when I had the Official Whip, the Whip of my own Party, going around trying to convince people to vote for retention". Despite the fact that several Members of this House voted against the Bill to abolish capital punishment, several of them were taken into the Cabinet afterwards, and one is our new President of the Liberal Party, Iona Campagnola, who voted against me on that issue as a backbencher. It was not held against her. No pressure was brought to bear. She was still brought into the Cabinet as an important and productive Member of our Caucus.

Mr. Darling: Look what happened to Gauthier.

Mr. Allmand: I did not hear what you said, I am sorry?

Mr. Darling: What happened to Jean-Robert Gauthier yesterday?

Mr. Allmand: I do not agree with what happened to him yesterday, but that is a different issue. I believe very strongly in consulting with my constituents and with the public of Canada. That is essential in our system. We consult, we go to public meetings, we listen to the population, but we listen to their arguments, we do not simply count heads. That is not our system of Government. We are elected to office on platforms with a political Party and we are expected to study questions in depth, to look at the pros and cons of a question, and in good conscience make a decision for the public good in Canada. We are not expected merely to count heads, which is suggested by this resolution. You go out and listen to the arguments, you debate. I have done that on many occasions in this country. And it was difficult to go into packed meetings where the people came with blood in their eye, and so on, because there had been a horrible murder in their community. It was right they were angry. I agree with them. I am angry myself when I hear of these awful murders. But you listen to the argument. Reason should prevail in our Government and not numbers.

What is suggested to me by the type of motion that is introduced today, what always is conveyed to me, is the so-called trial of Christ, where Pilate had Christ before him and it was his responsibility to make the decision for Christ, and the mob was shouting, "crucify Him. Crucify Him." So Pilate washed his hands and allowed Christ to be dealt with as the mob wanted and not in accordance with justice as he, who was responsible for Roman justice in that colony, should have done. That is what plebiscites, referenda and public opinion polls always suggest to me. It is mob rule and not rule by rationale and reason.

I would like to submit very strongly that there is no basis for reconsidering capital punishment at this time. Since the abolition of capital punishment, the murder rate in this country has steadily declined, not because capital punishment was abolished, but because lots of other things have happened. In 1975 there were 701 murders in Canada. In 1976, the year we abolished capital punishment, there were 668 murders. In 1977, there were 710 murders. This was a gradual increase, but in 1978 there were 658 murders. In 1979 there were 631 murders. In 1980 there were 593 murders. We have not received the final statistics for last year, but they declined again. Therefore, there has been a decline every year.

Mr. Darling: How about the attempted murders?

Mr. Allmand: I do not know what the number of attempted murders was before the abolition. That is a red herring, Mr. Speaker. Let them make their speeches, if they can, and I admit that the time is too limited today. We have no statistics on the attempted murders either before abolition or after abolition. The point I am making is that I can recall the debate very well. Members who were against the abolition said, "If you abolish capital punishment murderers will run amuck in the streets and the murder rate will go out of control." In fact it has not. The murder rate has gone down, thank God. Consequently, what we should be considering today is the question which the Hon. Member raised: how can we more effectively reduce the rate of murder in this country? What are the preventive measures which we can introduce to deal with murder? The issue is not what the penalty should be after a person is murdered, if we catch the criminal and find him guilty. The issue is: what should we do to prevent that murder in the first place; better policing, better rehabilitation, more effective alcohol control, drug control programs, better community recreation programs, and better housing in communities where crime is bred more rapidly than other communities. These are the things we should be concentrating on.

We should also be concentrating on how we should help the victims of crime. The Member was right when he discussed that issue. I agree with him 100 per cent. These are the kinds of things we should be discussing, how to better compensate the victims of crime, how to give them crisis centres, because a lot of murders are committed in families where women are battered by their husbands, along with their children. We should provide more assistance for that sort of situation. We should give better training to our social workers to take people out of crisis situations.

In addition, in accordance with the motion I put to the House on December 8, 1982. I believe the Government should set up an independent review group to examine the present 25-year minimum before eligibility for parole on first degree murder, and we should be looking at its impact on prisons and prison populations. And I believe such a review group should recommend new, more flexible provisions which will protect the public to the greatest extent possible, but at the same time provide a greater opportunity for rehabilitation for those serving sentences in prison.

In conclusion, Mr. Speaker, let me say that we should concentrate on the causes of murder and not the penalty, family support, urban environment, education, treatment of emotional disorders, alcohol, drugs, health care, community involvement, gun control, police training, pro-active policing, effective corrections programs, and so on. And there must be more concern, assistance, support and better compensation for the victims of crime, especially victims of violent crime. It is not just the criminal who is responsible for these crimes but, to a certain extent, all of us. Society is responsible because we fail every time there is violence in our society. I think most of us would admit that the supreme value in our society is human life. And if the supreme value is human life, then the organized state should never repeat the act of the criminal. A criminal justice system, based on revenge, is not appropriate to a civilized society. We must look for solutions that are humane and civilized, but also effective and ones which offer security to the population.

The Acting Speaker (Mr. Corbin): The Hon. Member for Kootenay West rises on a point of order.

Mr. Lyle S. Kristiansen (Kootenay West): My point of order is simply this, Mr. Speaker, I would like the record to show, if you would allow me, that I rose as a representative of the New Democratic Party following the address of the Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen), to say that there was no attempt, and there is no attempt, on the part of my Party to attempt to duck this debate, as I am afraid that that question may arise if I had not made this statement at this time.

[*Translation*]

The Acting Speaker (Mr. Corbin): The hour provided for consideration of Private Members' Business has now expired. It being five o'clock, this House stands adjourned until Monday next at two o'clock in the afternoon, pursuant to Standing Order 2(1).

At 5 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, December 13, 1982

The House met at 2 p.m.

• (1405)

MOTIONS UNDER S.O. 43

[*English*]

SHIPBUILDING

CALL FOR ANNOUNCEMENT OF NEW SHIPBUILDING ASSISTANCE ACT

Mr. Gus Mitges (Grey-Simcoe): Madam Speaker, in view of the fact that it takes nine months of preparation, planning and designing before the actual building of a ship can take place in any of our shipyards, and in view of the fact that shipbuilding orders have slowed down to a trickle because the Government has delayed and delayed its announcement of the new Shipbuilding Assistance Act, I move, seconded by the Hon. Member for Prince Edward-Hastings (Mr. Ellis):

That the Government cease its delaying tactics, cease playing cat and mouse with our shipyards, and immediately announce the long awaited provisions of the Shipbuilding Assistance Act.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

SPORTS

HENLEY REGATTA—PROPOSED TRANSFER OF VENUE TO MONTREAL

Mr. Joe Reid (St. Catharines): Madam Speaker, earlier this year the Government recognized the Royal Canadian Henley Regatta by issuing a centennial commemorative stamp. Ninety-three of those events were rowed in St. Catharines on the Henley course there. It is now proposed that the Henley regatta be moved to Montreal, money being a factor. I therefore move, seconded by the Hon. Member for Erie (Mr. Fretz):

That Sports Canada be urged to intervene in the best interests of rowing and firmly establish that tradition, convention and good sportsmanship cannot be purchased by a mess of pottage.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

CHARTER OF RIGHTS

REVIEW URGED OF ONTARIO LABOUR LEGISLATION TO ENSURE CONFORMITY

Mr. Rod Murphy (Churchill): Madam Speaker, the Ontario Labour Relations Board decided last week to restrict activities which are totally in line with the traditional interest of the labour movement in communicating the broadest concerns of its members as workers and as citizens. In view of the fact that the Charter of Rights, which came into being with the full support of the Province of Ontario, specifically guarantees freedom of expression and freedom of association in Canada, I move, seconded by the Hon. Member for Beaches (Mr. Young):

That this House urge the Ontario Government to review its labour legislation to determine whether it ensures these fundamental rights to all citizens as guaranteed in the Charter.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

[*Translation*]

LAW OF THE SEA

REQUEST THAT GOVERNMENT RECOGNIZE CONTRIBUTION OF AMBASSADOR AND HIS TEAM DURING NEGOTIATIONS

Mr. Alexandre Cyr (Gaspé): Madam Speaker, I rise on a matter of urgent and pressing necessity, under the provisions of Standing Order 43.

The third Law of the Sea Conference ended December 10 of this year, when a convention was signed by 119 countries. Canada obtained a major victory during this conference, of which Canadians may be proud, and they should be especially proud of our ambassador and his team, who in twelve sessions negotiated an international convention that protects the interests of Canada.

S.O. 43

I therefore move, seconded by the Hon. Member for Vancouver South (Mr. Fraser) and the Hon. Member for Nanaimo-Alberni (Mr. Miller):

That this House recognize the contribution of the Ambassador, His Excellency Mr. Alan Beesley, and his team to the Law of the Sea Conference negotiations and congratulate them for the enormous work they have accomplished and the success they obtained for Canada and the international community.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Madam Speaker: Is it the pleasure of the House to adopt this motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

[*English*]

AGRICULTURE

REPLACEMENT OF DEPARTMENTAL SCIENTISTS ELIGIBLE FOR RETIREMENT

Mr. Blaine A. Thacker (Lethbridge-Foothills): Madam Speaker, the Auditor General's report shows once again how the Liberal Government has sold out the heritage and future of our Canadian youth. In the Department of Agriculture, Research Branch, over 300 of the existing scientists will be eligible for retirement within four years, yet the Government has not made provision for their replacement. Therefore I move, seconded by the Hon. Member for Erie (Mr. Fretz):

That the youth of Canada note once again how the Liberal Government's philosophy and practice have injured their futures as scientists in Canada through its failure to fund the training of scientists adequately.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

• (1410)

EXTERNAL AFFAIRS

POLAND—CALL FOR ENDING OF MARTIAL LAW

Mr. Ron Stewart (Simcoe South): Madam Speaker, today marks the anniversary of the imposition of martial law in Poland which was imposed on December 13, 1981, bringing to a temporary halt the progress of the Polish people toward full human rights and political freedom. The situation in Poland a year later is still dark, but there are some hopeful signs that martial law may soon come to an end. Therefore I move, seconded by the Hon. Member for St. John's West (Mr. Crosbie):

That this House urge the Polish authorities to end quickly martial law in that country, to agree to Lech Walesa's demand for a general amnesty of those who have been imprisoned for political reasons, and to resume negotiations with the Solidarity Trade Union and the Roman Catholic Church in Poland on reforms which would allow for economic, social and political freedom and progress in Poland.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

EXTERNAL AID

PROPOSED CONSIDERATION OF UNICEF PARLIAMENTARY CHRISTMAS CARDS

Mr. Arnold Malone (Crowfoot): Madam Speaker, bearing in mind that 12,000 children per day in the world die of starvation and that here in the western hemisphere, in just one country, that of Brazil, 25 million children live on the streets, abandoned by their parents mostly for reasons of economy, and since UNICEF has done an outstanding, commendable job in bringing aid and assistance to the world's needy children, and since Members of Parliament generally send between several hundred and several thousand Christmas cards to friends and associates each year, I move, seconded by the Hon. Member for Kingston and the Islands (Miss MacDonald):

That this Parliament encourage each of its political Parties to put forward a name, and that this all-Party Committee of three be asked to consider the advisability of approaching the UNICEF organization for a special production of parliamentary Christmas cards so that we might, concurrently with extending good wishes, assist the needy children of the world and, in the act of so doing, encourage many others to do likewise.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

AGRICULTURE

SASKATCHEWAN LAND BANK PROGRAM

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, in keeping with the deep concern for individual rights often expressed in the House for situations arising in Poland, Russia, Chile, El Salvador, et cetera, I move, seconded by the Hon. Member for The Battlefords-Meadow Lake (Mr. Anguish):

That this House urges the Government of Saskatchewan to continue with its land bank program in order that legal and individual rights of some 2,700 young

farm families may continue, that the contracts which they now hold be maintained and honoured, and that they not be subjected to arbitrary Government intervention without recourse to the courts as is now the intention under its Bill C-46.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

THIRTY-FIRST PARLIAMENT

BUDGET DIVISION ANNIVERSARY

Mr. Roger Simmons (Burin-St. George's): Madam Speaker, I rise under the provisions of Standing Order 43. Rarely do I resort to rhyme to make my point. However, as you will see, those I salute and the occasion I recall today clearly justify a bit of poetry:

Amazing John who, on this day
Just three short years ago,
Did forfeit gain for short-term pain
To put the boots to Joe.

When we've been here ten thousand years,
We'll still recall the time
That Walter's skill at counting failed,
And Liberals smiled, sublime.

And so I move a Forty-Three:
"That those to power inclined
Be taught to add with accuracy,
Have eyes in their behind."

Madam Speaker: The Hon. Member for Erie (Mr. Fretz).

* * *

CROWN CORPORATIONS

SCRUTINY OF FINANCES

Mr. Girve Fretz (Erie): Madam Speaker, in the United States it was Watergate and Ellsberg; in Canada it is Crown corporations and an iceberg. With more people employed than Government, and spending $30 billion a year, the Auditor General perceptively stated that Crown corporations are a "hole in the taxpayers' pocket". Therefore I move, seconded by the Hon. Member for Perth (Mr. Jarvis):

That the huge hole in taxpayers' pockets be sewed up by following Mr. Dye's recommendations that "Crown corporations' finances must be specifically subject to the scrutiny of Parliament."

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

Madam Speaker: The Hon. Member for Vancouver South.

Mr. Fraser: Madam Speaker, my question is for the Hon. Minister of Fisheries and Oceans who has not yet come into the House. Perhaps I could defer the question.

* * *

• (1415)

NATIONAL DEFENCE

COLD LAKE AIR DISASTER—RADAR COVERAGE AT BASE

Hon. Allan B. McKinnon (Victoria): Madam Speaker, my question is for the Minister of National Defence. Last Thursday the Minister appeared to be quite confused in answering a question about the tragic loss of two planes and two pilots at Cold Lake. I trust by now the Minister's staff has briefed him and he can answer today in a more cogent manner. Can the Minister of National Defence tell the House if, on December 3, when the planes disappeared, there was for a period of time no radar coverage in this controlled air space? Also, was that due to equipment or human failure?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, the Hon. Member for Victoria is quite right. I was going to send a letter to him and also to the Clerk of the House of Commons today stating that in fact there was a mistake when I answered his question concerning the new system and the old; RATCOM versus TRAC. In my answer of December 9, 1982, the words RATCOM and TRAC should be reversed. What is TRAC is RATCOM and what is RATCOM is TRAC.

Mr. Nielsen: I hope it wasn't that way at the airport.

Mr. Lamontagne: I think it is important that you know the difference. I knew the difference but I misplaced the two terms. The main thing is that we have a new system that will improve tremendously our way of following our pilots flying at high altitudes.

I cannot answer the question asked by the Hon. Member for Victoria today because an investigation of the matter is currently in progress. We had quite a discussion among the air commanders and all others in the Defence Council this morning to find out exactly what happened. It is quite a mystery for us because everything which had been working was working adequately. As I mentioned to the Hon. Member the other day we do not cover by radar from the airfield itself the whole area where these two pilots were flying. These pilots could have been flying at a low altitude where radar does not cover them. Despite all these facts, I do not think that at the point where the investigation is at the moment there is any answer I can give to the Hon. Member for the disappearance of these two pilots.

Oral Questions

REQUEST THAT BOARD OF INQUIRY FINDINGS BE MADE PUBLIC

Hon. Allan B. McKinnon (Victoria): Madam Speaker, there will, no doubt, be a military board of inquiry on this accident. And as the Prime Minister has directed Departments to act as if the Freedom of Information Act had been proclaimed, will the Minister ensure the House that the findings of the board of inquiry will be made public, thus ensuring that his Department will show the same degree of public responsibility that any private corporation or company is required to do?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, as the Hon. Member knows well, the findings of boards of inquiries are not normally made public because we gather considerable information some of which is confidential. If we make public the findings of boards of inquiries every time we have an investigation, then witnesses may not answer our questions, or may not give the proper answer, because they will be afraid the information will become public. But whatever information we can give to the Hon. Member so that he can clarify in his mind that everything which should have been done has been done, I will be very glad to see him and see what I can give him when the investigation is complete.

* * *

NATIONAL SECURITY

CASE OF CANADIAN PROFESSOR—REASON FOR SECURITY SERVICE POSITION

Mr. Chris Speyer (Cambridge): Madam Speaker, my question is for the Solicitor General who, during the past two weeks, has refused to give a full account of the Hambleton affair and has left many contradictions in his answers. I have a specific question for the Solicitor General. We know that after April 25, 1980, Hambleton made aware to the Security Service the fact that he, Hambleton, was passing NATO secrets on to the Soviets. The Solicitor General has indicated to this House, and has indicated outside of the House, that no deal was made, that there was no promise of immunity. If that is, in fact, the case, could the Solicitor General tell us why did the Security Service never return to the Department of Justice with the necessary evidence there would have been in order to initiate a prosecution?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, that is a question that I have been asked before and that I have answered before.

Mr. Speyer: No, you have not.

Mr. Kaplan: When the Department of Justice and the Minister decided that there would be no prosecution, it was further decided that that information be communicated to Hambleton, that the mode of the operation should be changed from an investigation, which might have led to the laying of charges, into a counter-intelligence operation in which information would be obtained from Hambleton for the benefit of Canada's national security and that of friendly intelligence services.

Miss MacDonald: It was a deal then?

Mr. Kaplan: The Security Service already knew that if Olson, that if Hambleton was cautioned, he would refuse to answer NATO questions, because he had refused to answer NATO questions when he was cautioned, so that after April, it was agreed that he would not be cautioned, that he would give information on a basis in which it would not be very likely admissible in a prosecution against him. But it was clear to the Security Service and to the Attorney General of Canada that if any third party evidence turned up or could be found, they would go back to the Department of Justice and put the case to them again for the Attorney General's consent.

• (1420)

Mr. Speyer: I think answers such as this past one that the Solicitor General gave just indicate how constipated he is on this issue as well as on the Olson issue.

REPORT THAT BRITISH SECURITY URGED PROFESSOR TO RETURN TO CANADA

Mr. Chris Speyer (Cambridge): Madam Speaker, in *The Toronto Star* on Saturday, as a result of a London *Times* story, it was indicated that Scotland Yard's Special Branch met Hambleton in London at Heathrow Airport. At that time they wanted Hambleton to return to Canada. They did not want to prosecute him. We have been going on the assumption that the Brits wanted to prosecute Hambleton when he got to Great Britain.

In light of the answers given by the Solicitor General two weeks ago today that the fullest co-operation existed between our Security Service and the British Security Service, would the Solicitor General say whether or not the report that the Special Branch of Scotland Yard tried to talk Hambleton into going back to Canada is accurate?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, obviously that is not information I can give.

Mr. Speyer: You should know.

Mr. Kaplan: I know, but I do not give answers for the Government of Great Britain. I give answers for the Government of Canada.

* * *

THE ECONOMY

REQUEST FOR INTRODUCTION OF RECOVERY PROGRAM

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, my question is directed to the Minister of Finance. As the Minister knows, increased capital spending is a key element in any recovery program. The forecasts now made by Industry,

Trade and Commerce show that new investment by large corporations will decline by $2.4 billion next year, an even larger drop than we experienced in 1982. Given the fact that these forecasts point to a potential loss of hundreds of thousands of jobs in 1983, will the Minister agree that we have now arrived at virtually a crisis situation, and will he bring in some kind of massive recovery program before the Christmas recess?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I think that one very helpful first step in that regard will be for the House to pass the amendments to the Income Tax Act coming before the House this afternoon. This particular Bill provides for significant reductions in terms of individual and corporate tax. It would provide certainty in the business sector and would be quite helpful in ensuring that the private sector would know under what circumstances it will be operating in the next few months.

As far as the specific figures that the Hon. Member has referred to are concerned, he knows that these forecasts are only for the larger businesses. We are confident that the small business sector will see a turn-around. As the Hon. Member knows as well, the housing sector is certainly showing greater strength at the present time.

FORECAST OF UNEMPLOYMENT

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, I suspect that when we look closely at the amendments to the Income Tax Act we will actually see a loss of jobs as a result of that legislation, as opposed to anything additional.

The Minister must admit that another year of decline in corporate investment will not only mean that unemployed people will not go back to work but those who are already working will likely lose their jobs in the realm of hundreds of thousands in 1983. Does the Minister have any idea of how many jobs we will see lost in 1983?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I have indicated that the level of unemployment in 1983 would remain high but that it would gradually decline below 12 per cent before the end of the year. That is a situation that would be similar to the one that is being forecast in the United States and in most industrialized countries over the course of the next year. We plan to do everything that we can to bring that level of unemployment down as fast as possible. Obviously we have to do it in terms of an international environment that would be favourable, while using all the resources of the provincial and federal Governments to stimulate the economy over the next year.

CONSEQUENCE OF REDUCTION IN CAPITAL INVESTMENT

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, with all due respect to my hon. friend, if the Minister cannot make an accurate forecast, perhaps I can.

Some Hon. Members: Oh, oh!

• (1425)

Mr. Riis: Considering the fact that, in 1982, 500,000 jobs disappeared in Canada, will the Minister not agree that, with $2.4 billion lost in capital investment, much larger than in 1982, it would at least mean 80,000 fewer production jobs in Canada next year and, using the multiplier effect, another 200,000 jobs in the service sector? These figures do not even take into account the jobs lost as the result of an expected low level of consumer spending. Now, with over 280,000 jobs guaranteed to be lost next year, plus many more as the result of a downturn in consumer spending, how can the Minister continue to justify not bringing in a comprehensive recovery program before Christmas?

Some Hon. Members: Hear, hear!

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the only thing I can say is that I am confident that the New Democratic Party will be proven as wrong in this forecast as it has been proven in all its previous forecasts.

Some Hon. Members: We were not!

Mr. Lalonde: I would also indicate that the forecasts of not only the Department of Finance, but also of all the major, private institutions in Canada, are to the effect that, although there will still be a higher rate of unemployment next year, the rate of unemployment will decline during the course of the year, not increase. Therefore, rather than having an increase in the total percentage of unemployed, it is foreseen that in the course of 1983 the rate of unemployment will gradually go down toward the latter part of 1983. This being said, I have indicated before that it might be that, in the early part of 1983, we will still have a very high rate of unemployment indeed.

* * *

FISHERIES

CANCELLATION OF ENTERPRISE ALLOCATION SYSTEM FOR ATLANTIC FISHERY

Hon. John A. Fraser (Vancouver South): Madam Speaker, my question is directed to the Minister of Fisheries and Oceans, who has now been able to come into the House. In 1982 the Department of Fisheries and Oceans established an enterprise allocation system for Atlantic Canada's offshore fishery. This commendable initiative gave each participant a quota to catch for the entire year and thus allowed for a rational plan for fishing, processing, marketing and financing. It stopped the frantic rush by everyone to get a maximum catch from a common quota in a very short time, which had created problems in processing, marketing, quality control, and had resulted in inefficient use of boats, manpower and working capital. On Thursday the Minister cancelled this system for

1983, opening up the much condemned "free for all" for the coming year.

Just what is he up to? Does he want the banks to call their loans? Does he expect anyone to want to go back to the chaos that was in existence before? Can the Minister clarify the reasons for cancelling this, as I said, commendable program?

An Hon. Member: Yes or no.

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Yes, Madam Speaker, the Enterprise Allocation Program, as the Hon. Member suggests, was established on a trial basis last year to the benefit of the offshore fleet. As the Hon. Member knows, at this moment there is a great uncertainty about the future of some of those companies. I have reached the conclusion pending the conclusion of this question concerning how the restructuring will develop, that I should wait until it is resolved before re-introducing this system which, as the Hon. Member said, has brought some positive improvement in the harvesting sector.

Mr. Fraser: Madam Speaker, the Minister, in his telex said that the reason that he did not want to proceed with this system was because of current instability in the industry. I want to remind the Minister through you, Madam Speaker, that there was plenty of instability all through 1982, but because of the fact of the system being in effect, that instability was at least diminished.

REQUEST THAT KIRBY TASK FORCE REPORT BE RELEASED

Hon. John A. Fraser (Vancouver South): Madam Speaker, it is common information in the fishing industry that the members of the Kirby Task Force were generally in support of enterprise allocation, but the Kirby Report is still secret. This allows the Minister to ignore the Report and it allows something else, Madam Speaker. It allows the Cabinet Committee that is studying it to launder the Report accordingly. What we want to know is when is the Report as originally submitted to the ad hoc Cabinet committee going to be released so that Parliament can tell what the Report said, as opposed to what the Minister may want to do before we get any chance whatsoever of seeing what those recommendations were.

• (1430)

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Madam Speaker, I hope to be able to bring the Kirby Report before Cabinet in the very near future. On the other hand, the Hon. Member should realize that the question that he is touching upon is not part of the Kirby Report. The Kirby Report touches on some of the most fundamental and general problems that affect the fisheries in the Atlantic, exactly like the Pearse Report does for the Pacific Coast fisheries.

The question of the restructuring of the companies themselves is not within the Kirby Report. I must remind you again that the moment the fish is landed it becomes a question of the processing companies and is essentially a provincial matter. Of course we are ready to entertain helping that sector, like others.

I can tell the Hon. Member that at noon today I was meeting with a representative from one of the most important processing plants in the Altantic area, and he tells me that he understands fully that in view of the uncertainty we cannot renew those enterprise allocations before we know what is going to be their structuring.

REQUEST THAT PARLIAMENT BE CONSULTED ON POLICY

Hon. John A. Fraser (Vancouver South): Madam Speaker, the House knows that in January of this year, nearly a year ago, a Cabinet committee was going to implement a plan to salvage the Atlantic fisheries. They could not decide what to do, and so Mr. Kirby was appointed. He was going to report in July, then in September, then in November, and now possibly in January.

In view of the fact that the Minister of Veterans Affairs, a member of the Cabinet, has said that implementation of the Kirby Report would cost the taxpayers $100 million, and recent press reports quoting a source said that the bail-out is up to one-half a billion in debts and half as much again in working capital requirements, and the same source says that the ad hoc Cabinet committee is split, and in view of the almost incredible delay facing a fishery which everyone knows is in trouble, and knew it since the summer of 1981, when is the Minister going to present any policy for Atlantic Canada, and will Parliament have any say in it before it becomes policy?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Madam Speaker, as you have noticed, the Hon. Member referred very often to what he said are rumours. Obviously, I will not comment on rumours.

Secondly, when he says that the fishery is in difficulty, I hope that he is knowledgeable enough about the Atlantic fisheries to know that we have different fisheries in the Atlantic. Some are doing very well; others are in difficulty. As some have told me, maybe it is because they did not want to listen to my predecessor when he told them that it was unwise to over-expand.

The Kirby Task Force was established less than a year ago, and I am very confident that in the very near future the Government will make its Report public. I can assure you immediately that there will be a lot of room for consultation and input from all the different groups, including provincial Governments, if they want to co-operate in the implementation.

REQUEST THAT GOVERNMENT ACT TO ASSIST ATLANTIC FISHING INDUSTRY

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is directed to the Minister of Fisheries and Oceans. I am not going to deal with rumours. There are 40,000 fishermen in Atlantic Canada and 48,000 who work in fish

plants, normally, many of whom are now unemployed. That is 98,000; and the fish plants owned by the Nickerson group, the Lake group and the Fishery Products group, three of the four main companies in Atlantic Canada, are all in jeopardy because those companies are on the verge of bankruptcy.

These are not rumours. The plant is closed at Harbour Breton, at St. Lawrence, at Fermeuse, at Ramea; they are going to close a major plant at Burin. In my district the plant at Trepassey is closed. There are thousands out of work, thousands of fishermen in jeopardy.

When is the inaction and the evasion and the escaping of responsibilities going to end? When is the Government going to act to save the Atlantic fisheries, the fishermen and the plant workers? The 12 months have now passed for these studies. When is the Minister and his Government going to take action? It is their responsibility, under the Constitution. They have refused to give the Provinces any responsibility.

Madam Speaker: Order, this period is for questions.

Mr. Crosbie: When is he going to act?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Madam Speaker, I am appalled to see the Hon. Member trying to make cheap political gains out of that question. When he speaks about our constitutional responsibility, surely, in view of the time that he has spent in politics, both in the provincial legislature and in Ottawa, he should know that the processing plants are not within the federal responsibility. It is the Province which has allowed, over the objection of the federal Government, over 25 processing plants to be built in the last four years, when we said there was no room for them. Today he is trying to put the blame on us. It is really quite reprehensible and objectionable, coming from him.

Secondly, when he says that for over a year now we have been waiting, let me remind him that only two weeks ago one of those three companies he has named from Newfoundland came to see us for the first time ever and asked for help, and we are studying their requests on the most urgent basis. So stop making cheap politics.

Some Hon. Members: Hear, hear!

GOVERNMENT SUPPORT FOR FISH PLANT AT ST. ANTHONY, NFLD.

Hon. John C. Crosbie (St. John's West): Madam Speaker, I am appalled that we have a Minister of Fisheries who knows so little about this situation. The Minister does not even realize that it was the Government of Canada, through DREE, that financed all these plant expansions throughout Atlantic Canada to the tune of $46 million at least.

My supplementary to the Minister, who is unconcerned apparently about the unemployed plant workers and the fishermen, is very specific. The federal Government financed the operation of a fish plant at St. Anthony this year, only for this year—and 800 jobs are in jeopardy—through the Fishery Prices Support Board. The Government of Canada gave the Lake group a guarantee of $12 million or $13 million to carry them on, but the guarantee expires on December 31. If it is not renewed, the Lake group and thousands of people will be out of work on January 1, 1983. Is the Government taking any action to renew those guarantees? What is the Government's plan for the St. Anthony plant next year?

What is the Government going to do to meet its responsibilities in the fishing industry, because only this Government can take action. Its Ministers have complete constitutional responsibility. What are they going to do—stop evading the issue, and twisting and turning as you are.

Madam Speaker: Order.

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Madam Speaker, I have heard a lot of inconsistencies coming from that Member of Parliament, but it is the first time ever that in the first question he says we have done nothing and in the second he says, "You have re-opened St. Anthony, you have cared about the Lake group by advancing over $15 million".

Mr. Crosbie: You did not advance a cent, you guaranteed it.

Mr. De Bané: He is the one reminding the House what we have done.

Mr. Crosbie: What are you going to do?

Mr. De Bané: I have never seen such blatant incoherence coming from the same Member.

Mr. Crosbie: What are you going to do?

Mr. De Bané: I would remind the Hon. Member that what we have done for St. Anthony, what we have done for the Lake group, we will continue doing, but I will not recommend to the Government any course of action before I get all the figures. At this moment, we have—

Mr. Crosbie: You got them. You have had them for months.

Mr. De Bané: You believe in the private sector. We have given a study to the private sector, to two big accounting firms, to get us all the figures. When we get them, the Government will decide on a course.

Mr. Crosbie: Another study.

Mr. Baker (Nepean-Carleton): They will die of starvation.

Mr. De Bané: It is surprising. If he does not understand, I can tell you, Madam Speaker, that I have met with the Premier of Newfoundland and he understands fully that no course could be decided upon before we get those figures. When he speaks about all those municipalities I can tell him—

Madam Speaker: Order.

Some Hon. Members: More, more!

Mr. Crosbie: You are doing nothing. Get out and take Trudeau with you—MacEachen as well.

• (1440)

POSITION OF RESOURCE-SHORT PLANTS

Mr. Ted Miller (Nanaimo-Alberni): Madam Speaker, my question is also directed to the Minister of Fisheries and Oceans. Last week at the NFFAWU Conference, the Minister of Fisheries for Newfoundland made the statement that he had met with the federal Minister of Fisheries and Oceans and that they had agreed there would be no quota allocation to the major companies unless those companies were prepared to give some guarantee that resource-short plants in Newfoundland would have access to some fish to process. In light of the statement of the Newfoundland Minister of Fisheries, who was against quota allocations, what is the mechanism by which resource-short plants such as those as Burin, Grand Bay and Ramea are going to be guaranteed some products this winter for shore workers and plant workers?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Madam Speaker, it is true that the Newfoundland Minister of Fisheries suggested that at the last meeting of the Ministers of Atlantic Fisheries with myself. Mr. Jim Morgan suggested that the Enterprise Allocation Program not be renewed pending the uncertainty which is prevailing at the moment in the processing sector. As to the other point to which the Hon. Member has alluded, I raised that topic after having met with the mayors of the Southwest coast of Newfoundland who gave me the idea it may be worth exploring the possibility of allocating the quota, not on the fishermen, not on the boat, not on the company, but on the community. I promised to bring that to the attention of the other Ministers. We have agreed among ourselves to study that possibility.

IMPACT ON INDIVIDUAL COMMUNITIES

Mr. Ted Miller (Nanaimo-Alberni): Madam Speaker, the Kirby Task Force has some serious reservations about resource allocations to specific communities and specific plants. I would like to clarify with the Minister just how he perceives that those communities, because of an over-capacity in the processing industries, the ones that he met with, will be guaranteed a continuation of employment in the coming fishing season. The Minister has not been specific in his comments today on how we will guarantee communities such as Burin that they will continue to have a resource to process.

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Madam Speaker, of course I cannot be specific. That suggestion was made to me by various town councillors and mayors about two weeks ago. I cannot now comment on it in detail. I asked my Department to study whether it is feasible, and to determine what are the different aspects of it. After that we will study the implications. I will then meet with my counterparts, the Atlantic Ministers of Fisheries, and hopefully we can then have a position based on consensus.

[*Translation*]

INDUSTRY

INQUIRY WHETHER FISHERIES AGREEMENT WITH QUEBEC WILL BE CONTINUED

Mr. Alexandre Cyr (Gaspé): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce and the Minister of Regional Economic Expansion. In 1977, the Government of Canada signed a subsidiary agreement with the Province of Quebec for the development of infrastructure. With respect to fisheries, the agreement provided for four service centres with winter pounds. Should Quebec be unable to make preparations for the development of infrastructures in these fishing centres before March 31, 1984, the date of expiry of the agreement, could the Minister inform the House whether this agreement with the Province of Quebec will be extended or renewed, so as to enable that Province to receive the Federal contribution which amounts to 60 per cent?

[*English*]

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, as the Hon. Member knows, the particular general development agreement under which the service centre component receives its money has been extended for 2 years already. As the Prime Minister announced on January 12, it is highly unlikely that the Government will renew this particular agreement. If I were a Member of this House from that designated region, I would do everything I could to encourage the Quebec Government to fulfil its part of the commitment prior to March 31, 1984.

* * *

CRIMINAL CODE

CONNECTION BETWEEN PORNOGRAPHY AND CRIME—MINISTER'S POSITION

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, I have a question for the Minister of Justice. The Minister will be aware that a great many Canadians are concerned about hard core pornography. Does the Minister accept personally that the latest research shows there is now a connection between pornography and crimes against women and children, and what are his plans in this area?

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, I share the Hon. Member's concern about pornography. I do not think that the scientific studies that have been made so far are absolutely clear on what are the social consequences. However, we have to assume as a working hypothesis that there are consequences and that they are serious. We can regard that as one of the bases of our present law. I think what the hon. gentleman is referring to is whether there should be additional laws beyond those which presently exist. That is very much on my mind at the moment. Indeed, in the new

session of Parliament I hope that we will be able to make our position very clear on that point.

* * *

CUSTOMS AND EXCISE

&ED1764;-1 IMPORTATION OF PORNOGRAPHIC MATERIAL—INSTRUCTIONS TO CUSTOMS OFFICERS

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, I have a supplementary question for the Minister of National Revenue on the same subject. The Ontario Provincial Police have objected that one of the problems with pornography is that Canada Customs officers are too lax in what they permit to come into the country. Will the Minister tell us what his specific directions are to his customs officers, and what advice he has received on this subject from his colleague, the Minister of Justice?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, the Hon. Member is aware that our customs officers are responsible for implementing a schedule to the Customs Tariff which refers to the provisions of the Criminal Code regarding pornography. In the implementation of these provisions, customs officers follow generally known guidelines based on the approach of the Criminal Code to pornography and also on court decisions in cases of seizures and especially in the case of appeals. I think that to date, the guidelines and the manner in which customs officers have applied the tariff items in accordance with the spirit of the Criminal Code, have been generally accepted by Canadians.

* * *

[*English*]

NATIONAL SECURITY

CASE OF CANADIAN PROFESSOR—TRANSMISSION OF UNITED STATES MILITARY SECRETS

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my question is for the Minister of Justice, who can again demonstrate his agility on his feet. My question is with regard to the Hugh Hambleton matter. People across Canada are asking themselves why in fact there is no prosecution of spies in Canada, particularly in this instance. In light of the fact there is now clear evidence of the transmittal by Mr. Hambleton of American secrets to the KGB on Canadian soil, is it the opinion of the Minister that there is no prosecution available in Canada that would be successful for the transmittal of American military and other secrets in Canada?

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, I am not sure of the facts to which my hon. friend is referring. I do not have the report of the case in Britain. My impression from the newspapers is that he was convicted, not of passing U.S. secrets, but of NATO secrets. To the best of my information, that concerned the time he spent at NATO. If my hon. friend is asking whether we would charge him in Canada with the same things for which he has already been charged and convicted in the United Kingdom, I would be interested in having his opinion on whether that would be a violation of double jeopardy or not, but certainly I have not as of now, because of a lack of evidence, decided that question.

Mr. Hnatyshyn: That is not double jeopardy; it is double talk.

CIRCUMSTANCES UNDER WHICH PROFESSOR WAS QUESTIONED

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my supplementary question is directed to the Solicitor General. After April 25, 1980, Mr. Hambleton gave a great deal of information to the RCMP security branch. Why did the Solicitor General not return to the Attorney General to obtain a legal opinion as to whether Mr. Hambleton should have been prosecuted at that time? Second, why did the Minister not ask for a legal opinion from the Attorney General on whether the circumstances under which Mr. Hambleton gave this information constituted an inducement?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, as I have indicated, the ground rules that were established for further questioning of Hambleton were that he would not be cautioned because, when he had been cautioned in the past, he had refused to give information about his role with NATO; that he would not be cautioned but that his co-operation would be sought. It was sought. It was forthcoming. Valuable information was obtained from him about NATO, but no third-party information was ever obtained by the Security Service, although it was agreed that, if further third-party information had been obtained, they would have indeed returned to the Attorney General of Canada and once again sought his consent.

• (1450)

ELEMENTS OF BASIS FOR QUESTIONING

Right Hon. Joe Clark (Leader of the Opposition): So we are clear on the elements of the deal, is the Solicitor General saying that, on his side of the deal, the Government of Canada said that Hambleton would not be cautioned, and on Hambleton's side of the deal he said in exchange for that undertaking he would provide information? Are those the fundamental elements of the deal?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, there was no deal, as I have indicated everytime I have been asked that question. Hambleton gave his information because he was encouraged to do so. He was aware, I am sure, that without a caution that information would not be admissible. But the reason it was not admissible was not because of any agreement with him. It was not admissible because of my understanding and because of the advice we have had about the implications of the law.

Oral Questions

BRITISH DETECTIVES' WISH TO HAVE PROFESSOR RETURN TO CANADA

Right Hon. Joe Clark (Leader of the Opposition): To coin a phrase, I find the Solicitor General incredibly naive. He tells us that in exchange for the undertaking that there would not be a caution, Hambleton gave information, but that was not a deal. Well, it is a deal in any other man's language, and I do not know why the Solicitor General will not admit in the House of Commons that he made a deal, and then, having done that, why he will not tell the House of Commons and the people of Canada what the consequences to Canada were of his deal.

Let me come to the question of the British. The Solicitor General earlier in this House today said he knew why British detectives tried to urge Hambleton to come back to Canada. He knew, but he will not tell Parliament. That is what he said. Will the Solicitor General tell us whether the immunity which Canada had granted Hambleton influenced the British detectives' decision to send him back to Canada?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, Canada did not give an immunity to Hambleton. I have indicated repeatedly that it was very clear to officials on our side, in Justice and in the RCMP, that if any basis could be found for prosecuting Hambleton after April 25, they would seek to do so. That is why I cannot understand how the Opposition can characterize that as a deal. The Government did not agree to give up anything to Hambleton in return for getting information, and Hambleton gave his information to them without any expectation that he would be any better off or any worse off for giving information. Therefore, there was not a deal within that very simple definition. There was no consideration coming from the Government, and there was no consideration expected by Hambleton.

REASONS FOR NOT LAUNCHING PROSECUTION

Right Hon. Joe Clark (Leader of the Opposition): If the Government of Canada did not give up the right to prosecute Hambleton, why did they not prosecute him?

Hon. Bob Kaplan (Solicitor General of Canada): The Government of Canada did not prosecute Hambleton because no additional third-party evidence was forthcoming after April 25. They got a considerable amount of information of value. They shared that information with the Government of the United Kingdom and other friendly intelligence services, but it was not information which would have been admissible in a court in Canada, in the opinion of the law officers of the Crown, by the ground rules which they had set out in the meeting at which the decision of April was reached.

NATURE OF ARRANGEMENT FOR QUESTIONING

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, a very brief supplementary. Was the arrangement his officials had with Hambleton—I will not call it a "deal" if the Minister insists—that no prosecution would be brought by the Government of Canada except on the basis of third-party evidence?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, we are learning the extent of the ignorance of the Leader of the Opposition of the law. It was not an agreement at all.

An Hon. Member: He is way ahead of you.

Mr. Kaplan: It was the effect of obtaining information from Mr. Hambleton without caution, and it was obtained from him without caution because efforts over a period of months to obtain information from him about NATO after caution had been unsuccessful. If the RCMP had been able to get his NATO connection from him before going to the Attorney General, they would have presented it to the Attorney General. They were unable to get it from him because he refused to answer questions relating to his role in NATO. After the meeting of April, 1980, the RCMP went back to Hambleton and told him of the decision which had been reached by the Attorney General. They asked for his co-operation, and Hambleton established a relationship with them which produced that information, and very good value was made of it, as the Hon. Member knows.

* * *

LABOUR CONDITIONS

LEVEL OF UNEMPLOYMENT AMONG NATIVE PEOPLES

Mr. Jim Fulton (Skeena): Madam Speaker, my question is for the Minister of Employment and Immigration. I am sure the Minister is aware that last year's federal labour market study by David Dodge confirmed that in western Canada 20 per cent of the labour market growth in this decade will be among native people. Recent federal studies in British Columbia and Saskatchewan have shown that off-reserves unemployment among native Indians is three to six times higher than among the non-native population. In northwestern British Columbia, where a third of the native people in the Province reside, reserve unemployment has now exceeded 90 per cent for several months.

A report is now before the Minister from his own Advisory Council. I would like to ask the Minister whether or not he concurs with the recommendation that all funds and programs should be turned over to the native people in relation to employment programs, or does he accept 90 per cent unemployment as their lot in life?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, we have never accepted that as being the condition of native people. My colleague, the Minister of Indian Affairs, and many other Ministers in this Ministry, have spent a lot of time and effort working with native organizations to try to improve their ability to create jobs and economic development, including many efforts which we are making in my own Department, by special training

programs and the special allocation of job-creation plans, which the Hon. Member is spending in his own constituency, as he well knows. As far as the report from the Advisory Council is concerned, I just received it about a week ago and we are now looking at it in the Department. As soon as we have given that report a careful and proper assessment, we will let this House and other Members know the results.

SENATE FUNDING

Mr. Jim Fulton (Skeena): Madam Speaker, my supplementary is directed to the Prime Minister. He has a rather unique employment strategy under way at this time. I understand that during the Christmas break 15-odd Senate vacancies are going to be filled. The Prime Minister has made an offer to his friends across the floor, the Conservatives, for four of those slots, and they found some unemployed millionaires to fill them. I wonder if the Prime Minister would not agree in principle that, with one and a half million Canadians out of work, and those Canadians have done just as much for this country as anyone at present or in the future in that Senate, that money should be directed towards those million and a half unemployed rather than toward some political hacks.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the record would have to be set straight in many regards in relation to that question. The premise to it is completely false. In so far as filling vacancies in the Senate is concerned, Madam Speaker, the Hon. Member knows that Members of the New Democratic Party in the past have been even offered seats in the Cabinet, and none of them dare get that close to exercising responsibility, because—

Some Hon. Members: Hear, hear!

Mr. Trudeau: —it is much easier to criticize from the Opposition than it is to bear the responsibilities of governing.

* * *

HOUSING

REPORTED SLASHING OF COMMITMENT TO NON-PROFIT AND SOCIAL HOUSING

Hon. David Crombie (Rosedale): Madam Speaker, in the absence of the Minister responsible for Canada Mortage and Housing, I wonder if I might direct my question to the Minister of State for Finance. The Minister is probably aware that in the last couple of days there have been published reports which indicated the federal Government was going to slash its commitment to non-profit and social housing in the Province of Ontario from 2,800 to 2,200 units. In light of the fact that the vacancy rate in the Metropolitan Toronto area alone is less than 1 per cent, and we have 25 per cent unemployed in the construction industry, I would like to ask the Minister whether or not that figure is correct and, if so, how does he justify such an outrageous policy.

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, I do not have the advantage of the reports which the Hon. Member for Rosedale has at his fingertips today, but the material is quite novel. It is somewhat surprising and a little bit shocking, in view of the efforts which the former Minister responsible for CMHC to the House made, for example, in increasing the amount of funds which were available to non-profit and social housing over the last three years. It has been a priority of this Government, and I dare say it will continue to be a priority.

• (1500)

Mr. Crombie: Madam Speaker, shocking is the word for this, and that is why I am pleased to have this Minister respond to the question.

REQUEST THAT MINISTER MEET WITH TORONTO OFFICIALS

Hon. David Crombie (Rosedale): Madam Speaker, I would like to ask the Minister of State for Finance if he would use his good offices and speak to his colleague who is responsible for CMHC about this. Would he remind him that we are talking about five specific projects which have been slashed by the City of Toronto as a consequence of this policy, and that two projects dealing with emotionally disturbed children and handicapped people have also been slashed as a result of this policy? The Mayor and the Chairman have asked for a meeting with the Minister and, so far, have been unable to get one. Would the Minister ask his colleague who is responsible for housing if he would meet with those officials? Would he see what he can do?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, I am sure that the Minister, like all former Ministers with the responsibility, has to respond not only to representatives from the City of Toronto, for example, but to Canadians right across the country. In that vein, since November last year the Government has allocated some $900 million to assist people with housing problems in all areas of the economy, all areas of the country and all Provinces. I am sure that the Minister who is now responsible for housing will continue that concern.

* * *

LABOUR RELATIONS

NORDAIR STRIKE—PROGRESS OF NEGOTIATIONS

Mr. Maurice Foster (Algoma): Madam Speaker, my question is for the Minister of Labour. In view of the tremendous inconvenience to travellers during the past five or six months due to the Nordair strike, and the busy holiday season ahead, is he able to say whether the strike will end soon and when services will be resumed to those cities that are served only by Nordair?

Hon. Chas. L. Caccia (Minister of Labour): Madam Speaker, considerable progress was made last week, leading on

Order Paper Questions

Friday to a finalization of a protocol for a return to work and an agreement leading to a settlement. However, these two documents have not been signed. The union leadership will put the two documents to the membership for ratification during this week. If—and I repeat if—the membership will ratify the two documents, then it is possible that service by Nordair will resume by next week.

ROUTINE PROCEEDINGS

[*English*]

VACANCY

BRANDON-SOURIS—HON. WALTER DINSDALE BY DECEASE

Hon. Jake Epp (Provencher): Madam Speaker, if this is the appropriate time I should like to give notice, pursuant to Section 10 of the House of Commons Act, that a vacancy has occurred in the representation of the House of Commons for the electoral district of Brandon-Souris in the Province of Manitoba by reason of the unfortunate and untimely death of Hon. Walter Dinsdale, the Member for that district.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,516 and 4,517.

[*Text*]

DREDGING IN WEST GREEN HARBOUR, NOVA SCOTIA

Question No. 4,516—**Mr. Crouse:**

1. What is the amount approved for dredging at West Green Harbour, Shelburne County, Nova Scotia in 1982?

2. What is the anticipated date when dredging operations will be carried out?

3. What is the extent of the area to be dredged?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): 1. The amount approved for dredging for 1982/83 fiscal year is $9,500 for land based dredging. In addition to the land based dredging, Public Works Canada Floating Plant No. 16 is currently doing channel dredging.

2. Dredging operations began on October 20, 1982. It is anticipated the work will be completed by late January or early February, 1983.

3. A channel will be dredged 450 metres long by 20 metres wide to a depth of two metres below low water by floating plant. Approximately 8,700 cubic metres of material will be removed. In addition, land based dredging will be carried out around the wharf.

DREDGING IN LUNENBURG HARBOUR, NOVA SCOTIA

Question No. 4,517—**Mr. Crouse:**

1. What is the amount to be allocated for dredging in Lunenburg Harbour, Nova Scotia during the fiscal year 1982-83?

2. What is the anticipated date when dredging operations will be carried out?

3. What is the extent of the area to be dredged?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): 1. There will be no contract dredging done. Dredging will be done by Public Works Canada.

2. It is expected that Public Works' dredge No. 400 will be at Lunenburg to commence dredging on, or before December 15, 1982.

3. The dredging will consist of 22,000 cubic metres of material to a depth of six metres below low water ordinary spring tide. This will provide a berthing area of 30 metres wide by 110 metres long on the northern side of the government wharf as well as a dog leg shaped section of 310 metres long by 50 metres wide, which will be dredged in the turn basin.

[*English*]

Mr. Smith: I ask, Madam Speaker, that the remaining questions be allowed to stand.

[*Translation*]

Madam Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

INCOME TAX

AMENDMENTS TO STATUTE LAW

Hon. Marc Lalonde (Minister of Finance) moved that Bill C-139, an Act to amend the statute law relating to income tax (No. 2), be read the second time and referred to a Committee of the Whole.

He said: Madam Speaker, I am indeed very pleased to open the debate on this major Bill to amend the Income Tax Act. I want to discuss its provisions in both broad and specific terms. Not only is this legislation of great importance because of the positive changes it proposes in the tax system, but its passage will end the uncertainty that has lingered for too long on this subject. The Bill also provides an important example of the expanding role of consultation in shaping a tax system that works better for all of us.

As you know, the measures before us today represent the culmination of a process begun with the November, 1981 budget, the June, 1982 budget and my economic statement to

the House on October 27 this year. Since becoming Minister of Finance three months ago, I have looked forward to the day when we could get on with this final stage of the job. The time span covered by the process reflects the intensive and comprehensive consultation that has been followed.

My predecessor and I met directly with a wide range of individuals and organizations who had advice to give on tax issues. Members of the House and of the Senate have contributed greatly to the process through both formal and informal consideration of many of the issues. The Finance Committee of the House worked through the summer and reported in October. The Senate Committee on Banking, Trade and Commerce also held hearings on the original ways and means motion. The Lortie Committee of outside experts has made a valuable contribution on the questions of inflation and taxation of personal investment income. Several other groups of outside tax experts and private sector representatives were appointed to examine important tax proposals.

The proof that all that consultation was for real is in the Bill itself. We asked for a lot of advice and we received it. More to the point, we accepted a lot of that advice and I will discuss some of those adjustments in just a few minutes.

We will continue to work to improve the consultative process in order to make the tax system more effective in achieving many important goals. We want to make the process more accessible to taxpayers. You will note, for example, that we have made available for the first time explanatory notes on the measures contained in the Bill. Those notes are written in a language that the average taxpayer can understand when he finds that a particular tax provision applies to him.

We have also made available draft regulations relating to the taxation of life insurance policies and annuity contracts. This is an area of particular complexity. By broadening the base on which budget decisions are made, we can look forward to both an improved process and improved results.

With this Bill today we are proposing commonsense management of the tax system. We have taken account of both the difficult current economic circumstances and the need to encourage a more efficient and productive economy through a tax system that is fair to taxpayers.

To accomplish those goals we must give immediate priority to creating a stable tax environment. Accordingly, the measures before us today reflect a number of decisions to delay or modify initiatives which, however worthy in their own right, would have created unwarranted disruption in a particularly difficult period for the economy.

• (1510)

As I have noted, there has been a lot of public debate about the Bill. Some of it has been highly emotional. It is understandable that particular groups and individuals should object strenuously to tax changes affecting them, and obviously it is understandable that people do not like to pay taxes. There is nothing new about this in the history of the world.

I believe that Canadians as a whole understand that their Government cannot continue to spend more and more while it taxes them less and less. Equally they understand that taxes cannot be lowered for some without being raised for others. It is the job of the Minister of Finance, of the Government and of Parliament to weigh the merits of this or that special interest against the good of society as a whole.

Therefore, before getting down to specifics, I believe it would be extremely worthwile to look beyond the merits or acceptability of individual measures to specific interest groups and to focus on the fundamental thrust of this Bill.

[*Translation*]

Mr. Speaker, this Bill is based on the principle that the Canadian tax system is better off with lower tax rates applied to a broader income base. I firmly support this principle and I think it would be difficult to disprove it. Although many changes have been made to the Bill during the last few months, that same principle continues to be reflected in the tenor of the legislation before the House today, namely, that we should try to broaden the tax base and thus reduce tax levels. Actually, a tax system that rests on a broad base and provides for lower taxation rates is not superior in itself, but it is less likely to disrupt the market, to discourage individuals from saving, working and investing, in short, less likely to interfere with market operations and the rational allocation of resources.

We have heard a great deal about incentives. The basic incentives of our economic system are those created by the market, not by the tax system. The notion that a good dose of incentives would create a streamlined, flourishing and highly productive economy is simply unacceptable, since it would very probably lead to the creation of a motley group of overlapping and contradictory preferential measures.

I shall, if I may, clarify my position on this issue. I am not proposing, and I am not in favour of, a system totally devoid of tax incentives. In fact, even if we tried to achieve this, we would still have a system that would contain a certain number of incentives. A glance at the tax laws of almost any industrialized country in the world shows us that there are always a certain number of incentives in certain specific sectors. Some people think, and they are wrong, that the Government is trying to get rid of these incentives. I hasten to say that this is absolutely untrue and has no basis in fact. Even with the amendments we are proposing today, many incentives still remain in our tax legislation, and in fact, this Bill puts greater emphasis on some of those incentives. In fact, it has the advantage of reinforcing the impact of the remaining incentives and making them more effective. The proliferation of incentives in our tax system has unfortunately added to the daunting complexity of the system itself, and has aroused considerable criticism during the past few years.

I think the system should be further simplified, although we must not forget that it will necessarily reflect the complexity of

the world we live in. Furthermore, our desire to stabilize the tax environment unavoidably leads to some degree of complexity, which is evident in the wording of the legislation itself. Insofar as incentives continue to be a part of the system, they will continue to render it more complex. Nowhere has this been as obvious, perhaps, as in the small business sector. Year after year, Finance Ministers have received representations aimed at improving the tax system as it applies to small businesses in Canada, and year after year, they have proposed adjustments to that same tax system. The net result is, that today, we have a tax system for small businesses that is terrifying in its complexity, and that we shall now have to renew our efforts to take a less complex approach to small business taxation.

[*English*]

In effect, efforts have been made to simplify the Bill before the House today. The revised small business dividend tax measure about which I will speak in a moment is a good example. Moreover, I invited the Canadian Tax Foundation to suggest alternative approaches to tax simplification, with particular concentration on the issue of the taxation of small business. I am happy to report that the Canadian Tax Foundation accepted my invitation and that it is preparing itself to work on the very issue in the next few months. It may well be impossible to make major headway in simplifying the tax law until we are again prepared to address the issue of eliminating more special provisions, broadening the tax base, and reducing tax rates.

For example, much, if not all, of the complexity in the small business tax system arises because of the special tax rate which provides over $1.2 billion a year to small businesses and is being enriched in this Bill. The fact is that the small business tax system would be much simpler if tax rates were the same as those for other corporations, just as unincorporated small businesses are taxed like other individual taxpayers. I am not suggesting that incentives to small businesses are a bad thing, and I doubt if anyone would suggest it, but it underlines the point that tax complexity is one of the prices to be paid for special treatment of any group.

Before dealing with some of the specific measures and adjustments in the Bill, permit me a further word on the subject of consultation. Some people have interpreted the Government's response to the consultation process as a sign of weakness. Some have catalogued the number of changes made as a result of the process and interpreted it as a sign that the whole Bill should or would be withdrawn. With all due respect, I say that this is irresponsible. I suppose it is the old game in politics of being damned if you do and damned if you don't.

• (1520)

Mr. Blenkarn: If you have a bad Bill, you withdraw it.

Mr. Lalonde: The Government's responsiveness is a sign of its commitment to consultation and of its repectiveness to constructive comment. I will illustrate that point by citing the Government's response to particular issues raised by the House committee and many other groups and individuals. My colleague, the Minister of State for Finance (Mr. Cosgrove), will address in detail the consultation and response that has been made on the taxation of life insurance. I would like to thank my colleague and many of our backbenchers for their contribution in the analysis of this very complex and very difficult issue. I would like to express my appreciation to them for the excellent work which they have done in bringing before the House measures that I think meet most, if not all, the objections raised to previous proposals. I would merely cite this area of life insurance as evidence that significant adjustments can be made while preserving the basic intent of broadening the tax base in a fundamentally fair and efficient manner.

Another example. The November budget imposed a tax on dividend distributions by small business with a very specific and defensible purpose. The aim is to ensure that income withdrawn from a small busines for personal use of owners is taxed in the same way as other income, including hard-earned wages and salaries.

Mr. Lambert: That is nonsense.

Mr. Lalonde: Few have disputed the basic purpose of this tax.

Some Hon. Members: Oh, oh!

Mr. Darling: Come on, thousands have.

Mr. Lalonde: You see another example across the aisle of people who are criticizing before hearing it all, Mr. Speaker. The measure was criticized for its complexity and also for its application to dividends paid out of income earned before the measure was introduced.

Mr. Blenkarn: You withdrew it.

Mr. Lalonde: That is right. I am glad to hear that. What we have done is to take account of those criticisms and representations. That issue was raised by several organizations: for instance, the Canadian Institute of Chartered Accountants; the Canadian Bar Association; the Canadian Federation of Independent Business; the CMA; the Tourism Industry Association of Canada.

Mr. Darling: Why didn't you forget about it then?

Mr. Lalonde: I invite my hon. friend to read at least the explanatory notes if he cannot read the Bill. He will find that we have taken into account those representations and amended the Bill. The Bill before us today does address those very concerns. The tax applies only to dividends paid out of income earned after 1982. We are not taxing dividends that have been accumulated in the past. This and other technical adjustments have allowed for significant simplification of these rules. This is a very important example of how the process of consultation can be carried on effectively and how we can end up with a better system, one less complex but which will at the same time be fairer to the average taxpayer. It will make the

Canadian taxpayer, whether he is taking his money in the form of dividends or whether he is getting it in the form of wages and salaries, feel that he is being treated equitably and fairly and that there is no undue advantage to one taxpayer because he happens to get his money in one form rather than in another form.

Another area that raised concern was the question of the liability of a director of a company. This was addressed in the November, 1981 budget. That budget proposed to expand the liability of a director by imposing joint and several liability on directors where the corporation fails to withhold various payroll and non-resident taxes. The House Finance Committee noted that the Canadian Bar Association considered the scope of the application too broad. Similar representations were made by other groups. In response, we have amended the proposal to include a due care and diligence test to ensure that innocent directors are not adversely affected in cases where taxes are withheld but not remitted.

In response to advice from the Finance Committee of this House and various professional associations, the change in treatment of professionals' work in progress will not apply to professionals who are ineligible for the low small-business tax rate or who would be ineligible if they were incorporated. This includes doctors, dentists, lawyers, accountants, veterinarians and chiropractors, among others, and will mean that many professionals will not have to face the complexity and the paper burden represented by evaluating every file which they have on record at the end of every year. That measure has been abandoned, and this decision, I would argue, has been very well received by all parties concerned.

Mr. Darling: It was stupid in the first place.

Mr. Lalonde: Although not part of this legislation, I would like to say a word about the proposed move of the federal sales tax from the manufacturers' to the wholesale level. This is an issue of importance for both small and large business. In response to representations, the introduction of this measure is being delayed. This will provide time for further consultation with industry representatives who suggest that a modified proposal might achieve our objectives of improving the tax structure and removing some serious biases in favour of imported goods over those manufactured in Canada. I have invited interested associations to designate their representatives, and I expect to be able to announce the composition of that task force in the next few days. We will see this further phase of consultation going ahead soon. Again, what is required is rational debate and rational and thorough examination of an issue that is very complex.

My colleagues in this House will no doubt have read press reports put out by business groups who have complained that we have not proceeded with this measure aimed at transferring the federal sales tax from the manufacturers' level to the wholesale level. On the other hand, I and Members of this House have been receiving many representations from other business groups saying "Don't do a thing; don't proceed with this now".

In effect, we have a strong division of views among the business community in this regard. We have sectors, such as the auto parts industry in particular, which claim that the present regime favours imports at the expense of domestically produced parts. Also we have a number of businesses, retail and wholesale, that say they cannot afford to assume an additional burden at the present time, that there must be a better way. So we agreed to give them some time. As a matter of fact, I have indicated that we would give them until at least the middle of 1984, the next 18 months, to sit down in an attempt to work out between themselves as well as with the Government a better way of doing it.

• (1530)

One fact which must be made clear is that we will not be able to continue indefinitely with the present arrangement. Clearly, I am sure any Party in the House would not want to encourage this direction of favouring imports rather than Canadian production in certain sectors in particular. Instead of telling the Government to abandon its notion of taxation at the wholesale level, we must all try to find a better solution than what is in place at the present time. I recognize that this is not a particularly easy task since it is a complex problem which implies changing some of the traditional, well-established practices of many businesses. Some of these businesses have been doing well with the present regime by avoiding some requirements that they may be faced with under a different regime.

Again, the House will be invited in due course, after those consultations have taken place, to consider a changed system, which I hope will carry broad support because I do not think there is much disagreement over the fundamental objectives being pursued in these particular amendments.

To underline the Government's commitment to consultation and stability in the tax system, I have also made clear again that the proposal will not be implemented before the legislation on wholesale tax receives Royal Assent after being passed through both Houses of Parliament.

The consultation process has also led to significant adjustments in proposals affecting the taxation of personal investment incomes. The proposed restriction of deductibility for interest expense has been dropped on the advice of a committee of prominent tax professionals. We will also be proceeding with draft legislation for a registered shareholder investment plan under which the taxation of capital gains will be limited to the real after inflation gain. The Lortie Committee, to which I have referred already and which endorsed such a plan as proposed by my predecessor, has also proposed a major study of the desirability of adjusting the taxation of business income for inflation. We hope to proceed in that direction shortly. This will clearly be an important area of exploration in the continuing effort to improve the tax system in an orderly, consultative manner.

I have already noted that the Government remains committed to special measures to assist small business in spite of the associated problem of tax complexity. This support of small

business is one goal that this Government has always been committed to. Today, I would like to give a very clear renewed commitment to this support, and since my appointment I have made it a point of consulting quite frequently and regularly with the official spokesmen representing various areas of small business in this country.

A very significant example of the commitment of this Government to help small business is provided in this Bill. The amount of income subject to the low small-business tax rate is being raised from $150,000 to $200,000 annually and from $750,000 to $1 million in total retail earnings. These measures should be of substantial help to the Canadian small business sector at the present time.

As Members know, in the case of manufacturing profits the tax rate for small business corporations is 10 per cent as compared to 30 per cent for larger corporations. For other types of active business income, the small business rate is 15 per cent instead of 36 per cent for larger corporations. Therefore, the benefit is clearly in substantial favour of small business in this country. This Bill provides significant new incentive for the growth of the small business sector in Canada.

This Bill also gives effect to an extension of the Small Business Bond to assist eligible small businesses in financial difficulty. This is a measure which I announced in October.

[*Translation*]

Measures affecting all taxpayers included a proposal to tax benefits derived from private health insurance and dental care plans. This proposal would have made the tax system more equitable, but representations against the proposal were made before the House Committee on Finance, Trade and Economic Affairs, by many groups, including the Life Underwriters Association of Canada, the Canadian Life and Health Insurance Association, the Canadian Manufacturers Association, the Canadian Federation of Labour, the Canadian Association of University Teachers, the Canadian Federation of Independent Business and the Canadian Dental Association.

I concluded that the time was not ripe to introduce this measure. The benefits of the average health insurance and dental care plan for a married couple may total from $400 to $600 per year. Tax on these amounts would have been from $120 to $175 for the employee with an average income. Thanks to the decision announced in my statement in the House on October 27 of this year, Canadians will not have to pay this tax.

[*English*]

The result of abandoning this measure will be that the health and dental care insurance premiums or contributions paid by the employers will not be subject to taxation for the employee. This will be of significant help to those workers who are presently benefitting from health or dental care plans in their jobs. It is a significant tax relief which would not have been available had we proceeded with this particular measure.

[*Translation*]

The bill before the House today has also absorbed a number of important aspects of the 6 and 5 program, reflected in the capping of indexation of personal income tax rates at 6 and 5 per cent for the next two years. I am glad to see that in Canada, the rate of inflation is falling towards the 6 and 5 level. If we manage to control inflation, the impact of capped indexation on the Canadian taxpayer will be considerably lessened and even practically non-existent, if we reach our objective.

I think this measure aptly illustrates the validity of the 6 and 5 program, which, in fact, cancels out its own drawbacks in the short term, while providing the tremendous advantage of reducing inflation in the long term. We should also remember that since 1974, Canadians have had the benefit of full indexation of personal income tax. Furthermore, indexation at 6 and 5 is clearly preferable to the complete absence of indexation experienced by the American taxpayers over the same period, that is, since 1974. In fact, many Canadians are unaware that people in the United States do not have the indexation which Canadian taxpayers have enjoyed since 1974. Many Canadians pointed out to us that last year in the United States, they had a tax reduction of 10 per cent. What they forgot, however, is that since 1974, Americans had not enjoyed the tax rate indexation we had here in Canada, and that Canadians, as a result of the indexation since 1974, had enjoyed a far more substantial tax adjustment than the one announced last year by President Reagan and adopted by the U.S. Congress.

In addition to indexation at 6 and 5 per cent, this Bill provides for a general reduction in income tax starting in 1982 and totalling more than $1 billion per year. I may add that this measure has not received the attention it deserves. I cannot blame the Opposition, because that is not really their role. They are supposed to point out the negative aspects they see or think they see in any draft legislation introduced by the Government. Nevertheless, the Canadian taxpayer ought to know that the Bill before Parliament today will mean a general tax reduction of over $1 billion in 1982.

For a married worker with two dependent children and earning the average industrial wage of $22,000 per year, the reduction in tax rates and the reduction in Federal transferable tax will mean a savings of over $220 per year. Furthermore, the Child Tax Credit has been increased by $50 per year per child, up to a maximum of $343 for fiscal 1982. This measure will mean a savings of another $100 for low or middle-income families with two dependent children.

The Bill also provides for a reduction in Federal tax, so that the taxpayer with a dependent spouse and an income of less than $20,000 will save an additional $200.

The Opposition, especially the Members of the New Democratic Party, has tried, during the last few months or weeks, to convince us that the tax changes contained in this bill will only benefit people with income of $100,000 and over, in other

words, people in the upper tax bracket. However, the facts I mentioned earlier clearly demonstrate that millions of Canadians, and I say millions of Canadians will benefit from the tax advantages provided by the draft legislation being considered by Parliament today. I am not referring to Canadians in the upper tax bracket but to Canadians with incomes of less than $20,000 per year, and workers earning an average industrial wage of $22,000 per year, who will benefit substantially from the tax changes contained in the Bill before the House today. As I said before, the general reduction in income tax rates provided in this Bill should encourage Canadians to save and invest in order to develop our country. The Bill represents a substantial structural change in the system, and its long-term benefits are very promising. Nevertheless, we must not lose sight of our fiscal responsibility. Earlier, I commented that few people like to pay taxes. In fact, I think all Canadians would prefer their taxes to go down or disappear altogether. However, even in the best of worlds, taxes would be inevitable.

In these difficult times, the Government is under constant pressure from all sides to spend more money or to reduce taxes in order to stimulate the economy. Often, I see people who ask me to spend more money, reduce taxes and reduce the Government's deficit, all at the same time. I must admit that my officials and advisers and I have been unable to find a way to achieve all three objectives at the same time.

My hon. colleague, however, seems to have found a way to reduce taxes, expenditures and the deficit. I noticed that when his party was in power, it failed to find the magic formula, and I am afraid that any claims that one would be able to do all three simultaneously are more reminiscent of the claims of snake oil salesmen than of the principles of economics or sound fiscal management.

• (1540)

[*English*]

Mr. Blenkarn: Why don't you let us take over, Marc, and then you'll find out?

Mr. Lalonde: The Hon. Member says that we should let them take over and we would find out. The Canadian public did find out in 1980, and after six months they could not stand it any more.

Mr. Blenkarn: Now they wish we were back.

Mr. Lalonde: I would suggest to the Hon. Member that the recipe has not been tried and that the Canadian people rejected being force-fed the kind of economic horse medicine that the Conservative Party was trying to impose upon them.

[*Translation*]

Notwithstanding interruptions by my colleagues opposite, I shall listen carefully to any suggestions and give them my attention. However, I urge Hon. Members to remember the economic problems facing our country and this Government at the present time with respect to our fiscal policy, as a result of the automatic impact the recession has on our tax system. Government revenue has dropped considerably—by several billion dollars—because corporate profits are down, as well as personal income, and the latter particularly as a result of unemployment. Thus, Government revenue has fallen dramatically and at the same time, Government expenditures have increased very substantially, because we have to provide assistance to people who are hurt by the recession. We have had to help hundreds of thousands of Canadians who are now unemployed and are either drawing unemployment insurance benefits or welfare or being helped by one of the many direct employment programs created by the Government to help Canadians cope with the economic crisis we are going through at the present time. Financially, our room to manoeuvre has shrunk considerably. In the circumstances, it is impossible to grant further substantial tax breaks to any group without increasing taxes for another group in order to bring down Government expenditures by a corresponding amount. The bill before the House today, Mr. Speaker, reflects fiscal reality, because it proposes a balanced selection of carefully thought out measures aimed at improving the tax climate, laying the foundation for economic recovery and enabling Canadians—and this is very important—to continue to help those who need help.

[*English*]

In conclusion, I believe the basic philosophy of this Bill is sound.

Mr. Blenkarn: What about the tax increases?

Mr. Nielsen: Iron-clad.

Mr. Lalonde: Its provisions are good and it responds to criticisms which have been made.

An Hon. Member: Hear, hear!

Mr. Nielsen: Here? Where?

Mr. Lalonde: The time has come to pass this legislation. The time has come to end the uncertainty surrounding these tax issues.

Mr. Nielsen: Never should have been started.

Mr. Lalonde: The time has come to move on and to face and solve the pressing and serious problems before us. The passage of this legislation is a prerequisite for further budgetary moves directed at our economic problems.

• (1550)

Mr. Wilson: Don't hit us again.

Mr. Lalonde: It would be irresponsible to introduce a new budget before the uncertainty of the old measures is cleared up. I can say, in the process of consultations I have had since I have been appointed Minister of Finance, that this is the message that has been repeated over and over again to me by everybody I have consulted. This message has come through quite clearly from the 30 different organizations with whom I

have had meetings in the first month and a half after my appointment.

Mr. Wilson: Why did you not bring the budget in then?

Mr. Lalonde: That message has been clearly repeated since I started consulting, anticipating the next budget.

Mr. Wilson: Why the delay in bringing it in?

An Hon. Member: What message?

Mr. Lalonde: The Hon. Member is asking what is the message. The message is that we should pass the legislation resulting from the previous budgets—

Mr. Wilson: Why did you wait two months to bring it in?

Mr. Lalonde: —that we should clear the air, that we should remove the uncertainty and that we should not proceed with a new budget until we at least know exactly what is happening with the measures resulting from the previous budgets. The message from labour, management, farming organizations and small business has been clear; they want to know what the rules of the game are going to be.

Mr. Nielsen: You will change them anyway.

Mr. Lalonde: They want to be assured by Parliament that the measures affecting the fiscal situation for 1982 are going to be implemented without further delay and without leaving an air of uncertainty around those measures.

I read last week that the Leader of the Opposition (Mr. Clark) declared that he would do everything he could to block this legislation and prevent it from going ahead. Obviously, I can understand that in a flight of high rhetoric any politician can make high-sounding statements. I hope this is one of those. Obviously, the Opposition can drag out this Bill for a very extended period, but I believe that the Opposition will adopt a more responsible attitude and, after due consideration, we will be able to proceed not only with debating these measures but with the voting on and adoption of them. They have been the subject of extensive debate over the last year.

Mr. Wilson: It is the first time they have hit the House.

Mr. Lalonde: They have been the subject of consideration by outside experts, by groups and organizations that have made representations before the Government, before parliamentary committees, the committee of the House and the committee of the Senate. The committee of the House sat through the summer right into the fall, heard briefs and made representations. How much more study do we need?

Mr. Wilson: You are starting to weep now. Wipe the tear from your eye, Marc.

Mr. Lalonde: In fact, we know now exactly what kind of measures the Government is proceeding with. I have indicated the changes that have been made. A number of those changes have already been included in the Bill which was considered by the parliamentary committee, and I submit to the House that the Canadian public is expecting us to proceed expeditiously—

Mr. Wilson: And responsibly.

Mr. Lalonde: And responsibly—with this particular measure.

As far as we on this side of the House are concerned, we will co-operate to provide all the information that is relevant and required, but at the same time I hope that we get good co-operation from other Members of the House to make sure that this Bill receives Royal Assent with not too long a delay.

I remind the Members of this House that last year there were more than 15 million tax returns filed, of which more than 11 million resulted in refunds. We expect this year there will be even more refunds than last year because there are people who have been unemployed during the course of the year who will have a lower level of income than they had anticipated and will be entitled to significant and I hope large tax refunds when they file their income tax return.

Early passage of the legislation will help Revenue Canada get on with the job of processing the 1982 returns and mailing the refunds to Canadian citizens who are entitled to them. It is clear that many Canadians will be in urgent need of their tax refunds during the period we are going through. I therefore look forward to a speedy debate that recognizes the extensive consultation process that has contributed so much to the Bill before us.

My colleague, the Minister of State for Finance, will be taking this Bill through the House during the debate and consideration before committee.

Some Hon. Members: No.

Mr. Lalonde: My Parliamentary Secretary and myself will be very happy to be present and to give him a hand whenever he needs a hand. I must say my colleague has shown such competence, such ability and such expertise in that subject—

An Hon. Member: When?

Mr. Lalonde: —that I am sure the Opposition will be very happy to support him in advancing consideration of this Bill.

Mr. Wilson: When?

Mr. Lalonde: I conclude by pledging to continue to expand consultation in the development of a better budget-making process, a process that promotes tax certainty, stability and fairness and the efficient and productive use of Canada's great human and material resources.

I started those consultations last week in Vancouver, for instance, with the B.C. Employers' Council and representatives of the labour movement. This morning I met with the board of directors of the Canadian Chamber of Commerce and we had an extended discussion about the approach to the next budget. That organization will be able to present a formal brief to me within the next two or three weeks.

I intend to meet with my provincial colleagues, the Ministers of Finance, this coming Thursday at which time I hope we will be able together to develop a general posture that will lead to Government fiscal policies that will go in the same direction, that will reinforce each other rather than working at cross-purposes. That will help all Canadians in every single Province in this country see 1983 as a better year in all respects than 1982 has been for Canadians generally.

The Acting Speaker (Mr. Corbin): The Hon. Member for Yukon is rising on a point of order?

Mr. Nielsen: Will the Minister permit a brief question?

Mr. Lalonde: With pleasure.

Mr. Nielsen: The Minister will know that the leader of the Government in Yukon has requested to attend the federal-provincial meeting of Ministers of Finance to commence, I believe, this Thursday. To date the attitude of the federal Government and the Minister's Department has been that neither of the two northern territories will be favoured with attendance at that federal-provincial meeting of Ministers of Finance.

The leader of the Government in Yukon, as well as an elected representative from the Northwest Territories, are now attending a federal-provincial meeting of Ministers of Mines in New Brunswick and will be in Ottawa on the day the federal-provincial meeting of the Ministers of Finance is to be held.

I ask the Minister this question now, in keeping with the spirit of his announcement and that of the Minister of Indian Affairs and Northern Development (Mr. Munro) with respect to fiscal reforms in Yukon and the Northwest Territories, made a little over a week ago. Since there is utterly no provincial objection, will the Minister here and now extend that invitation to the two Northern Territories to be represented by their appropriate Ministers, particularly since the subject matter of the discussion affects us just as vitally as it does the Provinces and since we are expected to make fiscal decisions on the same basis?

• (1600)

Mr. Lalonde: Mr. Speaker, I have noted the representation made by the Hon. Member. The only answer I can give him is the answer that has been provided generally in the past, a view shared by both the provincial and federal Governments, that, contrary to what the Hon. Member has indicated, the conference of Finance Ministers should be limited to Finance Ministers of the Provinces and the federal Government. However, I have indicated to the people referred to by the Hon. Member for Yukon (Mr. Nielsen) that I would be very happy to meet with the representatives of those two Territories at their earliest convenience and have a general discussion with them about the next budget as well as the financial situation in the Northwest Territories and Yukon.

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, today we are commencing the first formal consideration of the tax legislation arising out of the November budget, some 13 months after the fact. That is far too long a period of time for Canadians to wait. It is incredible that the Minister of Finance (Mr. Lalonde) should be urging this House to move quickly on this legislation when we have just now seen the Bill representing that budget, plus the June budget, plus his October statement, all brought into one omnibus piece of tax legislation. The Government House Leader is urging us to come to grips with this Bill and pass it within the next eight sitting days. That is unacceptable.

Much has been lost since that time, 13 months of valuable time. A Minister has lost his job and a Deputy Minister has lost his job. A Government which used to pride itself on being known as a competent manager has lost all credibility as well as the confidence of the Canadian people.

More seriously, in human terms over 500,000 people have lost their jobs and some 50,000 bankruptcies have been declared during this period. To put this in some perspective, that over 500,000 job loss figure is just about equal to the entire population of Quebec City or Calgary, Edmonton, Winnipeg or Hamilton. It is an incredible figure.

Also during this period of time Canada has seen its place in the international community slip noticeably. We have seen articles in the London *Economist* entitled "Maple Leaf Crumbles", as well as in *The Wall Street Journal, The New York Times* and *Business Week*. These stories were not written in anger or with any vindictiveness but with sorrow and disbelief that we as a country have plunged so low in spite of our rich human and natural resources.

That November budget played a pivotal role in this decline. In my opening statement following the Minister's speech at the time of that budget, I warned of a tax revolt. Those words were acutely prophetic, judging from what in fact has happened since then.

Let me remind Hon. Members of the reaction to that budget. I want to direct these words to some of the Liberal Members. I quote from *The Toronto Star* of November 14 last year:

> Liberal politicians were chuckling like schoolboys yesterday.
>
> For the relaxing Liberals the snickering came at Wilson's expense.
>
> "There is nothing he can say against this budget", said one smiling Liberal who has aspirations of a Cabinet post in next February's promised shuffle.

Maybe it was the Hon. Member for Willowdale (Mr. Peterson) who made that snickering comment.

> "We covered everything. There is just nothing left to criticize."
>
> While many Liberals were in a buoyant mood yesterday, their glee could swiftly change to sorrow if MacEachen's objective of reducing inflation by cutting the deficit, withholding investment incentives and avoiding either a tax increase or reduction for average consumers backfires . . . So while the bored Liberal backbenchers were able to giggle and laugh yesterday in the sleepy Commons, economic realities may come crashing down on them with each new release from Statistics Canada of inflation and unemployment rates as well as the Bank of Canada's weekly interest rate lottery.

I mention that because I want to remind Liberal Members how wrong they were. Thirteen months ago today they sat snickering on the other side of the House, thinking that that

budget was just what the people wanted, just what people in this country asked for.

Mr. Peterson: That's nonsense.

Mr. Wilson: That's not nonsense. The Hon. Member for Willowdale says it is nonsense. Maybe he should stand up and tell us what is nonsense. What is nonsense is since that time Canadians have been so angry, upset and disturbed with that budget that they came out in droves and spoke to him and his colleagues as well as those on this side of the House complaining bitterly about the direction that budget took.

Mr. Peterson: Mr. Speaker, I rise on a point of order. I resent very much the personal attacks that have been made by the Hon. Member opposite to the effect that we were sitting here snickering. We have taken that budget process very seriously.

The Acting Speaker (Mr. Corbin): Order. That is obviously not a point of order. That is debate.

Mr. Wilson: Mr. Speaker, I think the Parliamentary Secretary is displaying his sensitivity to what happened in the budget and what happened to him. I wonder whether he is looking at the polls that are being taken in his riding which show that his performance, his popularity and his position in that riding have gone straight down since November 13, 1981 when he was here snickering behind the curtains of the House.

I wish to quote from a few reports and other representations that have been made to me and other Conservative Members about that budget. I am going to give a number of random quotes that came to me either through letters that I received or in the course of the meetings that 62 Conservative Members of Parliament held in 15 cities across the country, which gave Canadians the first and, with a few exceptions, almost the only opportunity that they had to speak out directly to Members of Parliament in a formal way about what was wrong with that budget. I quote:

> Robin Hood MacEachen takes not from rich but from millions of Canadians.
>
> Budget, a recipe for recession.
>
> Home owners: Little reason to cheer.
>
> Mr. MacEachen's can of worms.
>
> The over-all economic condition loaded the gun and the budget is going to pull the trigger.

I have another quote:

> As a young married Canadian with two children, to be honest, I'm scared. I'm scared because I don't know if I'll be able to provide a roof over their heads. I'm scared because I have been classified as one of the wealthy in the country now.

Another one reads:

> It seems hard to believe, but the budget appears bent on the objective of slowing or destroying investment incentives.

The Minister spoke in a very false way to that in his comments earlier:

> The recent budget makes all of us who borrowed money to create this company which now employs 200 people appear to be rip-off artists, speculators and Shylocks unwilling to pay our way.

Another one:

> For a Government to introduce a series of tax incentives over the years and then make an about-face and call these incentives loopholes is both ludicrous and intolerable.

Mr. Peterson: You are dealing with ancient history. Why don't you deal with the budget?

Mr. Wilson: I am not dealing with ancient history, I am dealing with this tax legislation. Many of the same things that these people spoke of are still in this legislation. I will be coming back to that in due course, if the Member has any patience and can keep himself in the House and not snicker behind the curtain.

• (1610)

The next quote is from an older gentleman:

> I was trying to save the Government from having to support me in my old age. Damn the Government now. I am going to spend every cent I can get my hands on and when I run out of money I won't be ashamed to ask the Government for help. They're certainly not ashamed of taking it from us.

And the next one:

> The November 12th budget pulled the rug from under my feet. If that "financial fiasco" is implemented, it appears that our family farm will no longer exist and my family will be forced to accept a lower standard of living.

The final quote I want to give, Mr. Speaker, is this:

> We object to the victimization of low and middle income groups to trap the affluent.

All of these quotes came to me from real people. We received them in the course of our meetings across the country. There is no imagination here; these are real quotes. The Minister implied that we are using our imagination in drumming up criticism of this budget. These are real people assessing the true impact of that budget, this tax legislation, on their lives, on their jobs, their businesses and their families. Many of these statements have been confirmed by the experience of the past 13 months and are still very pertinent to this legislation.

Our Party opposed that budget right from the start. We encouraged the Government not to proceed without a full public debate. We wanted those most affected to be able to explain to the Government the true damage which the budget was going to cause. The Government refused this course of action, probably out of crass political self-interest, because as we look back over the past 13 months it is incredible the number of changes which have been made. There have been as many as 47 changes. Some areas have been changed a full three times. That is a clear indication that the Minister and his officials proceeded with this major tax reform in a totally blind vacuum. Many areas were changed, including multiple unit residential buildings, capital cost allowances, retiring allowances, work in progress, employee benefits, life insurance and annuities, automobile stand-by charges, charitable foundations, housing and travel benefits and Small Business Bonds. Most of these changes were only transitional in nature, and that is what brings us to this particular piece of legislation.

We called for a new budget and, Mr. Speaker, some people criticized us at the time for being too blatantly partisan; but

considering the piece of legislation which is before us today, how much better, how much less destructive, it would have been had the Government taken our advice and introduced a new budget. Instead, we have had an ongoing series of changes over the past 13 months. Changes have been made, I think, some six or seven different times during that 13-month period. The changes have been spread over that full year and the uncertainty of not knowing whether further changes would be made has hurt many small businesses, many business plans, and has contributed directly to the job loss we have suffered during this period. It is as if the budget has been struck as a flash fire strikes a building. Much of the interior is destroyed, but the building is still left standing.

Let us look at what is left in that budget, Mr. Speaker, the contents of the Bill before us, and try to judge whether the entire budget should have been scrapped back in November-December of last year. It is ironic, but the most damaging part of the budget will not even be voted upon by this House. The change in capital cost allowance, which has had the effect of reducing the amount of investment in new plant and equipment and other job-creating projects, will be dealt with by regulation. I ask Liberal Members of Parliament whether they are happy that this Government has slipped this one by them without even having had a chance to consider it in the House of Commons. Investment in new plant and equipment has dropped by 12 per cent in Canada over a one-year period.

The Canadian Manufacturers' Association says that manufacturers will not show any investment growth until 1985. The comparable figure in the United States is down 6 per cent. The reduction in the capital cost allowance clearly has been the major factor in the poor performance in Canada. It is also a clear reason why over the past year our unemployment rate has gone up four percentage points, while that in the United States has only gone up three percentage points. Our unemployment rate is standing now at 12.7 per cent, almost two percentage points higher than in the United States.

The areas which do remain from the budget and which are in this legislation will compound an already poor economy. The small businessman is hit particularly hard. The 12.5 per cent small business distribution tax remains. Deferred profit-sharing plans are now almost totally impractical for all but a few small businesses. There will be a considerably less favourable treatment of a capital gain in the sale of a business where the payment stretches over a period of years. The gutting of the Small Business Development Bond and its replacement by the small business bail-out bond makes this type of financial support almost unavailable to small businesses.

Finally, an element which the Minister totally ignored in his remarks earlier is that the small business lower tax rate will be lost when the cumulative earnings of a company reach $1 million, regardless of the amount of earnings retained in the business and regardless of the amount of capital needed to run that business. The result of this is that in time many small businesses will be taxed at the same tax rate as the largest businesses in Canada. The effect of this is to put the real risk-takers of the country on the same basis as the large companies and the salaried employees, and that, Mr. Speaker, is a totally wrong way to go. Is it any wonder that the small business community is now almost totally opposed to the Liberal Party of Canada? Is it any wonder that they and other Canadians are very apprehensive about their future? The new Minister of Finance has said there will not be any further tax reform for now as long as we are in a recession. Small businessmen are terribly worried that, as soon as the economy turns around, the Liberals will spring the rest of the MacEachen budget without any warning. The changes in interest deductibility, the federal sales tax and the tighter rules on capital gains are three examples of what they are fearing right now.

The construction industry has been suffering terribly in the past year. It suffers from some of the same effects of this budget as the small businessman. The result is that thousands of workers have been laid off. Yet the Government persists in retaining the capital cost allowance changes and the new policy to capitalize so-called soft costs during construction. Previously, architects' and engineers' fees, legal fees, fees for interest costs during construction, could be charged against current income. Now they must be capitalized. The result of this is that these two changes remove a considerable amount of cash income at the start of a major capital investment. The consequence is that, with the very high interest rates today, many projects have become uneconomical. Many are cancelled, jobs are lost. This indicates that these changes are sheer madness at a time of high unemployment. Either that or the government displays a total ignorance of or insensitivity to the effect of the changes, which is massive job loss in that industry.

Forward averaging is another backward step in this legislation. It is being sold by the Minister and his Department as a fair means of spreading the tax load. But let us be honest with the taxpayer: it is a sneaky way of transferring money from the private sector to the public sector.

There has been a system of forward averaging in place for a number of years now. It was called an income averaging annuity contract, IAAC for short. IAACs allowed the taxpayer to spread over an extended period the tax load of a large bulge in taxable income—for instance, from the sale of a business or a farm. Now these options are much more restricted. There will be no more IAACs and no general averaging. The taxpayer either pays taxes on the large income in that year or he averages it over future years.

The Government has a number of assumptions on how this forward averaging works, and they can come up with some assumptions which show the income averaging annuity is about the same as forward averaging. This requires some very selective assumptions, but it does not work in most normal cases. Let us for a minute just accept the Government's assumptions and reasoning here. The big difference between the IAAC, on the one hand, and forward averaging, on the other hand, is that with an IAAC the money is left in the hands of the private sector. The taxpayer gives the money to his choice of trust company or insurance company to invest.

His money will be invested in real estate, mortgages, stock or bonds—creating jobs, generating income and more production.

• (1620)

With forward averaging, the new approach, the money goes to the Government, to the bureaucrat to invest, perhaps in Maislin or Dome. It will be invested not in productive job-creating projects, but probably in make-work programs.

This is an excellent example of the difference between the Conservative Party and Liberals and the NDP. We have opposed the loss of IAACs strongly. We believe the money will be more productive to the economy if left in the private sector. The other two parties want it left with the Government where it can be controlled by decision makers here in Ottawa. The result will be a less productive economy and more people out of work.

There is another reason that we oppose forward averaging. If a taxpayer elects forward averaging today, he must pay the taxes now at the top personal rate and take his chances that in the future he will recover some of these taxes if his rate in those future years is lower than the top rate. Who is likely to benefit from this system? The person in the top income bracket? Probably, because he has nothing to lose; either way he has to pay taxes at the top rate.

What about the person in a lower income bracket? He has a very difficult decision to make. If he elects forward averaging, he must pay taxes today at the top rate and hope he can get it back in future years if his taxes are lower. But if he guesses wrong, he will have paid more tax than he should to the Government. With forward averaging, he has to survive to get the benefits. With an IAAC, his surviving wife and children receive the proceeds. With forward averaging, the agreement expires upon his death.

In effect, it is heads the Government wins, tails the taxpayer loses—except for the wealthy taxpayer, about whom the Liberals seem to be more concerned than the vast number of small businessmen and farmers who make up an important part of the vast group of middle income Canadians who have given this country such strength and stability over the years but have been so severely attacked by the budget and by this legislation.

Let me point out two other aspects of this Bill which run directly counter to the interests of the country.

[*Translation*]

Last week, the Government tabled its proposals on pension reform. The message of that report is clear: Canadians are not adequately prepared for retirement. And now, in this Bill, the Government is discouraging Canadians from saving through RRSP's or other plans. Who is going to be hurt most by this measure? Not the person who is well-off and can find various ways of reducing his taxable income. The impact of this measure will be felt most severely by those on low incomes, who probably do not have decent pension plans and who need interest deductibility most. To many of these people, a loan contracted at the end of February in order to be able to contribute to an RRSP is a form of forced saving, and they will have to work very hard to pay off the loan in the following months. If there is any abuse among those in the upper tax brackets, by all means put a stop to it, but not if it means discouraging saving for one's retirement.

[*English*]

Mobility of Canadians has always been an important part of our work life. National companies have traditionally moved their staff around, giving them experience and exposing them to different parts of the country. Here again, the tax Bill takes a major step backward by taxing the benefit received on low-cost loans made to assist this type of move. The Government has said this is a loophole that the rich are taking advantage of, yet company after company has shown that these loans have been made more to their lower and middle management than top management people. There could not be a loophole for the rich because there is already a $50,000 limit on the size of loan allowed under the existing rules.

This is another example of how the middle income people in this country are being attacked by the Liberal Government. I hope that in Committee of the Whole and in subsequent speeches Members opposite and the Minister will tell us what they have against the middle income earners in our country.

We oppose the limitation of the indexation factor on personal taxes according to the six and five program. This is nothing more than a sneaky income tax increase. If the Government wishes to increase taxes, let it do so. To slip this through without proper debate and backed up by a massive advertising program supporting the six and five program is pure and simple deceit.

Now is not the time to increase taxes. The economy is still in decline. Canadians should be encouraged to spend their money. A tax increase to feed the ever-growing appetite of the Government is counter-productive.

If the Government feels so strongly about the size of the deficit, let it cut spending. Let it curtail the 50 per cent increase in ministerial travel. Let it keep its little JetStars on the ground. Let it cut back on the size of the increase in the Minister's Department and show it means business. Let it cut back where any businessman would start—on overhead and the administrative costs of running the Government. We have yet to hear why the overhead costs in the 12 largest Departments will increase by 17.1 per cent. These are not my figures; these are Government figures taken from the Blue Book of the Government Estimates this year. I say do not increase personal taxes; rather, reduce Government spending and get the Government off our backs.

There have been many changes to the original proposals on life insurance and annuities, as I have already indicated. The rules of the game have changed significantly. If a policy is cancelled because of a financial emergency, the tax consequences are major. The tax on surrender will increase by between 25 per cent and 50 per cent—depending on the age of the person—just when the policy holder can least afford it.

Policy loans—loans using the insurance policy as collateral—will now be taxed. This again will occur when the policy holder can afford it the least.

The conversion of an insurance policy into an annuity will be taxed on the same basis as if the policy were cancelled. Surely this ignores totally the use of life insurance as a source of retirement income after the policy holder reaches a certain age and his dependants no longer need life insurance protection.

This tax Bill also continues the unfair requirement to tax the interest element of deferred annuity contracts every three years, even though no cash income has been received. There may have been abuses here, but no recognition is being made of those annuities which are purchased for true retirement purposes.

Together these provisions attack retirement planning and run totally counter to the spirit of pension reform which this same Minister and his colleagues espoused last week. Words are cheap Mr. Speaker, but actions reveal far more accurately the philosophy and policy of this Government.

This tax Bill says one of two things, Mr. Speaker. Either the Government is not prepared to follow through with real actions to support the desire of Canadians to prepare for a happy, self-reliant retirement, or the Government is attempting to undermine this healthy motive in the hope that retiring Canadians will be thrown more into the hands of Government. This potential loss of freedom and independence for our retiring Canadians poses a serious question for all Members.

• (1630)

There is another part of this tax bill which is a bit of a sleeper. The Minister has never discussed it before. It has to do with the long-standing principle of confidentiality in the tax system. The legislation now requires information regarding the name, address, occupation or type of business of a taxpayer to be given to other federal or provincial Departments for the purpose of enabling these Departments to do analyses and research work. What does this mean? What information is required? How detailed will it be? How soon will it be before the specific tax information will be bandied about? What control will there be on how these other Departments use that information?

Also this amendment extends the access to tax information for purposes of administering the Petroleum Incentives Program and the Unemployment Insurance Act. What controls will be instituted to prevent fishing expeditions on the part of curious or vindictive administrators? How far will this administration go? These are serious questions which Members must ask themselves. How far will we allow "big brother" to go?

I could go on. There are many other parts of this tax Bill which are clearly wrong—the treatment of automobile expenses, allowances for those living in our northern communities, retiring allowances, iron ore processing changes, and the elimination of the lower withholding tax on dividends from Canadian-controlled companies. That is a puzzler for me, from a Governement so intent on improving the degree of Canadian ownership. Through this Bill it takes away one of the incentives for increasing Canadian ownership.

I am sure my colleagues will raise these matters later in the debate. It is absolutely clear that there are sufficient reasons the Bill should not be passed. During the course of debate we will be putting up amendments on all these areas to try to improve the Bill and meet the objectives which we feel should be sought in a Bill such as this. If those amendments are not accepted, then we have no alternative but to vote against the Bill.

I say this because it undermines the strength of our small business community today, the source of some two-thirds of the jobs in the country. It undermines the ability of Canadians to prepare for retirement without fear of becoming overly reliant on Government. It also attacks the long-standing provision of confidentiality in the tax laws. It is against this background that the Minister is asking the House to ram the Bill through. As I said earlier, the Government House Leader wants the Bill passed in eight sitting days, by December 22. That is totally irresponsible. Let us not forget that it is basically the same bureaucrats who gave us the disaster of November 12, 1981 who also produced this Bill. There are 295 pages of very complex legislation, and the Government is asking us to give rubber stamp approval of it over the next eight days without proper debate. That is totally irresponsible.

[*Translation*]

Many Canadians have asked me personally to make sure that this Bill would be a good piece of legislation. They have kept after me with requests for amendments. This Bill is the most complex piece of tax legislation since the Benson reform 11 years ago. To pass this legislation in its entirety in eight days is both preposterous and unacceptable, as I see it.

[*English*]

The Minister says we need the legislation passed, that we need it to relieve Canadians of some uncertainty. I have been advised by lawyers and tax accountants that they do not need this legislation before mid-February next year. They are more concerned that the Government do it right this time and remove the worst parts of the Bill. If the Minister felt so strongly about getting this legislation through, why did he not bring it in at the end of October when it was ready? Or why did the previous Minister not bring it in last June when there was a detailed ways and means motion which proved that detailed tax legislation had been prepared? Why the delay? Why put Members of Parliament under the gun to try to pass this Bill in eight days?

It must be totally transparent by now that the only reason for the haste in rushing the Bill through the House in eight days is its fear of reopening the old wounds from November of last year. Sure, people want to know the rules of the game, but they also want to get the right rules of the game. That is the responsibility which Parliament has today.

If we needed any more proof of the transparent nature of the Government's pleas to get the Bill through, we have only to look at the red herring which the Minister and the Minister of

State for Finance (Mr. Cosgrove) have thrown out, saying that Canadians need tax refunds. These tax refunds will not be processed until the first of March anyway, so why the rush? Surely people understand that.

Returning to the budget of last November, it caused the most adverse and widespread reaction to Government policy that any of us in the House can recall. Our Conservative special committee on the budget experienced that first-hand when it travelled across the country. All Members of the House of Commons have received a massive response from their ridings, particularly at personal meetings and town-hall type meetings, as well as in letters. The former Minister of Finance had to take on a new staff of some 40 people just to answer his budget-related mail. It is human nature that the Government would want to avoid a repeat of that; we can understand that. But Members of Parliament have a greater responsibility to those Canadians affected than they do to the feelings of the present or former Minister of Finance. The Conservative Party is determined to give this legislation the responsible, comprehensive consideration and treatment which all Canadians expect from the House.

Before I close I want to ask Members and all Canadians to assess the Bill in the context of recent statements made by the Minister of Finance. He has said that there is not much that can be done, that the Government has done about all it can about the recession and that now it is up to the private sector to get the economy rolling again. How will the private sector do it? There are many remaining obstacles which will prevent the private sector from doing the job. I have spoken on many occasions about the vicious circle that we are in. Business activity is slow. Investment in new plant and equipment is projected to decline next year by 8 per cent. In 1982 it has already gone down signficantly. Business is not investing because consumers are not buying, and consumers are not buying particularly because they fear that they or someone in their families will lose their job. As I said, it is a vicious circle.

The key to breaking that vicious circle is to stabilize the unemployment outlook, to get business activity going and thereby increase the number of jobs available to Canadians. If we do not have this stability, which Canadians will buy new cars, stoves or houses, if they may need the money in a few months' time when they are laid off? This would give individual Canadians more confidence in the future, and only then would they consider making some of the purchases they have been putting off for such a long time.

The economic policy of the Progressive Conservative Party is aimed directly at breaking that log jam or vicious circle. How can we get business to hire more people? Existing companies are not likely to do this. They have been going through the wringer lately, cutting down the size of their operations. They have made many wrenching decisions to improve their productivity. Now we have to look elsewhere. We have to look outside the existing job-creation mechanism for new jobs.

Our economic policy has targeted five ways of encouraging new job-creating investment. The first is mini-projects, encouraging the start-ups of small businesses, encouraging people to leave the comfort and security of well-paying jobs with large companies or Government. This is where this Bill is so wrong. In nine separate ways it makes it more difficult and less attractive for small business to prosper. It is more difficult for a person to leave that secure job, pull up stakes and build his future around the risky success of a small business. Many small-businessmen have told me that they would not leave a secure job with a large company today to start a small business. That attitude must be reversed if we are to create new jobs. The first steps toward changing that attitude can be taken by cancelling some elements of this Bill.

• (1640)

The Progressive Conservative economic policy would go further. We would take as a priority, as a new government, the objective of introducing a clear bias toward encouraging risk-taking investment. This would provide a major step to improving our economic future.

Our second step is in the mega-projects. We would change those parts of the energy program which inhibit start-ups of these projects, the major sources of new job-creating investment. These changes would include the cancellation of the 25 per cent confiscatory back-in provision. They would also include a reduction in federal taxes where a reduction would contribute to major capital investment, such as in petrochemical projects where the federal natural gas tax has made these projects uncompetitive.

A third area of incremental investment is foreign investment. Foreign investment was actively discouraged by the former Minister of Industry, Trade and Commerce. This Government has acknowledged and has made some tentative changes in the operations of FIRA. More changes must be made to show that foreign investment is welcome in Canada, because it is investment that will create new jobs. It is investment incremental to that which we have in the country today.

As a fourth step we would reduce interest rates further. The inflation rate in the marketplace, the non-Government controlled part of the economy, is between 5 per cent and 6 per cent. The current interest rate at 13 per cent or 14 per cent is simply too high. It is a major deterrent to these new projects.

The fifth area that the Progressive Conservative policy would attack directly is the burden of Government. The current deficit of $24 billion is a dead-weight deficit. It is producing little by way of long-term job creation. Its size is both a psychological and a real burden on the capital market. It is inhibiting the reduction of interest rates.

Our policy would involve a reduction in Government spending. I have already touched on ways in which we would do that. Our policy would also involve a reduction in Government regulation and centralized decision making. Let me remind you again, Mr. Speaker, of the precise example I gave concerning income averaging annuities which took that decision-making process from the private sector and dropped it right into the middle of Government Departments. This is one area

we would reverse and one which would clearly address that problem.

It must be clear to Hon. Members that these five targets of Progressive Conservative economic policy would reduce the roadblocks to growth of which I have spoken. If these roadblocks are now removed, the private sector simply will not be able to do the job which the Minister is asking of it. All that the Government has offered is the six and five program. There is no long-term program. There is no program to remove these roadblocks to growth, so essential to the private sector being able to create jobs. I expect that the next budget in February or March next year will appear to go in that direction. It will sound pro-business, it will use the right words, but it will do nothing to change the direction which this Government has taken since 1980.

Let me point out two recent statements to support my thinking. The first is by the Prime Minister (Mr. Trudeau). Last week the Leader of the New Democratic Party (Mr. Broadbent) asked why the Government had backed off on its stated intention to make the Foreign Investment Review Agency a more interventionist part of Government policy. Did the Prime Minister say his Government realized what it was proposing was wrong, that it would have been too interventionist, that the Government thought it might scare away foreign investment from the country? No, not at all. Not a word of withdrawal, nothing like that. The Prime Minister said only that there would be no changes because the economy today is too weak. What happens when the economy gets stronger? What does the threat of a stronger Foreign Investment Review Agency do to those contemplating investment in Canada today? It scares them away.

The second statement to support my thinking was by the Minister of Finance, to which I have referred.

An Hon. Member: Would you withdraw FIRA?

Mr. Wilson: In answer to the Hon. Member, we would not do away with FIRA. We have proposed a number of specific changes in the Foreign Investment Review Agency to make it more effective in doing what it is supposed to do. Instead of being a policing agency as it is now, it would be a screening agency to get the right sort, the right type of foreign investment which will create the jobs and technology we need in Canada today and not scare that investment away.

Mr. McDermid: We would make it a positive tool, not a negative one.

Mr. Wilson: Let me refer again to the Minister of Finance's statement, to which I referred a moment or so ago. He said:

> Now is not the time for further tax reform. The economy is too weak.

Again the Minister of Finance will wait until the economy recovers and then bring back those parts of the November budget that were dropped. The expectation that two of the greatest mistakes in the life of this Government will be repeated when the economy recovers will further slow down the economic recovery we need so much. Those two statements are very revealing of the way these two men think. Their action through this tax bill further supports my opinion.

My point, Mr. Speaker, is that I expect the policy of this Government to appear to be pro-business, and to be supportive of the private sector over the next few months. Then, because the road blocks are still there, job-creation and economic growth in the private sector will probably not be that good. The state will have been set. The Prime Minister and the Minister of Finance will be able to say: "We gave the private sector a chance; it did not perform. It dropped the ball. Now we will do it our way, by more intervention, more Government ownership and a higher Government deficit."

What are the signs of that now? What makes me think that I am right when I make those statements? First, the Canada Development Investment Corporation has been created. There is no clear mandate for it. There is no parliamentary debate on what it will be doing. Those in charge are clearly identified with the more interventionist side of the Government. Senator Jack Austin, Maurice Strong and Joel Bell, the architects of the greatest thrust into the Canadian private sector that we have seen in years.

The Minister of Finance is already talking about possibly softening his stand on the size of the federal Government deficit. He has said: "Interest rates are coming down. Canadians seem to support a higher deficit. They are putting up billions to buy our Canada Savings Bonds." What a short-sighted point of view, but clearly one which is massaging public opinion in support of a larger deficit, a deficit which ultimately means higher taxes and more government in our lives.

In summary, this tax bill is the first sign of the Government's strategy to take a greater share of the economy. It confirms the Minister's words that he is prepared to rely more on the private sector, but these are only words. There is no evident desire to change the Government's fundamental course. The reduction in the capital cost allowance remains. The small business community remains under attack. Retirement savings are undermined.

We must defeat this Bill. We must work hard to change the damaging parts of the Bill. If we are not successful, I am sure that when we look back a year from now the direction toward greater Government control in our lives and the unhealthy private sector which must result from that will be abundantly clear. That is the mission on which we are embarked today.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

The Acting Speaker (Mr. Blaker): Order, please. Before I recognize the next Hon. Member, may I deal with the debate on the adjournment motion this evening.

Income Tax

It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen)—Administration of Justice, (a) Mandatory supervision program—Release of dangerous sexual offenders. (b) Request for definition of "a bad evaluation"; the Hon. Member for Annapolis Valley-Hants (Mr. Nowlan)—Administration of Justice—(a) Request for federal-provincial co-operation on issue. (b) Request that Minister take action; the Hon. Member for Saskatoon West (Mr. Hnatyshyn)—National Security—(a) Case of Canadian professor—Application of Official Secrets Act. (b) Timing of decision of prosecution in Great Britain.

• (1650)

GOVERNMENT ORDERS

[*English*]

INCOME TAX

AMENDMENTS TO STATUTE LAW

The House resumed consideration of the motion of Mr. Lalonde that Bill C-139, to amend the Statute Law relating to Income Tax (No. 2) be read the second time and referred to a Committee of the Whole.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I am very pleased to rise to participate in the opening debate on Bill C-139, an Act to amend the statute law relating to income tax. I suspect that it should read "an Act to tinker with the statute law relating to income tax". This is a Bill consisting of 295 pages which has come about 13 months after the introduction of the budget of November 12, 1981. This Bill also brings into effect certain aspects of the June 28, 1982 budget, the mini-budget of October 27, 1982, as well as incorporating the material which was covered in 17 press releases by both the present Minister of Finance (Mr. Lalonde) and his predecessor.

The Minister of Finance is now asking us to jam this legislation through the House very quickly in the remaining eight days of this session. This Bill is 295 pages of very difficult, conflicting and confusing tax law. In effect, the Minister is asking us to have faith in his Government and ram this contract between the Government of Canada and the people of Canada through without bothering to read, study or debate it. I guarantee you, Mr. Speaker, that that is not what we intend to do. We do not plan to rush a document through the House when it affects every person in this country, especially when those effects are not beneficial.

In his most recent press conference, the Minister urged Parliament to end this time of uncertainty that surrounds the tax situation which has arisen from the last two and a half budgets. If the Minister of Finance expects this Bill to end the uncertainty in this country for one moment, I suspect that he must be a colleague of ET, someone coming from a different planet. This Bill will not end uncertainty; it will add to uncertainty and confusion in terms of what lies ahead for the people of Canada.

I clipped an interesting cartoon out of a newspaper from my constituency. It is an illustration of Mr. Hugh Hambleton's lawyer who is saying: "I respectfully submit, my Lord, that my client, Mr. Hugh Hambleton, passed some information to the Russians. But I can prove that he was a western agent working toward destabilizing the Soviet Union. The documents, my Lord, that he passed were blueprints of the Canadian Liberal Government's economic policy and tax laws." If anything was to destabilize an economy, it certainly would be the economic policies of this Government, complemented with its most recent introduction of tax reform.

This tax Bill comes before us at a time when there is a general sense of fear among Canadians across the country. Shortly after the introduction of the November 12 budget, the New Democratic Party toured the country with a series of open hearings in various towns. We asked for people's reactions to the budget. Whether the hearing was in eastern Canada, central Canada or western Canada, people demonstrated the same concern about the budget being a serious departure from traditional Government policy. There was very little in the budget to enhance the economic recovery which the country needed at that time. When we see the tax Bill that eventually evolved from the November budget and subsequent budgets, we find 13 months later a tax system that can only be described as a jungle. It is a tangle of legislation, regulations and interpretations that are becoming more entangled every year. The tax laws are virtually incomprehensible to almost everyone, including those in the tax Department.

As a matter of fact, the Minister of Finance was recently asked during a Standing Committee on Finance, Trade and Economic Affairs hearing whether he could fill out his own income tax form. I give the Minister credit for honestly admitting that he found it impossible to fill out his personal income tax form; he had to go to a tax accountant for assistance. Here we have the Minister of Finance of Canada saying that he is unable to fill out a so-called simple tax form.

The small business sector is equally perplexed. I suspect that many small businesses are virtually on the edge of giving up totally. When one looks at the tax return that a small business is required to fill out and sees the pages of complex information that is required, one can see why a typical small business in this country literally throws these documents out of the door. These small businesses simply cannot handle the red tape, regulations and the jungle of information that they are required to give. They can no longer keep up with the requirements. Canadians are being asked today to participate in a tax process that is beyond comprehension. One simply has to call the tax Department and seek clarification or interpretation of what has been introduced in the last two and a half budgets in order to have an indication of the confusion in the Canadian tax system.

The Income Tax Act in 1971 consisted of approximately 916 pages of legislation. The Government has been attempting to streamline this legislation over the years in order to make it more simplified. However, when one compares the 1981 Income Tax Act to the 1971 Income Tax Act, one sees that it consists of 1,256 pages instead of the former 916 pages. In other words, the Government has added another third to the explanations in order to make it more understandable. This is the Government's notion of encouraging the private sector to participate in the system, but adding more and more pages of complex legislation seems to be a rather peculiar way to streamline the system.

As we move toward the end of 1982, the prevalent trend which we see today is for accountants to run around with their pocket calculators advising their clients about the various year-end tax plans. We see many advertisements at this time of year by the financial institutions which are encouraging people to buy RRSPs, RHOSPs, MURBs and participate in oil and gas and drilling funds. People are being encouraged to buy a share in a Canadian film. One begins to wonder what is happening. For whom are these tax deferrals designed? Are the textile workers and fishermen running out to participate in drilling funds? Are the IWA members or auto workers running out and picking up MURBs, or are the fellows down in the shops or the secretaries in the offices running out and selling off their stocks in order to get the $2,000 capital loss against other income?

Are tax deductions good or bad? A few months ago, MURBs were considered a good investment. The Government encouraged people to buy MURBs. We now find out that they are bad and people can no longer buy them. At one time the Government said that health and dental plans were beneficial and should be encouraged. It then said that these plans were bad and were to be taxed. Now it is again saying that they are good. The Government was saying that investment should be encouraged to buy stocks and the interest on that investment should be tax deductible. That was good then, but a few months ago we were told that it was bad and now, once again, we are told that it is good.

• (1700)

We were told that workers should be encouraged to move out into remote areas of the country to participate in resource development and that they should be encouraged to move there by having their housing subsidized. Then the former Minister of Finance suggested that that was a bad thing, and now we are hearing, once again, that it is not too bad, that it is only bad in certain instances but not in others. Is it any wonder that there is an incredible atmosphere of uncertainty and confusion when it comes to trying to figure out just what on earth the Government is trying to do?

We have heard Hon. Members discussing the whole matter of economic development and how it needs to be encouraged. We found out today that capital investment in this country will fall by $2.4 billion which, of course, will result in something like an extra 280,000 jobs lost in 1983, plus many more unemployed as a result of the lack of consumer confidence.

The Government brings in legislation to kill economic activity, and it does it instantly. When one introduces tax legislation to stop a certain economic activity, it does it instantly. Then when one brings in tax reform to encourage certain kinds of investment, it takes place very slowly. It is a little like a marathon runner, running down the lane, and one walks up to him with a sledgehammer and busts one of his knees; it stops him dead in his tracks. Then we say: "We will just get that cast on and get him going again", but he moves off, very, very slowly.

The people of Canada have lost faith in this tax system. People have looked at the tax system and tried to figure out the motive behind it. Of course, one of the motives was that it would redistribute income in this country, yet when one looks at how income is distributed in Canada, comparing 1960 to 1980, one finds that the top small percentage still controls the majority of income and the percentage of poor remains the same. In other words, the rich are still in place and the poor are still in place, in the same percentages as they were 10 years, 20 years or 30 years ago. Therefore, in terms of redistribution of income, it has not happened.

We hear that the tax system is used by the Government to foster certain economic and social policies. While there has been marginal success in this area, it has been only marginal. I think one of the best examples of this was found in the incentive provided through the tax system for people to participate in the development of the Canadian film industry. With this incentive, upper income earners, by and large, were given a 100 per cent tax write-off if they bought shares in the Canadian feature film industry. In a sense, I think we must recognize that this is a direct grant to the upper income earners of this country to the tune of about $50 million a year. It is a hidden subsidy, then, to the upper income earners. However, the facts show that the films produced before this measure was introduced actually reflected the true essence of Canadian society better than those produced afterwards, because what kind of films were they? American movie moguls were coming into Canada, picking sites in Canada which would look very much like parts of San Francisco, New York, Wyoming or Alaska. There were also obvious, blatant tax avoidance efforts. There were certainly many stories going around concerning inflated movie budgets. In the end result, the movie industry in Canada was perhaps actually harmed as the result of this so-called tax incentive to encourage and invest in the film industry of this country.

In terms of using the tax system to advance good Government policy, that has not worked in Canada because so much of the policy has not been good. It has not been thought through in a careful way. That is why I was quite pleased when the Leader of my party suggested that, indeed, it was possible to use the tax system to encourage critical and strategic industries to develop programs in the research and development area, and to introduce affirmative action programs. In other words, to use the tax system to encourage and reward

those corporations which, in fact, were developing in the best interests, not only of themselves but of Canadians as well.

When one gets right down to it, one must admit that the tax system in this country has become nothing but a money grab, nothing but a revenue grab, nothing but a Government bail-out, really, these days. It has created a very peculiar phenomenon in our country. A whole group of people have become participants in guerrilla warfare of tax avoidance. Tax evasion and tax avoidance are becoming almost a preoccupation with more and more Canadians. Normal, decent folks have been driven into discussing and planning how to avoid paying income tax in this country. Yes, I suspect that tax avoidance has moved from being a simple financial migraine into a financial epidemic in this country. If one goes into the bookstores at this time of year, one sees that the best sellers are those books telling one how to avoid paying income tax.

We can identify various groups, certainly those in the executive and highly paid professional category, who have the financial wherewithal to employ high-priced tax lawyers and accountants to assist them to dodge and weave through the various loopholes in the tax system. Then there are those upper middle class people who are exchanging services without any records to show financial transactions. For instance, someone will fix someone else's teeth in exchange for doing a tax return or will take on a particular legal case in exchange for the loan of a condominium in Maui. Goods and services are being exchanged with no record of transaction in terms of national revenue. This is occurring right on down to the blue collar workers, who are taking on extra jobs at night for cash at wages lower than what they would normally expect because the tax man will be unaware of such transactions. Someone will fix someone else's car in return for some plumbing work in the basement for that extra suite, and so on. An entire underground economy is developing, keeping money out of the federal treasury, affecting between 5 per cent and 20 per cent of our gross national product. It is a very serious situation when we have a system which is turning regular, normal, decent people into people who are trying to scheme and dodge around paying tax.

Why have people lost faith in the system? First, they have lost faith because they see how their money is being spent. After all, virtually every Canadian is affected by this tax system. Most Canadians are paying at least some income tax, particularly working Canadians. They see how it is being spent. It is almost like being spent by a drunken sailor but not quite, because a drunken sailor spends his own money. It is like being spent by a drunken sailor who is spending the petty cash he has lifted off the ship.

The Canadian people say that they are simply not appreciative of the way the Government is expending their money. Then when they consider how it is collected, they feel the tax system is obviously unfair and unjust. It favours certain income earners at the expense of others. To be very blatant about it, it favours the upper income people, the rich in this country. The budgets which have been introduced, in spite of what Ministers of Finance have said about their being more equitable, more just, or more fair, have been quite the contrary.

The publication of one of the tax experts in this country is entitled "The New Canadian Tax and Investment Guide". This man has spent his entire life trying to advise people and finding ways to avoid paying tax, legally, as per the Income Tax Act. He says that the wealthy investor in Canada in 1983 will pay the same tax rate, even if his investment increases from, say, $200,000 to $300,000 in a given year.

• (1710)

While the MacEachen budget has been promoted as an attack against the rich, a close analysis of these numbers will show that the rich are virtually unaffected. For the rich and the super-rich the budget provides a 10 per cent decrease in tax rate.

One could look at what happens to one of these upper income earners in the Province of British Columbia or Ontario, just to take two Provinces as a sample. In 1981, under the old Budget, at a $100,000 income he would pay $32,589 in federal income tax. In 1982, as a result of the changes he would pay $29,085. When one considers that the provincial tax is related to the federal tax, for the person making $100,000 in British Columbia or Ontario, this budget and this tax Bill will save him in excess of $5,000 a year. Those are the facts.

What we are saying is that the tax system of this country favours certainly a very select upper income group, and that is why people are fed up. That is why people are going out of their way to try to find ways and means to manipulate the system to avoid paying what they know is an unjust tax.

Mr. Speaker, if you look very closely at the tax Bill and at the tax laws of this country, it becomes more incredible all the time: a tax system that consciously taxes the very poorest, those with incomes well below the poverty line. I raise this as a fundamental criticism of our tax system and one that really demonstrates clearly how desperate this Government is in terms of grabbing money.

In our country, the poverty level for a single person is about $5,000 a year. In 1981, a single person paying tax would have a number of deductions totalling something in the neighbourhood of $3,500. After $3,500, that single individual would be paying tax on money earned. What that says is that people who are living below the poverty line in this country, and there are hundreds of thousands of them in that category, are paying federal income tax. Surely to goodness we could allow an individual to work his or her way up to the basic poverty level of Canada before we start taxing them. But no, this Government taxes people whose incomes are below, and in many cases well below, the poverty line as defined by Statistics Canada. I think that demonstrates clearly just how desperate or perhaps how thoughtless this Government's tax system really is.

Mr. Blackburn: It gives millionaires a break.

Mr. Riis: It gives millionaires a break, as my colleague from Brant indicates.

Let us look at a few sectors of this tax Bill and how it impacts on certain sectors. Many of my colleagues in the days ahead will discuss the impact on the life insurance business, on the energy sector, on the agricultural sector, as it affects a number of women's issues, how it relates to the housing industry and how labour is influenced by this tax Bill.

I want to just focus for a moment or two on the area of small business. I choose small business because this Bill, C-139, goes out of its way to make life miserable for the small business person. Here is a sector of our country made up of about 940,000 small businesses and shrinking, by the way, every day.

There is a story circulating as to how you start a small business in this country. The best way to build a small business or to find yourself the proprietor of a small business is to buy a large corporation, vote Liberal and wait a little while. Then, of course, you will end up with a small business very, very quickly.

These are the businesses that are virtually 100 per cent Canadian-owned. They are community oriented. They are labour-intensive as opposed to being capital-intensive. They represent the sector that is most effective in job creation. They do not send out vast amounts of money out of Canada in terms of interest and dividends. In other words, this is the sector of our economy that should be encouraged, that should be supported, that should be nurtured.

When you look at Bill C-139, you find that the Income Tax Act as it existed prior to the November budget—without taking into account Bill C-139—provided that a Canadian-controlled private corporation in the business of earning income from an active or non-qualifying business would be eligible for the low rate of 25 per cent, including provincial and federal combined tax; 25 per cent of the first $150,000 of income each year. When the small business has claimed the low rate on $750,000 during its lifetime, the small business would no longer be eligible for this low rate of tax and their tax rate would jump to the 50 per cent range.

However, if a corporation paid a taxable dividend to its shareholders, the payment of the dividend would then reduce the amount on which the low rate has been claimed. Thus, the shareholders of the small business corporation would make sure that the small business cumulative deduction account was rejuvenated by paying taxable dividends to himself or herself, or to the shareholders of that small operation. Then the individual would personally pay the tax on the taxable dividend, after the dividend tax credit.

What this meant was that the payment of the dividend rejuvenated the availability of the small business deduction in the year that followed. This provision enabled the small business peson to finance that operation from its earnings because of the shareholders reinvesting most of the dividends back into the small business. In other words, it enabled the small business to build equity capital, and it gave some encouragement for that small business to avoid going to the financial institutions and borrowing at excessive interest rates.

However, Bill C-139 changes all this, Mr. Speaker, the annual income eligible for the low tax rate will increase from the original $150,000 up to $200,000, and the total amount on which a corporation can claim the low tax rate, during the life of the corporation, is on accumulated earnings of $1 million as opposed to $750,000.

However—and this is where the major change has occurred—any dividends paid after 1981 will not rejuvenate the accumulated earnings account. Furthermore, the corporation may have already accumulated earnings of, say, $400,000 as a result of earnings in the past which have not been dividended out. If this corporation earns $200,000 in each of the next three years, it will run out of the $1 million limit and in year four, and from then on, it will no longer be eligible for the small business tax rate. On the other hand, a similar business which had been paying out dividends will have five years at $200,000 a year before it would end up paying the high tax rate of 50 per cent.

The question I want to put to Members opposite is, why do they think that a small business should be entitled to a low tax rate on only its first $1 million of accumulated earnings? Does that small business all of a sudden become a large business in the sixth year of its operation? The Act, in Section 72(c), which concerns the transfer of shares of small business corporations from a father to his children, provides that a small business corporation would be a Canadian-controlled private company which carries on an act of business. One has to wonder why this defined small business is not a small business at the end of five years, with accumulated earnings of $1 million. Do Members opposite intend to destroy the small businesses of Canada by asking them to pay at a high corporate rate, when in fact their economic situation remains totally unchanged?

One could also comment on the corporate distribution tax of 12.5 per cent, now that it has been levied on the small business. Of course, the result of this will be to encourage small business, rather than to continue on as a family operation, to sell up, so that the father who wants to sell to his son or to his daughter now will have to pay that 12.5 per cent. That will be encouragement to sell the operation lock, stock and barrel to someone else. Consequently we will see small business moving more and more into the national and multinational sector.

• (1720)

Let us be honest. This Bill was written for the large corporate sector and for the wealthy of Canada. It will make rich people richer and favour the rich at the expense of the poorer people of Canada. That is not rhetoric. Let us look at some of the facts.

Those with taxable income over $24,464 will receive a reduced tax rate as a result of this Bill. Those in the upper income levels with a taxable income of over $133,000 will have a significant tax decrease, from 43 per cent to 34 per cent. There will be a 9 per cent drop in the tax rate. This will result in a tax saving to the upper income earners per year of about

$5.7 billion, a nice subsidy for the upper income earners of Canada.

The 1978 tax returns indicated that well over 2,000 individuals who had assessed incomes of more than $50,000 paid no income tax at all. Hundreds who earned in excess of $100,000 paid no income tax. In 1979 more than $30 billion in revenues were lost to the Government as a result of tax loopholes.

While most Canadians were paying tax rates in the area of 20 to 25 per cent, the banks of Canada were paying a tax rate of 18 per cent, Power Corporation a rate of 11 per cent, the Steel Company of Canada 7 per cent, and Cadillac-Fairview 6 per cent. In other words, while the average working Canadian was being asked to pay 20 to 25 per cent of his income in tax, the banks and major real estate corporations were being asked to pay significantly less. When you look carefully at this Bill and the tax system, it is interesting to find that it is a kind of hidden subsidy or welfare for the upper earners of Canada.

In 1979 the Clark Government published the first Government report outlining the tax expenditure account. It proved beyond any question that most Government spending is actually done through the tax system, not through the usual kind of system such as DREE. In fact, eight times as much money was spent on housing and urban renewal through the tax system than through direct spending.

In the resource sector, the manufacturing sector, the general business incentive sector, the Government spent about $1.5 billion directly and about $6 billion through the tax system. As an example, take the income from capital gains. In 1978 1 per cent of tax filers accounted for 55 per cent of all the capital gain reported. Five hundred individuals with incomes over $100,000 recorded all their income from capital gains. A capital gain is only taxed half. In other words, half the capital gain is taxed. Another way of putting it is this. In 1980, $1 billion was spent to subsidize those who speculate in the securities and commodity markets and those who realize profit from real estate and other capital property sales.

This is justified by saying these people are in a high-risk area. They are risking their funds, but capital gains applies to all or any property. While it may be true in certain areas, it certainly would not be true for those who are making their capital gains through investment-induced stocks where the risk is indeed extremely minimal.

Over the last number of months, many people to my right have been railing on how they despise the way the Government spends on the CBC, and yet are quite willing to accept a 100 per cent tax break for those individuals invited to participate in the Canadian film industry.

Who can argue against charities? Let us look at who participates in contributions to charities. If you are in the $100,000 a year bracket, a $100 donation will cost you $39. If you are in the $10,000 a year bracket, a $100 donation to a charity fund will cost you $73. In other words, the tax system of Canada gives the wealthy much more power over the spending of Government money. One per cent of the taxpayers allocate about 35 per cent of all the Government funds that go to certain charities. The charities that are associated with and encouraged by the upper income earners are the ones that are funded. Lower income Canadians do not have the same flexibility in the tax system to support the charitable organizations that they would like to support.

Let us deal with child care costs. We recognize today that with the state of the economy, it is important often for both parents to be away from home working. If a single parent is working, day care expenses become very important. If you are in the 65 per cent tax bracket, you get a subsidy from the Government of $650 for child care costs. If you are in the typical 20 to 25 per cent bracket, you get $250. If you are in the low income bracket you get nothing because there is no deduction. Any deduction in a low income area would be worthless. The Minister of Finance should say that we have a system which supports child care costs and some help to those who are very wealthy, a little less for the middle income group and nothing for the poor of Canada in terms of child care costs.

I listened with interest this afternoon when we were talking about deferred profit sharing. The idea behind that is good. However, when we hear that 90 per cent of the deferred profit sharing programs are used by firms participating with only three or fewer, we get the impression that this tax legislation is not being used for the purpose for which it was intended.

This Bill is simply too important and complex to gloss over. It is too important to pass quickly. In fact, when you consider what this Bill does, Mr. Speaker, it must be opposed. We waited 13 months for this Bill to come before the House. We know that there will be another budget in 90 days. There will likely be another set of tax changes. In the best interests of stability and certainty, perhaps we should hold off passing this Bill. Perhaps we should pass one Bill associated with that new budget and settle this whole matter. It would give the people of Canada some years where they could predict that no serious changes would be made to the tax laws.

I said at the outset of my comments that this Bill is tinkering with a system that is unjust. Further tinkering will not help the situation. When you consider the complexity, it is likely going to make it more unjust and more confusing. The average wage earners in Canada who cannot afford a tax lawyer or accountant to help them with their tax returns are being disadvantaged as the complexity grows more and more.

We plan to study this Bill very carefully. We plan to debate this Bill and point out its shortcomings in the hope that the Government will see fit to remove some of the more problematic clauses. We certainly do not plan to support this Bill so as to see its rapid completion in the next eight days before Christmas.

• (1730)

Miss Pat Carney (Vancouver Centre): Mr. Speaker, it was almost exactly one year ago when I rose to speak on the origins of this income tax legislation, the November, 1981, budget. It has taken this Government 389 days to bring in the income tax

legislation to implement portions of that budget in the form of Bill C-139. This Bill is being presented by the new Finance Minister (Mr. Lalonde), a new hand at the helm of the financial ship of state, but these changes must be viewed in the context of the economic distress which this Government's fiscal and monetary policy has imposed on Canadians because we want to ensure that the measures in this Bill help to alleviate that stress.

A year ago I detailed the hardship, uncertainty and chaos being created by that November budget. I reviewed some of its most damaging aspects such as the taxation of income from life insurance, the removal of incentives for construction of rental accommodation, the blows to investment, the taxation of income before it is received and the taxation of employee benefits. I said then, that these measures are damaging at any time but are particularly destructive when the economy is in a tailspin. I quoted comments which I received from Canadians who are outraged by the ineptness and incompetence of this Government. And I concluded that speech by saying, "Canadians will not accept the budget. It has caused too much pain and too many broken commitments." It gives me no pleasure at all, Mr. Speaker, to look back at that time and realize that my comments were all too accurate. That budget has had a devastating impact on the economy, on business, on investors, and on Canadians in general.

My Province of British Columbia has been particularly hard hit this year both by the recession and by this Government's policies. Its major employer, the forest sector, for example, is struggling to survive. We have heard in this House about the threat to our soft wood lumber exports which we face from the U.S. Major lumber companies are reporting huge third-quarter losses. For instance, one of our largest firms, MacMillan Bloedel Limited, of Vancouver has fired 22 per cent of its salaried work force, and at one point had laid off almost half of its hourly-paid employees. Fourth quarter losses are expected to be high also. The Council of Forest Industries reports between 25 per cent and 30 per cent of British Columbia lumber mill capacity is closed. The devaluation of the Scandinavian currency has had a stunning impact on our hopes for an early recovery of our offshore pulp markets. The IWA expects that total lay-offs will rise to 20 per cent of the lumber industry's work force. There are some towns, such as Port Alberni, which face 30 per cent to 40 per cent unemployment. Yet this Government has brought in no long-term solution to deal with some of these fundamental economic problems.

The hardest task to deal with, Mr. Speaker, for any Member of Parliament on either side of the House today is unemployment in his riding. We are daily meeting with very proud people, people in shock, people who have given the best years of their lives to agencies or to companies and who are out of work. Some of these people no longer even ask us to help them get jobs. Their problem is that they are running out of their unemployment insurance benefits and they are desperate for any measure at all that we can give them to re-enter the labour force. Given that reality in our ridings, I was truly astounded to hear the Finance Minister today say he expected unemployment to drop next year, because that is not the reality that we face here today. It is in keeping with this Government's track record, however, of disastrous economic policies and poor forecasts.

While B.C.'s unemployment soared by 100 per cent this year over last, this Government was draining the investment needed to create jobs through a series of anti-investment measures. With mines closing throughout the Province, the Minister planned to tax employee benefits and northern allowances, thus making remote sites uneconomical. As the B.C. economy plunged, the Government proposed to make it harder for Canadians to provide for their future by taxing life insurance, restricting the $1,000 pension deduction and disallowing the deduction of interest costs on funds borrowed to invest in registered retirement savings plans and deferred profit-sharing plans. While the number of business bankruptcies in B.C. doubled this year, this Government was gutting the small business development bond, eliminating reserves and applying a 12.5 per cent tax on dividends.

For over a year now this Government has not addressed the central issue facing our country today, the collapse of the economy. In fact, its policies have been making our problems very much worse. In my riding of Vancouver Centre, for example, small independent retailers of high fashion footwear are being put out of business by the Government's import quotas on footwear. These quotas were imposed last summer to protect the jobs of Canadian manufacturers in Central Canada at the expense of jobs elsewhere. Unfortunately, the Canadians who are being put out of business are the small retailers who sell highly specialized shoes for which there is no Canadian manufacturer. One merchant in my riding, for example, sells shoes which are designed in Canada by Canadians, but made offshore because it is uneconomical for any Canadian manufacturer to produce them. The quota he was allocated is too small to keep him in business and, unfortunately, he received his quota two months after the deadline for appealing it had passed. He tells me that unless he is allocated sufficient quota to keep him in business, he must close his doors. This Government, therefore, is forcing Canadians out of work in order to protect jobs which do not exist and cannot exist because of the size of the market in this country.

As a result of the Government's economic policies, a great deal of damage has been caused, and some of it long-term. The loss of faith and confidence in the future which some of my colleagues have referred to, Canadians will feel for a long time to come. For instance, a woman wrote to the Finance Minister about her husband. She said:

> My husband's UIC ran out in June. He has been looking for employment for over a year. I have watched this man, who has lots of ability and experience in many areas, a man who would be an asset to anyone who would employ him, become discouraged, disheartened and finally to begin to feel that he is of no value to anyone. Whatever you think may happen in the decade of the 80s will be likely too late for us, and there are thousands like us.

Canadians have also lost faith in their Government. I continually meet Canadians with years of professional service who are out of work. I remember meeting with one bureaucrat who said he deals with former colleagues of his, people he went

to college with, people he worked in business with, who are out of work, and their attitude toward him as a secure bureaucrat is one of burning resentment. Distrust, indifference and resentment are dangerous attitudes if we want to work together in the future to pull ourselves out of this crisis. As one of my constituents said in a letter:

> I do not believe that the Canadian taxpayer will trust any Government incentive program for quite some time.

In fact, who could blame them? Businesses which have gone bankrupt will not easily re-open their doors. A senior citizen on a very limited income told me, "This budget is making everyone live in fear, and fear is foreign to me." She will not forget that feeling of insecurity. The tenants who cannot find affordable housing will never recapture the exorbitant rents they are having to pay because the Government removed effective incentives to build. Many Canadian taxpayers will pay more tax because the Government changed the taxation rules and disrupted their planning. Many Canadians will never return to their jobs because their jobs have vanished. And this is particularly hard on the young Canadians who tend to be the last hired and the first fired.

When I am working in my riding with Government programs which are too narrow to deal with the problems, one of the toughest problems I have is finding work for young kids who do not have a work record, do not have unemployment insurance and cannot qualify for the Government's job creation programs.

One of my constituents is a chartered accountant who wrote me recently that his practice had grown substantially for all the wrong reasons and he said his clients are desperate to find ways to survive while dealing with problems beyond their understanding. I think this constituent has touched on one of the major problems underlying this Government's economic policies, and that is the intrusion of the state into areas which have previously been reserved for the individual.

There are two disturbing themes which can be identified through the last two budgets, the Minister's economic statement, and in this income tax legislation. The first is the fact that the Government is forcing Canadians to depend on the state rather than on themselves. Second, the Government is taking money from people before they receive it. These two themes have formed the basis for the original November budget, and they are present in this income tax legislation.

There is no question, Mr. Speaker, but that this income tax legislation is a much improved document over that first budget. Over the last 13 months some 47 retreats and withdrawals have been made to the initial proposal, largely because of the efforts of the Official Opposition on behalf of and working with Canadians hurt by the budget. Certainly we welcome some positive measures that the Government has included in the legislation. I am glad to see, for example, that the Child Tax Credit has been increased by $50 per year, per child. I think this credit is one of the most fair means of helping out families with children. I applaud any move to strengthen it. With my NDP colleague, the Hon. Member for Kamloops-Shuswap (Mr. Riis), I would welcome any measure to extend daycare credits.

• (1740)

I think our income tax legislation is improved by the provision in the Bill which permits the tax-free transfer of an RRSP between spouses in the event of a marriage breakup. That is a constructive move. I am also very pleased to see that the Government has agreed not to touch the employer contribution to health and dental plans. I was afraid that if this measure had been included in the legislation, many Canadians would simply opt out of these plans.

Today the Minister of Finance claimed that the legislation reduces taxes for 5.8 million Canadians, for a total saving of approximately $1 billion per year. What the Minister failed to acknowledge is that the major beneficiaries are high income Canadians whose marginal tax rates has been reduced. Low and middle income Canadians gain little or nothing from lower or marginal tax rates and will lose proportionately more from the partial deindexation of old age and public service pensions.

Many employees are also adversely affected by the 40 per cent increase in unemployment insurance premiums announced by the Minister in his October economic statement and by the increased taxation of some important employee benefits. As an example, loans to employees to permit them to purchase a home or shares in their company will become taxable. This measure discourages employees from investing in their own firms, which is a measure that we need in order to encourage the productivity increases that we need to fuel our recovery.

In the case of loans for housing, it also represents a real barrier to worker mobility. As the Council of Forest Industries of B.C. wrote me, this will make it even more difficult to attract employees to areas of high housing costs, such as outside Vancouver. This measure seems particularly ill-timed, since the federal Government has been strongly encouraging the Provinces to eliminate all barriers to worker mobility. The cost of housing is certainly a major barrier to that kind of mobility.

Similarly, the standby charge on which the amount of taxation on company cars is calculated has been doubled. We in the Official Opposition did succeed in persuading the Government to limit the increase, since the November budget proposed an even higher rate of taxation, and we are pleased that the Government has agreed to modify the taxation for those who do not use their cars a great deal for personal business. We still believe this is an unnecessary tax increase at a time when this industry has been hit very hard by the recession. Many auto dealerships across the country have gone bankrupt over the past year, and yet the Government persists in adding to their burden by forcing the employers and the employees to keep much more detailed records in order to exact this tax.

One of the meanest aspects of this Income Tax Act is its effect on Canadians who are retired or who are trying to provide for their retirement. Many of these changes are

extremely complicated and confusing to seniors who often do not understand the rules which keep changing and which are much more complex than they have been accustomed to.

For example, the Government has restricted the amounts that can be rolled over tax-free into registered pension plans and Registered Retirement Savings Plans, to $2,000 per year of employment plus $1,500 for each year that no money was contributed to a pension plan. Originally, the impact of this measure would have been extremely harsh, because it was retroactive. Many people who planned to retire at the end of 1981 were going to be affected without warning. For that reason, we forced the Government to grandfather this measure. Nevertheless, the Government severely disrupted the financial planning of many groups nearing retirement. We heard from many professional groups such as the Police Association of Ontario and the B.C. Federation of Teachers.

As one Canadian said of this measure in his letter to the Minister of Finance, "If the intent is to get people to not plan for retirement but rather to count on Guaranteed Income Supplements or other Government assistance, you are on the right track."

Furthermore, this Bill denies registration for future deferred profit sharing plans which allow an owner to qualify for a plan. It prevents owner-managers from using this means to provide for retirement. It is very unfair, particularly to small businessmen who may not know how much money their company will earn in a year and who draw limited salaries.

I was in that position when I ran my own company, before being elected. Everyone else is paid first, the bills are paid and then the boss is paid. A deferred profit sharing plan was a simple way to allocate part of your own wage cost when you did not know how much you would earn in a year. Its loss is going to be a very bad thing for a lot of small businessmen, particularly in times when costs are hard to forecast.

In addition, this legislation eliminates the deductibility of interest on loans taken out to purchase RRSPs. Particularly hard hit are middle-income Canadians since many rely on RRSPs to provide income security for their future. In fact, nearly 1 million people earning less than $30,000 per year declare contributions to RRSPs as deductions. Many of them borrow money to purchase their RRSPs because they do not happen to have the lump sum available to meet the purchasing deadline early in the year. This measure hurts low income Canadians. Higher income people have the money available. As our task force toured the country it was told this by many groups, over and over again. As many of these loans are paid off within the year, they are a form of forced savings. In effect, the Government is penalizing Canadians for prudently putting money aside.

Another harmful measure in this legislation is the limits to the $1,000 pension deduction. In most cases the pension deduction is limited for those under age 60 who roll over a pension benefit into an RRSP. This affects those who retire early and who may wish to shelter income which at the present time is surplus to their needs. That is important in bad times when people are being asked to retire early. It also denies the pension deduction to those who receive lumpsum pension benefits in any form other than life annuities.

As with so many of the Government's measures, it hits hardest those most vulnerable—those Canadians who are at the end of their salaried years and who face a future on a fixed income.

Many small businessmen, farmers and those who are employed in seasonal occupations such as fishing and logging, are particularly hard hit by the elimination of general averaging and income averaging annuity contracts and their replacement with forward averaging.

For those who receive a once-in-a-lifetime income which they would like to set aside for their retirement, the IAAC is no longer available. For those whose income varied with the seasons and the harvests, the automatic system under which their gains and losses were evened out by the tax system is no longer available.

Both systems have been replaced by a very complicated procedure called forward averaging, in which a taxpayer will have to estimate whether his income will fall in the coming years, prepay the tax at the top marginal tax rate and claim it back in the future. He will have to hire an accountant to pilot him through the extremely complicated procedures. Should he neglect to tell the Government he intends to forward average initially—either because he does not understand the system or because he does not realize his income in future years will fall—he will not be able to claim back the tax he has paid. He is taking all the risk while the Government has fully hedged its bets, taking the money. Those who suffer least are those in top tax brackets who lose nothing by electing to forward average since they have to pay the top rate anyway.

After attacking in so many ways the ability of older Canadians to provide for their retirement, the Government caps it off by limiting the indexing of old age pensions and Public Service pensions. Nearly 1.2 million Canadians are affected by these two measures which are enshrined in Bills C-131 and C-133 currently being studied by committees of the House. What these measures represent collectively is best described by two people who wrote me from Vancouver. One investment analyst said the following about the victims of these measures:

• (1750)

> Probably not since the depression years of the 1930s has a group of Canadians suffered such drastic reversals in their economic fortunes while having paid comparatively high tax levels during their productive years and having no responsibility whatsoever for the economic plight they find themselves faced with today, to say nothing of the loss of personal pride and dignity.

Recently the Minister of Finance said that he expected older Canadians to shoulder their share of the battle against inflation. As the President of the Vancouver branch of the Federal Superannuates National Association said with reference to the deindexing of Public Service pensions:

> These are the same Canadians that were obliged to carry the main burden of the 1930-1939 depression. A great number of these Canadians bear the psychological scars of unemployment during their youth; of living in family homes in which welfare payments were their main subsistence; of soup kitchens

and "riding the rods". This group of older Canadians is also the group that was called upon to carry their load during the period 1939-1945 war and facing all the rigors that war involves.

This group is one of the major victims of the Government's economic policies. They have suffered through a recession which has been made worse by a Government that is incompetent and shortsighted. They are being penalized for attempting to provide for themselves and for trusting the Government. The irony is that at the same time as the Government reduces the indexing on pensions, it is forcing more Canadians to become even more reliant on income from state resources after retirement.

In conclusion, I should like to touch briefly on the other very dangerous principle which underlies the Government's economic policies, that is, to tax money before it is received by the taxpayer. In his statement today, the Minister of Finance neglected to point out that that is still an underlying theme. The November budget established a very dangerous principle when it dwelt on the concept of tax expenditures and argued that the Government is forgoing a great deal of revenue by not imposing taxes on certain kinds of hidden income or imputed income.

The Government argued that many taxpayers were receiving benefits on which they were not paying tax, and it set out to capture some of this revenue. In the November budget, for example, it proposed to tax Canadians who sold property and then took back mortgages. Where in the past the taxpayer paid taxes as he received income, the Government proposed to force him to pay tax on the sale as if he or she received a lump sum from the purchaser rather than in instalments on a regular basis.

If we had not forced the Government to alter this provision, most small land developers would have been put out of business and with them the jobs they create would have disappeared. The Government has applied the same principle to the taxation of life insurance and annuities. Fortunately we have been successful in persuading the Government to modify the provision, but the principle remains and is embodied in this income tax legislation. Accrued income on some kinds of life insurance will now be taxable, thus affecting those Canadians for whom these policies are a major form of retirement income. Similarly, accrued interest on annuities is now taxable. Income from annuities is calculated every three years and tax must be paid on that amount even though the taxpayer does not receive a direct benefit from the annuity at that time. With the Government operating on this deemed-income principle, who knows what may become taxable in the future?

The income tax legislation before us requires careful scrutiny. It is extremely complicated. As the Minister of Finance said today in the House, income tax legislation is forbiddingly complex. This Bill is nearly 300 pages long. It has been pointed out that it is the most complex document we have seen since the Carter Commission on Taxation, a Commission which produced seven volumes of work, which met and held public hearings for months to discuss similar types of measures.

We in the Conservative Party have acted very responsibly in the past year in our efforts to gather information about the impacts of this income tax legislation, in our task force on the budget which travelled the country, in the volume of correspondence from constituents across the country with which we dealt, and in trying to seek, through committees, constructive solutions to some of the changes.

We are not about to be rushed now into forcing this legislation through the House. We are not here to stonewall the legislation, but we are here to ensure a sense of security about the measures contained in the legislation. It was this Government that created the tremendous uncertainty about our income tax legislation; trying to rush the legislation through will simply compound the problem. There are examples, for instance, in terms of work in progress. For many firms such as engineering and economic consulting firms, this measure will impose undue economic hardship.

I should like Government Members to consider the case of Dome Petroleum which hired all its consultants. The industry says that in the worst days of its financial difficulties it simply did not pay them. Is the Government proposing that those people bear the entire brunt of this kind of legislation?

We in the Conservative Party are anxious to proceed in a responsible manner with what we hope is the final instalment of this long budget process. We do not want to be identifying and debating once again unworkable aspects of the Bill long into the future. Stability is the key which we are seeking, and stability requires that we ensure that when this legislation is approved, it is the best we can make it.

Some Hon. Members: Hear, hear!

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, in commencing my remarks today I cannot help but mention how odd it was to hear the Minister of Finance (Mr. Lalonde) earlier this afternoon rise in the House and talk about removing uncertainty and getting on with telling the people of Canada exactly where they stand with respect to income tax, and then to take a look at the Bill before us.

It is fair to say that the provisions in the Bill touching on small businesses, which are mainly involved with amendments to Section 125 of the existing Income Tax Act, are nothing but a morass. They are a morass through which most small-businessmen would virtually find themselves incapable of finding their way. I say this because the Minister of Finance in his press release, when the legislation was first but before us, stated that he had received calls from the "business community to end the uncertainty over our tax laws." He suggested that it was now time to "let affected taxpayers know precisely where they stand."

In this context it might be helpful to read into the record one short passage in the Bill which deals with small-businessmen and then ask ourselves honestly whether it is fair for a Minister to say that he is clearing the uncertainties and that he is allowing affected taxpayers to know precisely where they stand. I refer to page 189 wherein the following is indicated:

(4) Subparagraphs 125(6)(*b*)(iii) and (iii.1) of the said Act are repealed and the following substituted therefor:

"(iii) the aggregate of

(A) 4/3 of the amount, if any, by which

(I) The aggregate of all amounts each of which is a dividend (other than the portion thereof referred to in subclause (B)(I)) that was deductible under section 112 or subsection 113(1) from the corporation's income for the year

exceeds

Then it continues:

(II) 4 times the amount of the tax under Part IV that would be payable by the corporation for the year on the assumption that no amount was claimed by the corporation for the year under paragraph 186(1)(*c*) or (*d*) (other than the part thereof referred to in subclause (B)(II)), and

(B) 3/2—

I take it that is the draftmen's way of saying one and a half. In any event they said:

(B) 3/2 of the amount, if any, by which

(I) the aggregate of all amounts each of which is the portion of a dividend that was deductible—

I could go on by referring to the full page, but perhaps at eight o'clock I could continue to show how unintelligible the Act is, as put to the House by the Minister of Finance. We must bear in mind that it is small-business who will have to read that Clause and figure out where they now stand in relation to the income tax system of the country. Perhaps I could continue at eight o'clock.

The Acting Speaker (Mr. Blaker): I thank the Hon. Member for calling it six o'clock. It being six o'clock, I do now leave the chair until eight o'clock this evening.

At 6 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Deputy Speaker: Order, please. The Hon. Member for Hamilton West (Mr. Hudecki).

Mr. Fisher: Mr. Speaker, I rise on a point of order. I am not clear on the arrangements that we normally make in order to permit the Hon. Member for York-Peel (Mr. Stevens) to finish his comments.

Mr. Deputy Speaker: When the House rose at six o'clock, the Hon. Member for York-Peel (Mr. Stevens) had the floor. He is not present. Is there any other Member prepared to speak?

Mr. Weatherhead: Mr. Speaker, I rise on a point of order. The Hon. Member for York-Peel (Mr. Stevens) is at a meeting down the hall. I saw him leave a minute ago and I am sure he is on his way.

An Hon. Member: Here he is.

Mr. Deputy Speaker: The Hon. Member for York-Peel.

Some Hon. Members: Hear, hear!

Mr. Stevens: Mr. Speaker, I must apologize for delaying the House. But as you know, we sometimes run into conflicts. Tonight there is a dinner meeting in the Railway Committee Room, which went a little longer than anticipated. In fact, the bells started to ring just as the main course was being brought in. I can only apologize in the sense that I was the unfortunate victim of the conflicts with which we live in the politics of Canada.

As you will recall, Mr. Speaker, I was simply pointing out that in sharp contrast to what the Minister of Finance had indicated as something that would remove uncertainty with respect to our tax laws and would, to use his words, "affect taxpayers and allow them to know precisely where they stand", that was really stretching the English language when one considers the type of Bill in the form of an amendment to the Income Tax Act that we have before us in Bill C-139.

I was reading in particular only parts of the Clause dealing with small business taxation. I pointed out that surely when you read the wording in that Clause, it is almost incomprehensible, certainly to us in the House of Commons and I would suggest even to the tax lawyers and accountants who are being asked to cope with these sections and passages every day of the week. This matter was brought to my attention soon after this Bill was tabled on December 7 by a number of tax authorities in Toronto and in other localities in Canada. After receiving the Bill and spending four hours reading the Clause, in the case of one of the largest chartered accountant firms in Canada, its experts were still unable to know how to advise their client as to the impact of the Clause.

If we could just follow the Clause to which I was referring starting on page 189, we find sub-paragraph 125(6)(*b*)(iii), of which I will read the preliminary part. It goes on to sub-paragraph (iii.1) where it states:

where the year in its first taxation year ending after 1982, the amount, if any, of the prescribed addition to the cumulative deduction account of the corporation, and

(iii.2) the aggregate of all amounts each of which is an amount required to be added to the amount of the cumulative deduction account of the corporation at the end of the year under subsection (8.1) or (8.4).

(5) Subparagraphs 125(6)(*b*)(iv) and (iv.1) of the said Act are repealed and the following substituted therefor:

I quote that just as an example. But this goes on not by the page or by tens of pages, but by hundreds of pages. We have a little less than 300 pages in this Bill that, if passed, will be put before the people of Canada, particularly those who have to pay taxes in this country, who will be asked to please pay up. It is "pay up the taxes" that in effect we say are properly payable under this Bill.

Let us put that into perspective. We are amending here an Income Tax Act that first began in 1917. It is interesting to look at the initial act. I have here a copy of the initial Act passed by this Parliament in 1917, at that time as a temporary war measure. The Act passed in 1917, was ten pages long; including the schedules it amounted to 11 pages. It had only 24 clauses, and that was it. Yet here a simple amendment to that

Act, as it was in 1917, has required 295 pages to be put into a special Bill, presented to Parliament, presumably passed, and we are all supposed to cheer, if you believe that the Minister of Finance has removed the ambiguities so that suddenly everything is made abundantly clear for the taxpayers of Canada.

That is only part of the problem. We find, when we review the matter, that this only deals with specific amendments to the Income Tax Act itself. It does not touch all the variances that are occurring even as we talk. There probably are some bureaucrats changing those regulations now.

• (2010)

The fact is that regulations are being changed. Let me refer to one example. I trust that every Liberal is very familiar with the Income Tax Act. When I refer to the fact that there is a Part XI—sometimes referred to as 11—of the Income Tax regulations dealing with capital cost allowances, those Members will know immediately that one of the most important changes suggested in November, 1981, with respect to our Income Tax Act was the very radical move made by the Government of reducing the capital cost allowance that businessmen were entitled to with respect to depreciation or write-offs on capital goods. That section has netted the federal Treasury for this year and next year an estimated $2 billion. But this change in the regulations did not even rate being put into the income tax amendment which we are now considering. Bill C-139 does not include any reference to that capital cost allowance adjustment because it has been touched upon in a regulation. It was simply a matter of amending Part XI to the income tax regulations to cut the normal write-off which included being able to write off, for example, $100,000 of equipment or other capital expenditures within the year to only half of that amount. I cite this example because this is a regulation that has a $2 billion impact as far as the taxpayers in Canada are concerned, yet we in the House of Commons are not even given an opportunity to consider that change in a direct way.

Not only are regulations used for that purpose, I would point out that included with the small bundle which we received with Bill C-139 was another press release from the Minister of Finance in which he stated that he was including draft regulations in such a form as to assist in the understanding of the Bill and to invite comments from interested persons before they are issued in final form. These draft regulations that the Minister referred to concern the taxation of certain debt obligations, annuities, and life insurance policies. How can one accept the credibility of a Minister of Finance, who said earlier today that he is trying to remove ambiguities, who wants us to believe his press release which states that he is calling for the passage of this law to let affected taxpayers know precisely where they stand, when he hands us at the very same time another press release which says, "Incidentally, I have passed a few more regulations in draft form that I would like you to look at and comment on because we are not sure what to do in that field."

In short, the Minister has introduced much more ambiguity into our tax system at a time when the public needs clarity, certainly from a taxpayer's point of view, and less uncertainty as to what the total impact of taxation is on individual Canadians. I suggest that any amendment to the Income Tax Act which requires a magnitude of explanation such as we see before us should be withdrawn, reconsidered and introduced in a simpler form. The time has come when we surely have to accept that if people are to be taxed to the extent they are now taxed in Canada, the least that can be done for them is to make it understandable as to when they do or do not pay taxes. I remind Hon. Members of the extent to which we are being taxed in this country. Let us never forget that the total take of the Government today is between 42 cents and 43 cents of every dollar that we earn. This means that in a five-day workweek the first two days that one works are simply to earn enough money to pay some level of Government what it believes is its take.

As has been said, slavery is living in a society that taxes its people 100 per cent. We are 42 per cent of the way there already. I believe that it is not only time to draw back from more taxation; we must make it abundantly clear that if taxation is necessary it must clearly be done in a manner that is understandable.

Some Members on the Government benches may suggest that it is easy for a critic from the Official Opposition to make these suggestions and that they know better. What I find most odd is that one of the Government's super Ministers, the Minister of State for Economic Development (Mr. Johnston) who is the czar, if you like, who hovers over all these lesser economic Ministers, has written various articles. For example, he wrote an article in the McGill Law Journal concerning the taxpayer and fiscal legislation. It is very interesting to hear what the super Minister on the Government side said about the very things we are discussing tonight. For example, he said:

> The arbitrary or discretionary imposition of taxes is therefore incompatible with the first meaning of the 'Rule of Law'.

He goes on to state:

> Yet even in the absence of arbitrary or discretionary powers, the individual may be unable to ascertain the consequences of his actions because of the language of the statute with which he is concerned.

He mentions how important it is not to have imprecision or ambiguity in legislation. The point that he is making is that if a Government tells its citizens that they cannot claim ignorance of the law or that they do not know what the law is, the legislators then must go out of their way to ensure that the law is easily understood. In short, the Minister points out in his article that:

> The first rule of importance is that the subject is not to be taxed without clear words for that purpose.

He goes on to cite an English authority to support that statement. I suggest that all Hon. Members who wish to read this full article can turn to the McGill Law Journal of 1962, Volume 8, No. 2. They have a very interesting exposé in support of the arguments that I am raising tonight. This is an

example of a senior Government Minister who has realized for the past 20 years the importance of having simply worded language in statutes if the Government is going to tax the people as a result of those statutes. He went on to state:

> Unfortunately the existence of legislation which permits such arbitrary taxation probably does not arouse public concern to the same extent as legislation which confers arbitrary powers permitting encroachments upon physical freedom or freedom of expression.

• (2020)

He then went on to state:

> It would seem therefore that liberty may be especially vulnerable to abuse in the realm of fiscal legislation.

Then he quotes a quotation to which I often refer myself. On November 18, 1783, William Pitt, the younger, stated:

> Necessity is the plea for every infringement of human freedom. It is the argument of tyrants; it is the creed of slaves—

In short, that in effect is what we have in part here tonight. It is not just a question of people being taxed. It is a question of their being taxed and yet not fully understanding from the wording of the legislation to what degree they should or should not be paying tax to the federal Government. That is restricting their freedom. It is something that is not necessary, and I think it is time that we stood in this House, to a man, and said to this Minister, and to any other Minister who dares to bring such confused, complicated, needlessly wrongfully worded legislation in the sense of its being wordy and unclear, "Take it back. It will not be passed by this House of Commons until we can understand it". Hopefully, the people of Canada may then have some chance to understand the demand that will be made on them.

Some Hon. Members: Hear, hear!

Mr. Derek Blackburn (Brant): Mr. Speaker, before I discuss the details of my speech on the budget this evening, I would like to advise those on the Government benches that, in view of the fact that we on this side of the House have waited some 13 months for this document, Bill C-139, I think it takes a lot of nerve on the part of the Minister of Finance (Mr. Lalonde) to expect us to allow the Bill to go through in the remaining seven days before Christmas.

I would also like to suggest to Hon. Members that, while the Government has attempted to bring in some minor changes or modifications to the budget of November 12, 1981 and the budget of June 28, 1982, this document, consisting of some 295 pages, is just as complicated and confusing and, for many Canadians, causes as much anger as the ways and means motions or notices with respect to the two previous budgets. It also includes recommendations for further change brought in by the new Minister of Finance this past October 27, yet the Government and the Minister of Finance expect us to zip through this Bill of 295 pages in the remaining seven days. That is just too much to ask, and I know that we on this side of the House will not grant the Government that demand.

The moral fibre of any government in a democracy is really judged by its system of taxation, because the system of taxation is really basic to a democratic government. If such a system is fair and equitable, there will be a stable society with a minimum amount of discord, because what affects people or their pocketbooks really dictates their behaviour in a political sense. However, if a taxation system is not fair and equitable, then there is discord, confusion, anger and bitterness. At best, there may be a tax revolt, as mentioned by the Conservative finance critic this afternoon and, at worst, there could be revolution and social upheaval. I am not suggesting that we will have a revolution in Canada because of a series of ill-advised budgets.

Mr. McDermid: Yet.

Mr. Blackburn: However, I refer Hon. Members to fairly modern history, to the French Revolution, and to the Bolshevik Revolution which occurred more recently in the Soviet Union in the Twentieth Century, and one will find that at the beginning of both those revolutions, taxation issues were at the hearts of the matter. They were the straw, so to speak, that broke the camel's back in both those countries.

I suggest that when dealing with any tax Bill, we are dealing with something of extreme importance. When we are dealing with a confused, complicated and contradictory series of budgets which have been changed, rearranged, amended and appended for the past 13 months, contained in this one huge document, Bill C-139, 295 pages in length, none of us, neither on this side of the House nor across the way on the Government benches, should take it lightly and let it go through quickly and irresponsibly in a matter of a few days. Therefore, we must confront this piece of legislation and ensure that as many inequities as possible are vetted. Indeed, it is our duty.

I am not an idealist. I realize that we on this side of the House cannot rewrite whole sections of the Bill, but it is certainly our duty and responsibility to our respective constituents to make it very clear to the Government where we disagree with it as it affects their pocketbooks and their taxes.

I might also state that we know that the previous Minister of Finance and the present one have been deluged, almost set upon here in Ottawa by an endless string of powerful lobbyists, many of whom have travelled across the country to force their opinions and ideas upon the Minister and the Department of Finance. I am suggesting this evening that the previous and present Ministers of Finance, particularly the present one, have caved in to many of the demands of the lobbyists. Unfortunately, most ifnot all of those lobbyists represent powerful financial institutions and interests in this country.

Mr. Wilson: How about the unions?

Mr. Blackburn: When the former Minister of Finance originally introduced his budget of November, 1982, I personally thought that the general thrust of the budget was good. He at least made an honest effort to plug many loopholes, the most obvious loopholes which had existed in a very unfair taxation system. Unfortunately, and this was my major criticism at the time, the budget was badly timed. It came, not at the beginning of a severe recession, but, rather, long after

that recession had set in. In plugging many of those loopholes, he was simply giving the powerful, vested financial interests of the country a chance to jump on him and his officials and say, "Look, we cannot afford plugging these loopholes at this time". Had that budget been announced in 1976, 1977 or 1978, when productivity was high, when our country was in a period of relative economic development and progress, I am quite sure that many of us in this Party would have accepted the plugging of those loopholes. We still do, but it is more difficult now for us to put forward those arguments.

• (2030)

I want to make brief reference to some of the changes that have come into this piece of legislation, an Act to amend the statute law relating to Income Tax, for two reasons: one, to show you how wide-ranging and all-encompassing these changes are and, two, to serve notice to the House that other Members of my Party will be speaking at greater length and in greater depth with respect to these proposed changes.

We have changes, for example, to annuities; to capital cost allowance—actually the Minister of Finance is flip-flopping on most of the clauses of the Bill I am referring to at the present time—to company reorganizations; deferred profit-sharing plans, interest expense; prescribed interest; capital reserves; work in progress; loans to non-residents; Canadianization and the incentive to Canadianize foreign industry in this country; life insurance. Every Member in this House could speak on the problems with respect to taxing certain life insurance policies because we have been deluged by lobbyists from the life insurance industry and by life insurance underwriters in our respective constituencies. We could all speak with respect to soft costs regarding certain aspects of real estate, such as the former MURB Program; to charities, as they affect individual contributions; to farmers, in selling their land to their children; and to house loans.

This Bill also includes such things as capital gains reserves, employee or shareholder interest deductibility, capital cost allowances, small business investment grants, Child Tax Credit, heritage tax deduction, pension income deduction, and so on and so forth. Investment dealers have lobbied for many changes. There are other lobbies, small businesses, the Retail Council of Canada, the Toronto Stock Exchange, the Housing and Urban Development Association, et cetera, et cetera. Yet the Minister of Finance expects us in seven days, to go through all these clauses and give him carte blanche to proceed? Absolutely ridiculous!

It is not that we want to hold up the business of the House simply for the sake of holding it up, but we would be irresponsible on this side of the House to let such important, complicated and all-encompassing tax legislation go through in a week and a day. Besides, what is the reason for our being so accommodating to this Government after waiting 13 months for this Bill? Secondly, the Minister of Finance has said that he is going to bring in yet another budget in late January or early February, so I see no need for rushing this through.

I am very concerned specifically about two major areas in Bill C-139. One is the drop in marginal income tax rates, and the other is the partial deindexation. When considering deindexation, along with the capping of Family Allowances and pensions, and personal income tax exemptions, we are reaching out virtually to every taxpayer in this country, as we are with the drop in marginal income tax rates.

The marginal rates were dropped because in the November 1981 budget there were 16 major tax loopholes which the Minister then wanted to plug. In order to try to sell the idea to the business community, and primarily to the wealthy people in the country, he argued, not in so many words, that if we were going to plug these tax loopholes then we would have to drop the marginal tax rates as they affect wealthy people who do the investing and who could take advantage of these loopholes. In other words, it was a trade-off.

However, we find when we look at this document, Bill C-139, that many of these loopholes have been unplugged or partly unplugged, or at least there is a promise there that in 1983 or 1984 they may be unplugged. But what has he done about the marginal tax rates? The new Minister of Finance has left them. In other words, the wealthy and the large investors in this country are going to have it both ways. First, they are going to have the tax loopholes unplugged and, second, we are going to continue with the lower marginal tax rate for the wealthy people in this country. I find that is totally unacceptable to the New Democratic Party, and indeed it should be totally unacceptable to any Member of Parliament in this House who has a strong social conviction that the poor and low income earners in this country are already over-taxed, and the rich in this country are patently undertaxed.

The Bill brings into law the lower personal income tax rate proposed in the November 1981 budget for the 1982 and the 1983 taxation year. I want to give some examples. For those whose taxable income bracket is under $1,112, the rate proposed in this tax Bill is 6 per cent. The old rate was 6 per cent. These rates do not change until we get to about the $20,000 to $24,000 a year income tax payer. But when we get to that income we find that the new tax rate has actually gone down, so the higher the income, the greater amount of tax rate decrease. If taxable income is between $24,000 and $31,000 a year, the rate proposed in the budget which is in this paper is 25 per cent, but the old rate was 28 per cent so there is a gain of 3 per cent on the income tax rate, it is 3 per cent lower. If we go to the top income earners, those whose taxable incomes are in excess of $133,440 a year we have an effective tax rate decrease from 43 per cent to 34 per cent. That is a decline, Mr. Speaker, of 9 percentage points.

The tax rates of the little guy at the bottom, do not change. They are just as high in this budget as they were in the November 1981 budget, but the big income earner has a lower rate of income tax. Keep in mind that the Government has now unplugged most of those so-called plugged loopholes which

were supposed to be the original trade-off, so I repeat, that the rich, and the rich investor, are getting it both ways. He still has the tax loopholes in most cases and he has a lower effective rate of income tax to pay.

Secondly, let us look at the partial deindexation of personal income tax. The June 1982 budget limits the personal income tax exemption indexing to 6 per cent in 1983 and 5 per cent in 1984. The result simply is that personal exemptions will not rise as much next year as they would have with full indexing to inflation. We have seen a slight moderation to 10 per cent, but it would be more than wishful thinking to assume that the rates of inflation will come down to six and five, unless of course we unleash Mr. Bouey totally. The rate of inflation has not dropped as one would have hoped because of the Government's regulated price component of the consumer price index. I think this is very important when we are talking about six and five.

The Government has not made any effort to slow down the rate of increases in energy prices, which are going up 23.5 per cent, to which the Government has agreed. In addition they have not tried to provide Canadians with low, stable interest rates. All are items that contribute to keeping inflation running at 9 per cent plus and the rate in Government and Government-regulated industries at about 18 per cent. In other words, and I should stress this, regulated prices make up 23 per cent of the consumer price index. When you consider the 23 per cent, almost a quarter of the CPI, is that part of prices regulated by the federal Government, and the federal Government is still keeping interest rates and energy costs high, it is very doubtful whether the year-over-year inflation rate in this country will drop much below 9 per cent between now and late 1983 or 1984.

• (2040)

This partial deindexing amounts to a large tax bite of approximately $1.7 billion for 1983-84 fiscal year. Because a lot of workers are under the wage restraint program of the federal Government and various provincial Governments, as well as a lot of private employers, they will be getting a double whammy through wage restraint coupled with partial deindexation.

This partial deindexation could not come at a worse time for the majority of workers today. When you consider the 1.5 million officially unemployed and another 500,000 either on welfare or who have given up looking for jobs, they have already suffered the rigors of a major depression. Their incomes have already been cut back 30, 40 and 50 per cent and more.

Then we come to the partial deindexation of their income tax which is thrown at them. At the same time that Government-regulated prices are going up this year over next year and over the next year at a higher rate than the six and five the Government thinks everybody should hold to, I do not know how this Government can expect us to let it go through within the next seven days without giving them one hell of a good fight.

Deindexing of personal income tax exemptions allows Government to profiteer from inflation at the expense of individual Canadians and gives Government a vested interest in inflation. It should be remembered that Finance Minister John Turner in 1973 introduced the indexation of personal income tax exemptions and tax brackets to the inflation rate so that taxpayers would not be pushed into a higher tax bracket because of inflation. In Turner's words, indexing would "eliminate that unfair and unintended result from our tax system". Simply put, the effect of partial deindexing of personal tax exemptions will be to impose a tax increase on Canadians. That is basically what it means.

What this really means is the beginning of the end of indexation and any real taxation reform. I have a table here which I will explain as briefly and as clearly as possible. The 1984 federal and provincial income tax combined for a single taxpayer whose income is $7,500 without limitation will be $223 in income tax. With partial deindexing, he will pay $336 for a net increase of $113 or a 50.7 per cent increase. A person whose taxable income is $10,000 a year, without partial deindexing will pay $807 in income tax. With partial deindexing, he would pay $926 for a net increase of $119, or a 14.7 per cent increase. That is a far cry from the six and five limit that the Government is touting around the country as the saviour as far as our future is concerned.

The taxpayer whose income is $100,000 in 1984, without limitation, will pay $38,179. With partial deindexing he would pay $39,120, a tax increase of $941, but in percentage terms an increase of only 2.5 per cent. The Government is treating him fairly because that is very comfortably within the six and five. His tax goes up only 2.5 per cent on $100,000, but the poor guy earning $10,000 has to pay an additional 14.7 per cent as a result of partial deindexing.

It is little wonder that those who write popular bestsellers on how legally to beat the tax system in this country are saying that this budget, or combination of budgets and the financial or economic statement, plus Bill C-139, is a boon for wealthy people. I need only quote from Henry B. Zimmer's "The New Canadian Tax and Investment Guide", a reputable tax consultant. It says "Completely rewritten to include the 1981 budget changes". At page 5 it reads:

—the wealthy investor will pay the same tax rate even if his investment increases from, say, $200,000 to $300,000 in a given year. While the MacEachen budget has been promoted as an attack against the rich, a close analysis of these numbers will show that the rich are virtually unaffected. For the rich and the super-rich, the budget provides a 10 per cent decrease in tax rates.

There it is from Henry B. Zimmer, a tax expert. We, especially those of us in the New Democratic Party, are expected to let Bill C-139 go through in seven days. No way. It is not going through in seven days.

It is clear that, with the introduction of the 1981 and 1982 budgets, plus the economic statement of the Minister two months ago, ordinary income earners are the net losers. Some will quietly wonder what else is new. A lot of those will probably not stand up and say anything about it because of Party discipline.

Income Tax

As far as marginal tax rates are concerned, there is no benefit to low and middle-income earners. With partial indexing there is a net loss. With capping of Family Allowances, again a net loss; capping of old age pensions, again a net loss; reduced services under the Canada Assistance Act, a net loss for those in greatest need. De facto wage restraint in the private sector is already down by 30 to 50 per cent for hundreds of thousands of Canadians because, as I said earlier, they are on unemployment insurance, welfare or not looking for work at this time.

Wage restraints in the public sector are being held to six and five, as they are for many in the private sector. Because of partial deindexing of personal income tax, as wages are held down, their income taxes for next year will go up.

I would like briefly at this time to put forward some of my Party's views on what we think would be an equitable tax system. I would be remiss at this stage if I did not include this in my remarks.

First, the tax system should be fairly based on the ability to pay. Ability to pay is the cornerstone of any progressive tax system. Second, all types of income should be treated equally for people earning the same level of income. Let us look at some recent tax developments, that is, before the 1981-82 budgets.

Since the 1960s the tax system has become more uneven, less comprehensive. Changes in the early 1970s brought new tax advantages to the corporate sector. Business taxes have assumed a declining proportion of federal revenue since the end of the Korean war. They peaked with the imposition of a tax on excess profits in 1950. At that time corporate taxes comprised 23 per cent of federal revenue, but by 1979 that amount had dropped to 10.3 per cent. The decline in the importance of corporate taxes corresponds directly to an increased reliance on personal income tax revenue. Since 1950 three-quarters of the growth in federal revenues have been as a result of increases in personal income tax. Thirty years ago personal income tax contributed 20 per cent of federal revenue. By 1979, the figure was 37 per cent. Individuals picked up an additional 20 per cent in sales and excise taxes. The last three decades, Mr. Speaker, have also seen the advent of a new series of levies, payroll taxes, special charges to cover the cost of unemployment insurance, Canada Pension Plan, and in some Provinces even Medicare premiums. These levies now account for 6 per cent of wages. The employers' contribution to those programs is generally considered forgone wages, although it is not apparent on the pay slip.

• (2050)

Taxes on wealth have assumed a declining role in the raising of revenues. In 1971 the federal estate tax was abolished, which led to the dismantling in most Provinces, with the exception of Quebec, of succession duties. In 1971 alone, the federal Treasury lost $4.5 billion, which would have otherwise been collected from our wealthiest citizens through estate taxes and succession duties. These changes left Canada with the dubious honour of having the lowest rate of tax on wealth in the industrialized world. Our rate of tax on wealth in Canada is .07 per cent of the GNP. Even in the United States it is .42 per cent of the GNP, and in Switzerland a much more realistic 1.02 per cent. Most taxes on wealth in Canada are levied in the form of property taxes, a relatively unprogressive levy, leaving only 2 per cent collected from death taxes.

The federal Government also gains revenue from commodity taxes. These are usually applied on goods whose demand does not fluctuate with price changes, such as tobacco, alcohol and gasoline. It seems that the Government anticipates raising greater proportions of its revenue in future through substantially increasing energy excise taxes. Probably the most significant developments in the tax structure during the last decade have occurred through the expansion of the tax expenditure system. Through tax expenditures the Government encourages certain activities by giving preferential treatment to certain types of income, thus giving up taxes it would have normally collected.

In the existing Income Tax Act there are over 100 provisions for preferential treatment of income, including deferrals, deductions, exemptions, credits, exclusions and special rates. In 1979 the total tax expenditures were worth $30 billion. By 1980 they had risen to $39 billion or 60 per cent of direct expenditures. These developments occurred in direct opposition to the recommendations of the Carter Commission. Between 1976 and 1980 direct expenditure by the federal Government increased 30.4 per cent, whereas the value of tax expenditure grew 42 per cent.

What should a tax system accomplish, Mr. Speaker? I would like to suggest, first of all, that it should raise sufficient revenue to cover Government expenditure, including the increased revenue needs of a more activist Government. Second, these revenues should be raised fairly, adhering to the principle of ability, that is those with the largest income should have the highest rate of tax. This principle should be applied to both corporate and personal income taxes. Third, there should be a primary reliance on income taxes, both corporate and personal, to raise Government revenue. Income taxes can be the most progressive, hence the Government should reduce its reliance on commodity taxes and move toward the elimination of payroll taxes, funding these frugal programs through general revenue. Fourth, the tax system should be comprehensive. The existing structure of tax expenditures should be reduced and the existing goals of the system should be accomplished to a greater extent by direct spending. The tax expenditures that remain should, to a greater extent, take the form of refundable tax credit or direct grants. Fifth, the system should act to redistribute wealth. I think this is very important in any forward-looking, socially-conscious Government, that the tax system is really the major vehicle for redistributing wealth in the nation.

Over the last 30 years the combination of increased social security spending, and a supposedly progressive income tax, have done nothing to alter the balance of wealth in Canada. The top 20 per cent still control over 40 per cent of the national income, and the bottom 20 per cent have access to only 4 per

cent. Fulfilling its function as a redistributor of wealth, the Canadian federal tax could also compensate those least able to cope with current economic problems, with food and fuel credits for Northern residents, for example, and a cost of living tax credit for low income people. This, Mr. Speaker, is not happening, and that is the major problem with which we are faced in Canada today.

I would now like to refer to another very important aspect of our tax system and what it should do. As you know, we are in the middle, or in the depth, of a severe economic recession. Indeed, if you are out of work or have been out of work for any extended period of time, you are not in a recession, you are in a depression. Therefore, we in the New Democratic Party suggest very strongly, and argue very strongly, that a tax system and job creation can be combined, and the tax system or fiscal policy should be used with strength and determination to create jobs, the number one crisis in our country today.

One of the most important instruments for the establishment of priorities in job creation is the nation's tax system. Through the tax system Governments can make clear to investors where they would like to see investment dollars go. At present, there is a hodge-podge of incentive programs in effect to encourage investors to put their money into the economy. The principle of using a tax system to encourage investment is certainly not new. However, even if the principle is well established, the Canadian practice has never included anything resembling a strategy.

Canada needs to have investment streamed into key sectors if long-term job creation is to be achieved. The existing hodge-podge must be abolished. We need to pay special attention to the investment needs of a number of sectors, such as small business, forest products, energy, machinery, construction, manufacturing, transportation equipment, steel, chemicals, electrical products, fishing and, of course, the new and crucial high technology industry. Investments in these sectors during this decade can provide Canada with the economic base for large scale job creation and an internationally competitive economy. Such investment would benefit every region of Canada. The crucial continuing source of capital to meet the needs of these sectors must be the reinvestment of profit made in the Canadian economy. The profits earned by corporations in Canada are the fruits of the labour of all Canadians, not just investors, but those who work in the plants, the forests, or in the mines.

I believe that the federal Government must play a much more creative role in ensuring the reinvestment of these profits where it will do the most good. What I am talking about, Mr. Speaker, is corporate tax reform. We must begin by revamping the corporate tax system, something which Bill C-139 has not done, and something which neither the June 1982 budget nor the November 1981 budget did. The federal Government should put in place a much more attractive system of tax incentive for investment in the crucial sectors I have listed. Such a system should award companies tax points off for such things as research and development, Canadian ownership, the use of Canadian-made machinery, export orientation, effective job-training programs, and affirmative action in hiring policies. The object of such incentives is to make sure that profits are reinvested where they will create jobs and will contribute to an internationally competitive Canadian economy.

We do not get there, Mr. Speaker, by either ignoring our present corporate tax laws and leaving them on the statute books, as this Bill does, or by allowing more and more foreign money to come into the country to take over more and more control of the manufacturing sector. Because we need investment capital now to create jobs, such a system should not involve a net increase in the total amount of tax paid by corporations in Canada. Neither should it involve a net reduction at a time of very high Government deficit. Therefore, what I propose and what my Party proposes is an increase in the nominal corporate tax rate from the 36 per cent collected by the federal Government to 46 per cent. The additional revenue that would accrue from the increased nominal rate would not end up with the Government. Instead, it would serve as the basis for making possible substantial tax incentives to ensure investment in the key sectors under the conditions I have listed.

• (2100)

Such a system would reward those who invest in long-term job creation. Such investment would have effects far beyond the sectors singled out. Productivity advances in these fields would provide the economic underpinning for the whole of the economy, in particular the service sector where jobs and incomes depend upon the health of the key productive industries.

While we are speaking of corporate tax reform and fiscal change for the purpose of creating jobs, there is one more point that I should like to mention briefly. It goes with the corporate tax changes I have just suggested. We propose a surtax on upper income individuals which would go directly into job creation. Quite frankly, Mr. Speaker, I really do not think that those whose earned incomes are in excess of $40,000 per year would fight too much or be much opposed to helping in job creation, provided their extra tax dollars went into proper job creation and not just quick-fix make-work projects.

What we have in mind is not a flat rate for everyone whose earned income is over $40,000 per year. We propose that if your income is between $40,000 and $53,000, you would simply increase your tax by .75 per cent. However, if you earned $268,000 and upwards, then you would pay $2,409 more. The rate is graduated.

I see that my time is up, Mr. Speaker. I would have liked to proceed a little further with my remarks on the surtax. The Conservatives have misinterpreted it. We do not propose a flat rate, but a graduated rate. Not everyone who earned $40,000 plus would have to pay the same amount of added tax.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, it gives me great pleasure to take part in this debate. The Bill before us today, Bill C-139, is an important Bill that we have all been waiting for since almost this time a year ago. Income

tax aspects of the last two budgets and of the recent economic statement by the Minister of Finance (Mr. Lalonde) will pass into law. As such, Bill C-139 contains important tax reforms and also reflects a need for fiscal restraint to limit growth in the deficit. In this context, it is inevitable that some individuals in certain circumstances will end up paying more taxes, but I hope they will recognize the importance of the goals being pursued in this Bill.

I am pleased to speak in support of Bill C-139 because it will provide assistance for those experiencing special difficulty, although the over-all framework has to be one of restraint. Moreover, in making tax reforms, the Bill shows sensitivity to the practical realities in the small business sector, especially agriculture.

In a fair system of taxation based on ability to pay, most people would see the importance of limiting opportunities for those with high incomes, to defer taxes. A postponed tax is a lower tax. If taxpayers with high incomes can defer tax, this shifts the burden on to those less able to bear it. At the same time, however, this Bill recognizes the importance of vendor financing in the sale of small businesses, and therefore preserves a meaningful capital gains reserve provision, so as not to cut off this source of financing.

I should like to review this provision briefly. The vendor will now have a maximum of five years to bring the total taxable capital gain into income. At least one-fifth of the taxable capital gain will be brought into income the year the property is sold. At the end of each of the following years there will have been brought into income, on a cumulative basis, an amount at least equal to one-fifth times the number of tax years ending after the property is sold.

About 99 per cent of all farms in Canada are family-owned and operated. They are the foundation of our successful agricultural industry. The Government supports the family farm as the most efficient form of farm enterprise, and that support can be seen in the Bill before us. Bill C-139 recognizes how important it is for farmers to be able to hand down their farming enterprises from one generation to the next within the family. It also recognizes the desire of many farming parents to help their children get established on the farm through easy terms of payment. Thus, the Bill doubles to 10 years the time limit for bringing into income, the taxable capital gain that results when an active farming operation is sold to a child or grandchild or great-grandchild.

The minimum amount of taxable capital gain which has to be declared as income in the first year, is reduced to one-tenth. At the same time, the minimum amount which must have been declared on a cumulative basis at the end of each tax year following sale, is also reduced to one-tenth times the number of tax years ending after the sale.

The agriculture sector has been quick to approve and support the federal Government's six and five restraint program. But in this period of economic restraint, Bill C-139 does not ignore the plight of debt-burdened farmers who are struggling to carry on until commodity prices improve. For incorporated farms and other businesses subject to the small business tax rate, the Small Business Development Bond has been continued to the end of 1983, and has been focused on the need for refinancing of existing debt at lower rates of interest. The Small Business Development Bond carries the potential of cutting interest charges almost in half.

I am particularly pleased that this Bill includes a similar measure for unincorporated farmers and other small-business people. I am referring, of course, to the Small Business Bond, which will also be available until the end of 1983.

These two bond programs mean that farmers who are in financial difficulty will be able to retain the benefit of a lower interest rate for up to five years, if they get their banker to refinance existing debt under a Small Business Development Bond or a Small Business Bond loan before December 31, 1983.

Many farmers and small business people will be helped by the provisions which allow more than one Small Business Development Bond or Small Business Bond to be granted, as long as the total of the original value is no more than $500,000 per borrower.

I am sure that farmers who have incorporated their farms and want to build up their businesses by investing their profits back in the farm, will be pleased to see another provision of the Bill. This provision increases from $750,000 to $1 million the cumulative amount of income they can earn before losing the low small business tax rate. I am sure a lot of people are not aware of that.

On the other hand, in those cases where earnings are paid out in dividends, the new 12.5 per cent tax on dividends will apply. However, I want to point out that the total tax on the farming corporation and farmer, including the tax on dividends, will be approximately the same if the income had been earned by an individual unincorporated farmer.

I know there have been questions about the chartered banks' participation in these programs. Many people accuse them of not participating at all. I can only say that the evidence I have so far is encouraging. As of September 24, Revenue Canada figures indicated that 758 unincorporated farmers had benefited from Small Business Bond refinancing, introduced in the November 12 budget, and that $146 million of debts had been refinanced for these farmers. Most of this refinancing probably took place in the eight-month period after the release of guidelines to lenders last January. In addition, a large amount of refinancing was provided in the same period to incorporated farmers under the Small Business Development Bond.

• (2110)

I believe that these measures have provided a lot of badly-needed help for farmers who are going through a very difficult economic period. I would urge the banks to continue providing as much refinancing through the two bond Programs as possible. The federal Government stands ready to absorb the cost of these Programs, in terms of forgone tax revenue on whatever number of bonds the banks and other lenders issue. Of course it is only because the Government is not taxing

interest income from these loans that lenders can offer such a greatly reduced rate of interest.

When we add on top of the benefits of the bond Programs the refinancing assistance program of the Farm Credit Corporation, we see that the Government is offering a meaningful package of financial aid programs for farmers.

The FCC's Special Farm Financial Assistance Program was introduced in the November 1981 budget—and many people said that it was not very good—with additional funding provided in the June 1982 budget. From the time it was started until November 30 this year, a total of $141.3 million was provided to 1,071 farmers. Since the June 28 budget, the interest rate charged on this money has been a full four percentage points below the normal FCC lending rate. This reduced rate is available to farmers in financial difficulty for up to two years.

Also I want to point out that as of December 9 the interest rate charged by the Farm Credit Corporation on regular loans was 13.25 per cent. Therefore the initial interest rate on FCC special loans is now 9.25 per cent, that is for farmers who are complying with special interest rates. If they are in financial straits where they need assistance, they can borrow money for the first two years, up to $500,000 at the present time for 9.25 per cent. For people who live in rich Provinces, it means their Provinces will not have to pay anything on those loans because they are guaranteeing to pay up to 12 per cent to finance it, to subsidize it, or whatever one wants to call it, up until that time.

Between now and the end of the present fiscal year, the Corporation may extend another $34 million under the special loan program. The FCC has the authority to lend a total of $130 million under the special assistance program in the 1982-83 fiscal year. I am sure this money will go a long way in helping financially hard-pressed farmers.

I would further like to point out that the small business investment grant is available to reduce the financing costs of farmers for new depreciable capital by a maximum of four percentage points. However, the interest rate may not be reduced below 12 per cent. Hon. Members can see from my comments that the federal Government is concerned about the financial situation of our Canadian farmers and offers a number of programs to help them through difficult times. One program we offered is a very controversial one as far as some farmers are concerned; it is called Canagrex, the Canadian agricultural export corporation.

Mr. Hargrave: Mr. Speaker, I rise on a point of order. I am sure that nowhere in this almost 300-page Bill does the word "Canagrex" appear. I object very strenuously to the Minister exposing his bias to a certain Bill in the House.

The Acting Speaker (Mr. Blaker): Order, please. The Hon. Member will know that this is a tax Bill and that the widest possible latitude is given to every Member to address himself to the debate. There can be no favouritism from one side of the House to the other in that regard.

Mr. Whelan: Mr. Speaker, I have listened to some of the other speakers. I have read the debate. They have talked about everything under the sun, as far as that goes.

* * *

BUSINESS OF THE HOUSE

TIME ALLOCATION FOR REPORT STAGE AND THIRD READING OF BILL C-85

Mr. Whelan: Mr. Speaker, I wish to inform the House that there has been consultation among the representatives of the Parties and that it has not been possible to reach an agreement pursuant to Standing Order 75A or 75B with regard to the allocation of time on report stage and third reading stage of Bill C-85, an Act to establish a corporation called Canagrex to promote, facilitate and engage in the export of agricultural and food products from Canada. Therefore, at the next sitting of the House I shall propose a motion pursuant to Standing Order 75C to allocate one sitting day to each of the said stages of the said Bill.

Some Hon. Members: Hear, hear!

Some Hon. Members: Shame, shame!

Mr. Whelan: We are talking about the economic plight of farmers and the economic plight of people. We talk about assisting them in some way. I entered that economic Bill to help farmers. I just want to say, yes, that is a notice which Hon. Members can take.

* * *

INCOME TAX

AMENDMENTS TO STATUTE LAW

The House resumed consideration of the motion of Mr. Lalonde that Bill C-139, an Act to amend the Statute Law relating to Income Tax (No. 2), be read the second time and referred to a Committee of the Whole.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, in conclusion, I stress that Bill C-139 is sensitive to the needs and problems of agricultural producers, as is the other Bill which I just mentioned. I urge those who really maintain that they have the concern of farmers and other people at heart to support Bill C-139 and to support in a real democratic fashion the other Bill which I just mentioned.

Mr. Epp: Which one is that?

Mr. Whelan: Bill C-85, Canagrex. The Bill was thought up by farmers and supported by many, many people across the land.

Mr. Mayer: Don't talk about democracy and then give us closure.

Mr. Whelan: They thought it up, not we on this side of the House. We were asked by farm organizations to help them be in a better economic position. That is what we are doing and that is what we are trying to do, if they will just allow it.

I have checked procedures in other democratic Parliaments around the world, and I have found in the Ontario Legislative Assembly that the Premier, the Leader of that great Conservative Party and that great Government of Ontario, found it necessary to use time allocation. He even used guillotine law to get some legislation through the Provincial Legislative Assembly of Ontario. When we check the record we will find—and I think it has been for economic reasons, rather than wasting manpower or the facilities of the House of Commons—that the Liberals were in power over two-thirds of the time since Confederation but that that Party opposite used closure, guillotine laws and time allocation more than we did in the history of this Parliament.

Some Hon. Members: Nonsense!

Mr. Whelan: If we cannot come to a gentleman's agreement on time allocation, as the Mother Parliament or the mother of democracy does in 90 per cent of all instances, it leaves me no other choice. As one who has been elected from the age of 21 years, I have never in my political career seen democracy being stymied like it has been in this instance with the little Bill called Canagrex. It is no wonder we cannot get on with the things we need to do.

What do they say? I have some of their old letters and old publications when they were supporting Canagrex on the other side of the House. It is amazing to read them and then to read what they are saying at this time.

Mr. Mayer: Read them, let's hear them.

Mr. Whelan: Mr. Speaker, I cannot wait until we debate the time allocation. I look forward to that and I will debate it at greater length at that time.

Some Hon. Members: Hear, hear!

Mr. John Thomson (Calgary South): Mr. Speaker, having listened to the Minister talk about parliamentary democracy makes a charade of this whole place. It is just farcical for him to rise and point to parliamentary democracy.

Mr. Whelan: You need a little understanding.

Mr. Thomson: You do not even have the vaguest understanding of what parliamentary democracy is all about.

Some Hon. Members: Order, order!

Mr. Kelly: You do not know.

Mr. Thomson: Is that right? In order to achieve a rapid economic recovery, Canada needs a private sector which will focus all of its talents on its investment, production and marketing decisions. Do you know who said that? It was the Minister of Finance (Mr. Lalonde) on October 27, 1982. Where has he been for the last 14 years? It is incredible the Minister would have that much gall to stand up in this House and say, "In order to achieve a rapid economic recovery, Canada needs a private sector which will focus all of its talents on investment, production and marketing decisions." He no more means that statement than he would fly to the moon. He does not know what it is all about. He does not even know what those statements mean. Nor does he really care. He is a born again free enterpriser.

• (2120)

Some Hon. Members: Oh, oh!

Mr. Kempling: Hallelujah, Marc.

Mr. Thomson: Here is a man who single-handedly destroyed an industry. He should be very proud of himself. He destroyed the Canadian oil and gas industry. If there is one thing the Minister of Finance will be remembered for for the rest of his life, and it will go down in Canadian history, it will be that he destroyed the Canadian oil and gas industry.

A Government Minister of Finance should have some credibility. It is the second most important position in Government. Next to the Prime Minister (Mr. Trudeau) the Minister of Finance has to be seen by all sectors of society as being credible. But here we have the Minister of Finance who has destroyed the Canadian oil and gas industry and then has the gall to say that we need a private sector, by saying "Fellow Members, we need a private sector which will focus all of its talents on investment, production and marketing." Let me repeat that phrase, "All of its talents on investment." Here is a man who just drove $10 billion out of Canada. Those are undeniable facts. Here is the man, the Minister of Finance, who drove $10 billion out of Canada and goodness knows how many jobs, and yet says that we have to focus all our attention on investment, production and marketing. How can he say that to the Canadian people with such audacity?

Hon. Members, can you not smile a little bit? Surely that must tickle your funny bones just a bit.

Mr. Irwin: How about your 400 per cent in the last decade? How can you stand there with a straight face?

Mr. Thomson: In his statement of October 27, the Minister went on to say that the people of this country recognize that the recession is a global problem. But here we have a Government that for 14 years, with the exception of nine months, has mismanaged the Canadian economy. The Liberals say it is not their fault, that it has nothing to do with them. They say "It is a global problem." We hear them say that all of these villains, all the other rotten countries around the globe, have brought Canada to the brink of where it is today.

The Liberals have no responsibility for the plight in which we find ourselves. Of course not. A Liberal Government would never assume responsibility for anything unless somehow it could take credit for something it had nothing to do with. The Liberals say they have no responsibility for the plight we are

in. There is no admission. The Liberals would not take any responsibility for the faulty policies or the mismanagement of the country. The Liberals would never take responsibility for the disastrous National Energy Program or for FIRA and the adverse effects that has had on investment in this country and the adverse effect it has had on jobs in Canada. Nor would the Liberals assume any responsibility for the uncontrolled growth and spending of Crown corporations, which the Auditor General has just told us about. The Liberals would never assume responsibility for $200 million going to Canadair when that amount could be financed outside of the Government. What do the Liberals care? They do not want to take any responsibility for a $25 billion deficit.

The Minister of Industry, Trade and Commerce (Mr. Lumley) appeared before the committee the other day. We were talking about $200 million going to Canadair. I asked him where the money would come from. The President of Canadair said, "The Government, of course, where else?" Everybody lines up at the trough.

This Government has $25 billion less than nothing at all. Yet here we are going back to the trough for another $200 million. But that is peanuts. What about de Havilland? It wants only $1 billion.

This Government does not assume any responsibility for those Crown Corporations, nor any other Crown Corporation, nor the deficit. This Government likes to back losers. Maybe the Liberals do not take responsibility for backing losers either. The Liberals blew $125 million on Consolidated Computer, but the Liberals do not take any responsibility for that.

In looking back over 14 years of Liberal mismanagement, how could anyone go about mismanaging anything quite so badly? But there is one over-riding factor. It is sad to say but the Prime Minister of this country does not care about economics. He never has. He does not understand economics and he just does not have any interest in economics. He likes Constitutions, foreign travel and external affairs. He does not like economics because he does not understand economics. He has no understanding of business or business incentives. It is clearly evident from his speeches that he does not care. Yet we have a Minister of Finance who stands up and says, "We have to dedicate ourselves to the private sector. We must continue to practise fiscal responsibility. We must persist in restraining Government spending." That is what the Minister said on October 27. These statements come from the most profligate Government we have ever known in Canadian history. In 1968 Government spending was $12 billion. Fourteen years later it is $80 billion.

Mr. Blenkarn: It is $90 billion.

• (2130)

Mr. Thomson: But the Government says that it wants to restrain Government spending. Here, it spends $200 million on advocacy advertising. Yet it wants to restrain Government spending. It is a farce.

The Minister goes on to say that we must continue to rely primarily on the dynamism and creativity of the private sector as the engineer of growth in Canada. I seem to recall that it was only a couple of years ago when the Prime Minister said that the private sector could not be relied on any longer. Now the Minister of Finance tells us that we must rely on the private sector. Which will it be?

The problem faced by the Liberal Party is that it does not really believe in the private sector since it is locked into a dogma that does not allow Liberals to believe in it. This dogma states that the Liberals know best what is good for Canadians. Those Members on the other side have all that business experience so they will run our businesses for us, tell us what to do and give us the grants. They will spoonfeed those grants, however, and will decide who the winners and losers will be since they have all the business experience. I think there is one Member over there who was in the Coca-Cola bottling business who claims to be a businessman. The Liberal Party is locked into a dogma that says it knows what is best for Canadians and cannot allow the people to make their own decisions.

The November 1981 budget addresses businesses as if it were a dread disease, instead of the main force for economic growth and job creation, because the Government does not believe that the private sector is the main engine of economic growth and jobs. The Government only says it is that because it sounds good politically.

While the Government says that it must rely primarily on the private sector, the budget eliminated practically all incentives for investment in this country. Each incentive was originally placed in the Income Tax Act to encourage entrepreneurial activity and investment. But the Government decided that in our best interests it would eliminate those incentives because it does not want to provide incentives and does not like entrepreneurial activity. The Minister went on to say that he intends to foster the certainty and stability that are basic preconditions for a favourable economic climate. Therefore, if the Government intends to introduce basic stability in favourable economic climate, do you know what it will do? It will introduce a 300-page Bill with over 75 major changes to the Income Tax Act in order to create stability and this wonderful economic environment that it wants. The Government believes that the certain way to create that stability in our economic climate is to introduce a 300-page Bill with 75 major changes which no one in Canada will understand. That is how it intends to proceed.

The Minister went on to say that this requires development of our technological base, increased investment and new and innovative approaches to organizing work and labour management relations. The Minister enjoys that word "investment". He went on to say that in future, economic development in Canada will be managed by politicians and bureaucrats. I find it difficult to understand, when the Minister says that economic development in Canada will be managed by politicians and bureaucrats, how it compares with relying on the private sector as an engine of growth. Can anyone explain that logic to me? They appear to be completely contradictory statements. Either the Government will rely on politicians and bureaucrats or it will rely on the private sector, but it cannot do both. They do not represent the same thing.

Income Tax

The Government has a great system of grants. Grants are available to everyone who simply lines up at the trough. If someone needs a grant, they can see the Minister of Industry, Trade and Commerce. While the Government has indicated it will rely on the private sector, it will decide who receives the grants, and therefore who are the winners and the losers. The Government will decide for itself if it will give its grants to Dome, Maislin or to Massey-Ferguson. The game is called "line up at the trough".

I believe my friends across the way will enjoy this article, particularly the Minister of Agriculture (Mr. Whelan) since he is from the agricultural community. It concerns the definitions of communism, fascism, socialism and capitalism. "You are a farmer and you own two milking cows. Under communism, the government would take both cows and give you a little milk for your needs. Under fascism, the government would take both cows and sell you some milk. Under benevolent socialism, you would give one cow to a neighbour in need. Under capitalism, you would sell one cow and buy a bull or perhaps lease one to build up your herd. What would be done under the current Canadian economic management? It is simple, the Government would buy both cows at inflated prices, shoot one, pay civil servants to milk the other, throw away the milk and pay you not to raise the feed for the one that was shot."

What was most disturbing about the November budget was its anti-business bias and its chronic opposition to tax relief and deferral. While these are strong enough words, the budget's attack on entrepreneurs is only one side of the vice. The other side can be found in a quote from the budget paper entitled "Economic Development for Canada in the Eighties". It says that the Government of Canada must assume a leadership role in the field of economic development. But it says that it will rely on the private sector.

Before addressing one specific area of Bill C-139 concerning retirement benefits, I wish to cite a few examples of the Canadian tax system from my own personal experience. One of my constituents phoned me to say that he had received a letter from the Winnipeg taxation centre. I see the former Minister of National Revenue sitting here and I think he will enjoy this anecdote. The Winnipeg taxation centre deals with the majority of western Canadian income tax returns. My constituent said that after receiving the letter from Winnipeg he tried to phone the Winnipeg taxation centre. They would not answer his call. He finally asked his taxation centre in Calgary why he cannot get in touch with the Winnipeg taxation centre. He said, "They have written me a letter and I am trying to contact the person to sort the matter out." He was told by the Calgary taxation office, "Well, you cannot do that. You cannot reach the Winnipeg taxation centre by means of telephone. You have to write a letter". Do Hon. Members know how much this adds to the cost of clearing up simple little problems? One would think that the bureaucracy would try to make itself at least somewhat accommodating to the constituency or to the people. But, no, no. Bureaucrats say, "What we must do is force them to write a letter to Winnipeg. We will not answer any telephone calls from those ordinary, little old constituents".

• (2140)

The withholding of credit balances is a dandy. A letter was written to my constituent which stated, "A further review of your income tax accounts shows that a credit balance of $12,000 was reflected in your 1980 notice of assessment dated September 2, 1982. The above credit will be held pending assessment of your 1981 income tax return". The guy has already filed his 1981 income tax return and he has paid all of his taxes, and now the Government, through the Department of National Revenue, has the utter gall to withhold $12,000 which he has overpaid, which he has owing to him on his 1980 income tax return.

Mr. Kempling: At no interest.

Mr. Thomson: The arrogance is just incredible. Here is another beauty which has always bugged me, and that is that if one makes capital gains which, of course, one declares, one must pay full taxes on the capital gains, but if one has capital loss, no, it is only a one-way street. One pays full taxes on capital gains, but if one has capital loss, which one cannot offset by means of capital gains, one is only allowed to deduct one half of it in that year. Does that seem fair? Is it fair? There are full taxes on capital gains, but one can only claim one half of the loss. That does not seem to be very fair and equitable to me. One has two chances with the Liberal Government, and that is, lose and lose.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Thomson: This example is just one laugh. I could go on. I have reams of these in my pocket.

Some Hon. Members: More, more!

Mr. Thomson: I know of a company in western Canada, and I will not name names, which is involved in oil and gas exploration.

Mr. Simmons: Just give the street address.

Mr. Thomson: The company had worked for years trying to raise $10 million and had worked out a scheme to raise the $10 million in foreign capital. The deal was that it would be raised by means of debenture by debt, and the company would pay interest on this debt to the foreign investor. Therefore, it approached the Department of National Revenue, which gave a pre-ruling for which it had asked, and the Department of National Revenue said there would be no withholding taxes. That ruling was given on June 22, 1982. Six days later, the Department of Finance came out with its ruling, the changes to the Income Tax Act, and said, "No way. You cannot do that, no, no. We will tax you on that. You must pay withholding taxes". Therefore the company threw the $10 million deal overboard.

I said that I wanted to discuss retirement benefits for a few minutes. One would think that retirement benefits were sort of nasty, dirty words because our senior citizens, who have worked hard to build this country, will be taxed. The Government will get even with them, with all those people who have profited by investing in this country. The Government will tax their retirement benefits, and I will tell Hon. Members how it will do it. For those approaching retirement, the over-all effect of the changes which have been introduced in Bill C-139 will be to reduce the ability of people to save during their working years for their retirement years. First, the Government will disallow interest deductions for investing in Registered Retirement Savings Plans. The Government will not allow people to do that anymore. If one does not have the cash to put up, one will pay a penalty. One will not be able to go to the bank and borrow money in order to finance a Registered Retirement Savings Plan.

I cannot understand what is equitable about that. Why is it that if someone happens to have the cash to put into an RRSP, he should be treated differently from someone who does not, particularly now when many people do not have ready cash? Why would the Government penalize those who do not have the ready cash now? It is really a small, niggardly thing, it is not? If someone goes to the bank and borrows $3,500 and pays 12 per cent to 15 per cent interest on that amount, the Government will say to him, "No, you cannot deduct the $500 interest bill for investing in your own retirement income". Yet, who will pay to support people? We constantly hear about inadequacy. I hear the Minister of National Health and Welfare (Miss Bégin) stand up in the House day after day and say, "Pensions to our elderly people are inadequate". Yet here the Government is introducing a tax provision which will deny people the opportunity to invest in their futures.

There has been much said on life insurance, but, here again, life insurance is a traditional way by which Canadians put away money for their retirement years. Now, all of a sudden, the Government will tax the income associated with life insurance policies. Even though one does not receive the cash, as in a whole life policy, it just contributes to the amount of the paid up value of the life insurance, but the Government will tax one on that amount. One will not get any cash, but the Government will force one to pay tax. I do not understand.

Why is it that all of a sudden, the Government had to turn the tax system upside down and change it, when people made commitments, and bought life insurance as a traditional way of looking after themselves for the future? All of a sudden, the Government has turned the income tax system upside down in order to tax these people.

I would like to discuss employee share purchase loans. If there is one thing in which I believe and in which a great many other Canadians believe, it is the value of an employee owning shares in a company for which he works. If there is anything to which an employee can point as being something which makes him a more productive and willing worker, it is the knowledge that he owns some of the equity in that company and he feels a part of that company. We have had a system whereby employees are encouraged to go out and purchase shares in their companies. It makes them more productive and they feel more a part of their organization, but the Government will not allow them to deduct the interest any longer. It is niggardly. The Government seems to be taking the attitude that these employees are getting away with something. This was the law and no one was doing anything wrong, but now, all of a sudden, it is like being a criminal to take advantage of this right. An employee went out and bought shares in his company, but now the Government is plugging that loophole. It is saying, "We must stop that criminal action".

The November 1981 budget proposed limitations on the termination benefits and retiring allowances, which will significantly increase the taxation of such payments. Limitations on retiring allowances, on termination benefits and on the $1,000 pension income deduction will make it harder for many Canadians to prepare for their retirement years.

Bill C-139 will deny registration for future deferred profit-sharing plans which would have allowed an owner to qualify as beneficiary for the plan. This will discourage all owner-managed firms from having such profit-sharing plans, leaving both the owners and employees without job-related retirement income.

Concerning the provision relating to income averaging annuities, this is a real villain, according to the Government, and has been badly abused. I know an elderly couple in Ottawa who have worked in a small grocery store all their lives. They had a piece of real estate put aside that they had invested in many years ago, and they sold it last year. They were going to use the proceeds from that for their retirement income and had decided on putting it into an income averaging annuity. We are going to get those two old people, because they are abusing the system!

• (2150)

I heard my colleague talk about forward averaging. I heard the Minister and other officials say that forward averaging is just about the same as an income averaging annuity. If any of you have ever taken the time to work it out, you will know it is not. It is a penalty system, and it is designed to abuse the taxpayer. Why should the taxpayer have to pay a maximum rate of 50 per cent, and then adjust his future income? Why should the onus be on the taxpayer to put money up, on the basis that it may be refundable? There is no equity in that.

Restricted claims for support of non-resident dependants—let me give you an example of why that is bad. Suppose a parent chooses to move to the United States, and he does not have enough income to live on. His son decides to help him, but he is not allowed to deduct that. He could deduct it if his parent was living in Canada. I do not understand, why should a deduction be allowed if the parent lives in Canada but not if the parent lives in the United States? Is there any equity in that? No, sir.

There is one good thing in the Bill and that is the spousal transfers of RRSP funds in the event of a marital breakdown; that was a good move on the part of the Government.

Income Tax

The over-all significance of our tax policies can of course be appreciated quite readily when we reflect for a moment on the fact that tax is the mechanism that appropriates over 45 per cent of our gross national product at all levels of Government. Instead of trying to address the problem by looking at that 45 per cent and seeing what we can do about that, this Government has taken the other approach and said, "What we will do is to raise the revenues to meet the expenditures. We will not cut the cloth to suit our incomes. We will adjust the income tax take by increasing taxes to the people of Canada; but we are not going to modify our expenditures".

The present Government has used the tax system to induce taxpayers to make certain investments. Later they criticize those who do make those investments for not paying their fair share of tax. Over the years the Canadian Government has introduced income tax incentives to encourage Canadians to invest in multiple-unit residential buildings, Canadian films and oil and gas drilling funds. They did that, presumably, with a view to creating homes for people; they wanted to develop a Canadian film industry and wanted security of oil supply, but no, those people who did that, the Canadians who responded by investing in these business ventures, are told that is unfair and that they are taking advantage of the system.

The Minister of Finance described the tax system as unfair and said that the well-advised or the wealthy very often pay less than their fair share. The Gospel according to the federal Government amounts to this: tax incentives are introduced, but when Canadians make use of them they become tax preferences or loopholes for the well-advised and the wealthy.

I want to ask the federal Government: who did it think was going to invest in MURBs and drilling funds and Canadian films? Did it think that the people drawing unemployment insurance were going to invest in these things? They were put there for a purpose. I guess the implication which I find very disturbing is that the federal Government now takes the view that the gross income of everyone accrues first to the Government, and if we are allowed to retain some portion of it, then this is an act of benevolence on the part of the Government. I think we should ask ourselves what place this attitude has in a free and democratic society.

Mr. Nielsen: A point of order.

The Acting Speaker (Mr. Blaker): The Member for Yukon is rising on a point of order.

Mr. Nielsen: Mr. Speaker, I hesitate to interrupt my colleague, and I do so with my apologies. I refer to an intervention made this evening by the Minister of Agriculture (Mr. Whelan), in which, I am informed, in my absence from the House, he purported to give notice under Standing Order 75C with respect to Canagrex, Bill C-85.

I want to note, Mr. Speaker, that ordinarily this would trigger a debate tomorrow before Government Orders for two hours. I want to serve notice now that we do not accept the propriety of the procedure adopted by the Minister in giving that notice tonight. We do not accept the notice. We will be raising a point of order tomorrow, immediately prior to embarking on Orders of the Day, and leaving the question with the Chair at that time for its decision, presumably immediately, upon conclusion of the Chair hearing adequate argument as to whether or not the Minister, in giving that notice this evening, was in order, it having been given during a debate on a tax measure.

Essentially the position we will be taking is that if that procedure is acceptable we could be in the middle of a debate on the acceptability or the non-acceptability, for instance, of capital punishment and be served with notice, under S.O. 75C, of time allocation on Canagrex.

Essentially that will be our position tomorrow. I rise now to give the Chair due notice of that so you will have the evening and tomorrow morning to consider the matter, but we absolutely do not accept the notice as being proper. We presume that the Chair will be accepting our very well-reasoned arguments tomorrow and declaring that that notice is not within our practice, and we will be proceeding with the debate on Bill C-139 tomorrow in the usual way.

Mr. Smith: Mr. Speaker, I rise on that point of order. It was quite clear that the House Leader for the Conservative Party (Mr. Nielsen) has not read 75C, and I am sure that after he has had a chance to read it tonight he will rethink his position, because clearly the motion was in order. As to whether or not it was properly put is up to the Chair to decide, and not the Hon. Member for Yukon.

Some Hon. Members: Hear, hear!

Mr. Nielsen: Mr. Speaker, I agree wholeheartedly with the Parliamentary Secretary with the exception of that portion of his remarks dealing with my not having read 75C. The Government having exercised its prerogative under 75C this session 14 times more than any other parliamentary session in Canadian history, I have certainly read and re-read and re-read 75C.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Blaker): The Chair can recognize the Hon. Member for Calgary South, but I must indicate his time has expired. It is very close to 10 o'clock.

May I extend to the Hon. Member the privilege of continuing for a few more seconds.

• (2200)

Mr. Thomson: Mr. Speaker, I would like to say that Bill C-139 is the most complex piece of tax legislation to come before this House since Mr. Benson's White Paper on taxation. This Bill will hit very hard the low and middle-income Canadians who gain little or nothing from the legislation. There is one thing for certain. The proposals in this Bill will ensure the continued employment of two professions which have arisen through the complications of the income tax which have mounted since the 1960s. Those are the tax accountants and the tax lawyers.

There was a time when I understood a little bit about the Income Tax Act intricacies, but today I doubt whether I have any knowledge whatsoever.

The Acting Speaker (Mr. Blaker): Shall I recognize at one and the same time the Hon. Member for Burin-St. George's (Mr. Simmons) and call it ten o'clock?

Mr. Simmons: Yes, Mr. Speaker.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

ADMINISTRATION OF JUSTICE—MANDATORY SUPERVISION PROGRAM—RELEASE OF DANGEROUS SEXUAL OFFENDERS. (B) REQUEST FOR DEFINITION OF "A BAD EVALUATION"

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, I asked the Solicitor General (Mr. Kaplan), as is my want, questions on the subject of mandatory supervision. The question I am addressing tonight and on which I wish he would elaborate— I am glad he is in his place tonight to respond to my remarks—has to do with remarks he made to a gentleman about a week ago, a gentleman from Mississauga by the name of Mr. Les Crisp. He is quoted as saying to Mr. Crisp that no one with a bad evaluation will be released under mandatory supervision in the future.

This is my question to the Solicitor General. As it is clear the Solicitor General intends in the future to continue to release dangerous criminals to the public, if he is not going to use mandatory supervision in the future, what will he use in releasing these people? Such statements he has made in public raise very important questions.

I notice that the Chairman of the National Parole Board is starting a letter-writing campaign to the newspapers. I have before me a clipping from *The Globe and Mail* dated September 29 in which the Chairman of the National Parole Board is reported as having said, and I quote:

> The decision to test the mandatory supervision release mechanisms which by law allow a federal penitentiary inmate to return to society after he has served two-thirds of his sentence was an action which was not taken lightly.

You bet is was not taken lightly. It has been 12 years since mandatory supervision was enacted. That policy has now been in place for 12 years. To my knowledge, it has never been challenged until the last several months. The Chairman of the National Parole Board could not have been more honest when he says he has not taken it very lightly. He has waited long enough to do it. That raises some very important questions.

The same article which quotes Mr. Crisp goes on to say that the Solicitor General has urged the provincial attorneys-general to make more frequent use of habitual criminal laws. The Solicitor General and the Minister of Justice (Mr. MacGuigan) are the senior law officers of the land. They are the ones who ought to be urging Crown prosecutors to press charges. They are the ones who ought to be implementing the laws of this land in conjunction with the Provinces.

I would like to ask the Solicitor General, as I did the other day, when he wants to assume authority in this area, why is he foisting it on to the provincial attorneys-general? Why is he always copping out on that subject? Why is he seemingly asking the Chairman of the National Parole Board to take action? These are very important questions.

What I would like to know from the Solicitor General is why it has taken so long for the Chairman of the National Parole Board or the Solicitor General or the Minister of Justice to act. Why, when a law was apparently brand new, a law which instituted mandatory supervision, and the Solicitor General had said that there has been an over 50 per cent failure rate in mandatory supervision—

Mr. Kaplan: Forty-one per cent.

Mr. Friesen: Now the Minister says it is 41 per cent. I guess it depends on how he wants to read the statistics. Forty-one per cent is not a very good batting average. If it has been that ineffective, why have we seen dangerous offenders released in society after two-thirds of their sentence for 12 years? Why has it taken 12 years to test the validity of that law? I know the Government is intent on rehabilitation, but certainly it ought not to be the policy of the Government to do that at the expense of the unsuspecting public.

• (2205)

The Chairman of the National Parole Board has been wont to issue two more press releases defending his position to continue to incarcerate some inmates. On December 3 he said this was in order to ensure public safety. I commend the Chairman for that, but why was he not doing that during the past 12 years?

On December 3 he further stated, and I quote:

> As in the recent cases of west-coast inmates who were suspended 'at the gate' by the Board, this is a test case. There are few precedents for suspending mandatory supervision when the inmate has not been found responsible for misconduct which occurred subsequent to his release, and the National Parole Board fully expects its action to be challenged in Court.

There was another press release on December 7.

As I said the other day, Mr. Speaker, we need to re-examine the priorities of this Government. What are the values of this Government? As I said in a speech last Friday, "The mark of a civilized country is that it sees the role of a Government to defend and protect the defenceless in our society." If that is taken at face value, surely the defenceless ones are the ones who are living by the law without having to be urged by police officers to do so. But under this Government the defenceless ones are overlooked and ignored and those who are the rapists and the murderers are protected by the law.

Just a few years ago this Government spent thousands of dollars providing staff from the Ministry of Justice to help one man in Manitoba defend himself against a traffic ticket. Yet there is not one penny allocated from the Minister of Justice or the Solicitor General to protect the families of those victims who have been murdered or who have been raped. The Government has not set aside money for that. If this Solicitor General wants to be the friend of the defenceless, it is time to set his values in order and to start providing a defence for the defenceless, not for those who would rape and plunder our society.

Hon. Bob Kaplan (Solicitor General of Canada): Mr. Speaker, in spite of the criticism which I have received from the Hon. Member, I welcome very much his recognition of a very important fact which he has denied until tonight. Tonight in his opening remarks, and throughout his remarks, he finally admitted that this Government, and this Solicitor General, are getting tougher with dangerous offenders. In the past he suggested we were getting softer on them. Tonight, he finally recognizes we are getting tougher on them. He asks why it has taken so long? I cannot and do not propose to explain why it has taken many years to do these things. I will only say that they are being done. I am responsible for doing them and I am very pleased they are being done. I would like to deal with a few of them.

• (2210)

The Hon. Member asked why, in the case of the dangerous offender provisions, I was relying on provincial Attorneys General to do the job, and why I was not taking responsibility myself for having more Crown Attorneys seek dangerous offender classification of accused persons who are considered dangerous. There is a simple reason for this, Mr. Speaker. It is that the Crown Attorneys work for the provincial Governments. Those who prosecute these cases against dangerous offenders under the Criminal Code are always, 100 per cent of the time, in the employ of provincial Governments and report to provincial Attorneys General. That is why I directed my remarks to the Ministers responsible for them, namely, the provincial Attorneys General. I should like to do it myself and I should like to see it done, but legally the authority for those provincial Crown Attorneys is that of the provincial Attorneys General.

I do not think the Hon. Member knows the law very well but when he reflects on this I think he will understand why I chose to write to the provincial Attorneys General instead of writing to the people who are responsible to them.

The Hon. Member referred to the toughening of the mandatory supervision rules. One of those policies is totally within the responsibility of the Parole Board. I am very happy with the step it has taken and I support it. I would like to have seen that done years ago, but it is being done now and it is being challenged in the court. I look forward to the result of that challenge.

I have also taken a bill to the Senate to toughen mandatory supervision, and I know that the Hon. Member will support it. In all, I am glad to see that he finally recognizes that the Government and I, as Solicitor General, are getting tough on the dangerous offender.

ADMINISTRATION OF JUSTICE—REQUEST FOR FEDERAL-PROVINCIAL CO-OPERATION ON ISSUE. (B) REQUEST THAT MINISTER TAKE ACTION

Mr. Pat Nowlan (Annapolis Valley-Hants): Mr. Speaker, I must say it is rather ironic that tonight during the adjournment debate we have the Solicitor General (Mr. Kaplan) in a sort of three-hit tango on the different issues before the House. I listened to the eloquent plea of my colleague for Surrey-White Rock-North Delta (Mr. Friesen) about mandatory leave and other problems in the administration of Justice. I want to speak on something that is perhaps appropriate because of the season, and that is the blood money that could flow to the murderer who tries to profit from his books.

In the restricted time allotted to me I extend the olive branch of fellowship and/or goodwill of the season to the very harassed Solicitor General. I believe he feels the same compassion as I and other Members of the House and, indeed, all Canadians do for the tremendous problem regarding the civil liberties of the individual as opposed to the collective decency of the community, when a confessed murderer comes on national television and speaks of his crime. When someone says, as I heard and saw "Oh yes, I killed but I killed sincerely because of a political cause".

I do not try to ignore the problems involved in resolving this issue. The reason I take the time of the House on this adjournment debate tonight to bring this subject up is that no matter how much the Solicitor General and others share my compassion and believe that there is something to be said for the defenceless community and the victims of the murderer, I believe it is wrong to have this confessed murderer come on the screen and say, "Yes, it is the Christmas season and we have to profit from the book sales and therefore we have a book to publish." I felt sick, seeing the reporters at that press conference go up and ask for an autographed copy of the book.

That is why I got myself very directly involved in the first question that was asked about the specific case of Simard, the confessed FLQ killer, coming on the screens of the land less than two or three weeks ago at a press conference in Montreal. Those paragons of virtue, the press gallery, the fourth estate, exhibited no morals whatsoever, going up for their autographed copy. That part is not within the purview of the Solicitor General.

• (2215)

I am trying to bring to the attention of the Solicitor General tonight, in as calm a way as I can, what frankly is a new phenomenon, certainly in the western world and perhaps in Canada. We no longer have capital punishment. Therefore a lot of people, a lot of killers, walk the streets who would not have walked the streets had capital punishment been in place. We have the phenomenon of television through which one can

become an instant celebrity. Then we have the fact that a political crime is not supposed to be a crime. Therefore, there are nuances; a person can come on the screen and insult the collective decency of the community by a statement such as, "Oh, yes, I killed, but I killed sincerely". I do not believe—and frankly I think the Solicitor General may share some of my views—that the people behind him have the sense of urgency and immediacy which this phenomenon deserves.

Olson, that sickness of smut, killed a lot of young Canadians and is still taking the administration of justice into perversion by getting flyaway trips to Vancouver and/or Victoria in search of a new grave. It is a sickness beyond comprehension that we all share, in terms of the horror of the thing. Then we had Simard come on the public screens not too long ago. Those two incidents alone demand more action in the offices of the Solicitor General and the Minister of Justice (Mr. MacGuigan) than we have frankly seen heretofore.

I say to the Solicitor General that the United States has been faced with this because of a so-called Bill of Rights. They appreciate the fact that there is freedom of speech and the fact that I, in speaking tonight, might trespass on that right. But there is no absolute freedom of speech which allows the absolute insult of the dignity of the community at large, and which allows an absolute assault on the collective decency of Canadians. This has been proven in the Supreme Court of the United States. There are 28 states in the United States that have linked with them in their statutes compensation to victims and a prohibition, in respect of publication.

I must say that, in my emotional reaction to the press conference, when I first asked the question I was all for prohibition—take away the rights of the pen from anybody in the prison. I think I went too far, but this is not beyond the ingenuity of the law officers of the Crown and/or the compassion of the Attorney General. I have never asked a question in this House which has evoked more of a spontaneous response than the question about the murderer not profiting from his murder.

In conclusion, may I suggest that continual pressure should be kept on the Minister, he should not give me the slough-off by saying that law officers are studying it. Let us have a white paper, or a green paper; let us have the Law Reform Commission do something. Something has to be done now because Canadians are speaking out that a murderer should not be able to profit from his crime, whether this is done by establishing trust fund for victims, by impoundment of the profit in the right of the state or any one of a number of things. If we can have an embargo on External Affairs documents and documents of state for 20 or 30 years to save the sensitive egos of public servants, surely to "Lord liftin" we can have some type of embargo from the Attorney General and/or the Minister of Justice on a murderer insulting and committing another crime against the sensitivity of the victims and/or Canadians by coming on the screen and suggesting that he will profit from his crime.

Hon. Bob Kaplan (Solicitor General of Canada): Mr. Speaker, the Hon. Member has generated a lot of heat on a subject about which I too have very strong feelings. Like the Member, I consider it to be unacceptable for a criminal to be able to profit from the sensationalizing of his crime through the writing of a book or the giving of interviews. While the Hon. Member has generated a considerable amount of heat, I would rather that he generated some light as well.

• (2220)

Mr. Nowlan: Twenty eight states have got it. What are you doing?

Mr. Kaplan: Twenty eight states have got it, and that suggests it is not federal legislation in the United States.

Mr. Nowlan: The Americans have states.

Mr. Kaplan: We have provinces in this country and our provinces have considerably more power than the states do in the United States. I do not mean by that to suggest there is not a federal solution. There may well be a federal solution. We are pursuing one, but I have not heard one from the Hon. Member opposite.

Mr. Nowlan: I could have given them to you.

Mr. Kaplan: A private Member's Bill was proposed by someone on his side of the House.

Mr. Nowlan: The Hon. Member for Crowfoot (Mr. Malone).

Mr. Kaplan: It is a Bill worth putting forward, but it is probably not a bill that would create valid federal legislation.

I myself have proposed two ideas, one to which the Hon. Member referred, and the other being simply making it a crime to write a book like that. I proposed my ideas to the country for some thought. The provincial Attorneys General, by and large, replied. They are also very concerned about the problem and they feel concerned about the solutions I proposed. They indicated, without giving me any ideas about what to do, that I should do something other than the two suggestions I had proposed. I am giving the matter a great deal more thought. I am working with officials on it.

We have made suggestions to the law officers of the Crown. We have kept in mind the constitutional issue, because no one will be served if we bring forward a bill that Clifford Olson can take to the Supreme Court or to a lower level court and have struck down as being valid provincial legislation, but not valid federal legislation. I might add that a couple of Attorneys General who wrote me rejected the option of provincial action, and suggested that this is a problem that only the federal Government can solve.

Mr. Nowlan: Publish them all.

Mr. Kaplan: I take that responsibility very seriously. I am working on this problem and I am putting a lot of time into it. I hope that very shortly I will be able to share the results of my work with members opposite and, indeed, with all Members of

the House. I think it is a very urgent matter because Canadians, perhaps as never before—maybe this kind of book is unprecedented—are scandalized by this book, as I am. They resent very much the kind of opportunities which the mass media and mass publication, and so on, provide for an individual who really is beneath contempt and who should not be allowed to profit from his crime.

I would only suggest that this is a country with a great respect for the rule of law. No one will be served by having some half-baked solution that results in frustrating the Canadian people even more than they are now at the prospect of a man like Clifford Robert Olson making a substantial profit from the publication of such a book.

NATIONAL SECURITY—CASE OF CANADIAN PROFESSOR—APPLICATION OF OFFICIAL SECRETS ACT. (B) TIMING OF DECISION TO PROSECUTE IN GREAT BRITAIN

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, the Solicitor General (Mr. Kaplan) continues to hide from his responsibilities in the Hambleton spy matter. This evening I want to discuss some of the issues in this matter.

The Government has avoided prosecuting the spy Hambleton. It claims the April 25, 1980, legal opinion provided by the Department of Justice, determined that a prosecution would not be successful. The Government had already determined at that point that Hambleton should be prosecuted. The Government was simply without what it considered to be sufficient evidence.

What did the security service do at that point? It went back to Mr. Hambleton and told him of the decision of the Department of Justice, and he began to tell his story. The Solicitor General says that no prosecution could be undertaken thereafter because these confessions were taken without a caution being given to Mr. Hambleton. I ask the Solicitor General where in Canadian law is it mandatory that a caution be given to make a statement voluntary? The only requirement is that when a statement is made to a person in authority, it be made without fear of prejudice or hope of advantage. The Boudreau case in 1949 established that to be the law in this country.

In any case, the Solicitor General did not even bother to return to the Department of Justice to get a second opinion. One has to ask why did he not return?

The Minister hides behind the claim of lack of evidence, and behind a legal excuse as to why Hambleton was never prosecuted, yet he did not bother to go to the Department of Justice to see if his judgment held any water whatsoever. He says there was no direct evidence other than that supplied by Hambleton. Yet, when my colleague, the Hon. Member for Durham Northumberland (Mr. Lawrence), asked whether the Canadian Government knew that direct evidence was available that Colonel Rudolph Hermann passed United States secret classified information to Hambleton on Canadian soil, the Solicitor General of Canada refused to answer for reasons of so-called national security.

• (2225)

Again, why could the Solicitor General not give us this information? I submit that the answers can be found in many of his responses to questions in the last two weeks. The Solicitor General says that after Hambleton was told of the Department's decision not to prosecute, all of a sudden he began to talk. The Solicitor General said:

> We learned a great deal more about his activities after the Security Service informed him of the decision.

The heavens opened and the sun came out. The Minister says that there was no inducement; he was simply advised of the legal opinion. Why, may we ask, was this spy so forthcoming?

Let us dig a little deeper. On December 1, 1982, as reported at page 21172 of *Hansard*, the Solicitor General said:

> The Hon. Member has to recognize that the Security Service is not primarily in the business of catching crooks, seeing them tried, and seeing them punished. The objectives of the Security Service are much broader. They are to protect the national security of the country.

On December 8, 1982, as reported at page 21393 of *Hansard*, the same Minister said the following:

> That Service was quite satisfied to be running a very successful counterespionage operation which was very productive. Hambleton was giving the Service information, which information the Service was sharing with the other friendly intelligence services, including MI5.

What we have here is a situation in which the Minister responsible for the Security Service made the political decision not to prosecute Hugh Hambleton. He says that he did not have the evidence. Yet after April 25, 1980, he never returned to the Department of Justice for another legal opinion. He has said that he does not have the legislation, yet our Official Secrets Act is broader than Britain's. He has hinted vaguely at the true story, that he and the Security Service simply decided that Hambleton should be used for the information he could provide and that a prosecution would go by the boards. This was probably effected through a deal with Hambleton. I suggest it is inconceivable that Hambleton would talk without some kind of deal. One thing is certain; the Government wanted Hambleton to think that he had a deal.

On this issue the Government cannot have it both ways. Either it admits that it induced Hambleton to provide his statement, or it admits that it should have prosecuted, for without inducement there was no obvious bar to prosecution. Why does the Solicitor General not come clean with the House and with the Canadian people? Why does he not tell us the whole story? Is it because he knows his handling of this entire affair has been appalling and he seeks to cover up his role?

Some may ask if there is anything wrong with using Hambleton for information. Why should spies be prosecuted? I say to those people that this man has committed crimes of a very serious nature. He has undercut the defences of our country and of our allies. By giving this man immunity we send messages to his patrons. They know how Canada treats its spies. Spies have nothing to fear in this country under this Government.

On that side of the House we have, as Solicitor General, Hugh Hambleton's aider and abbetor. I am asking a simple

question, as are the people of Canada. Why does the Solicitor General not stand in his place? Why does the Minister of Justice (Mr. MacGuigan) not stand in his place and make a complete and full report to the Canadian people on the method and the manner in which this matter was handled? We can only draw one conclusion from their reluctance. This is the result either of incompetence or, which is of more concern, they have something to hide.

• (2230)

Mr. Al MacBain (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, it is my pleasure as Parliamentary Secretary to the Minister of Justice (Mr. MacGuigan) to rise in reply to the intervention of the Hon. Member for Saskatoon West (Mr. Hnatyshyn). I do not propose to deal in detail with the Hambleton case. I think it would be more worthwhile if I traced the history of the Official Secrets Act of Canada in comparison with that of the Official Secrets Act of Great Britain.

The Official Secrets Act in Canada is modelled on a statute enacted by the Parliament of the United Kingdom. Because the Canadian law is an outgrowth of the United Kingdom's statute, it is desirable to set out briefly, in a few principal milestones, the development of the United Kingdom law in this area.

The first Official Secrets Act was passed by the United Kingdom in 1889 as the result of continuing leaks of Government information. The provisions were aimed at dealing with "espionage as well as the leakage of Government information, the disclosure of which would not be quoted in the interest of the state, or otherwise, in the public interest". In 1911, the United Kingdom's statute was amended.

When the amending Bill was introduced to the House, the Government announced that the amendments were intended to strengthen defence against espionage activities. However, the Bill also made it an offence for any Government information to be disclosed without authorization, whether or not the information was secret, and whether or not the disclosure would adversely affect the interests of the state. Owing to the deteriorating international situation, no questions were asked and the Bill was passed without substantial debate. The scope of the leakage offence was thus widened without any apparent public discussion of what had transpired.

The United Kingdom's statute was further amended in 1920, but those amendments were not intended to modify the leakage provision in any important way. The United Kingdom statute thus deals with two distinct offences, espionage and leakage of Government information.

The first Canadian OSA was passed in 1890 at the request of the Government of the United Kingdom. Its provisions were transferred to the Canadian Criminal Code when it was enacted in 1892. I see, Mr. Speaker—

Mr. Hnatyshyn: Carry on. I'm fascinated.

Mr. MacBain: I can understand that.

The Acting Speaker (Mr. Blaker): I am sorry to interrupt the Hon. Member, but the time allotted for the adjournment motion has expired.

At 10.32 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, December 14, 1982

The House met at 2 p.m.

• (1405)

MOTIONS UNDER S.O. 43

[*English*]

ENERGY

SUGGESTED MODIFICATION OF OIL PRICING AGREEMENT

Mr. Gus Mitges (Grey-Simcoe): Madam Speaker, in view of the fact that under the federal-provincial agreement the price of a barrel of domestic oil is geared to 75 per cent of the cost of a barrel of international oil, which is applied only when the international price rises but does not apply when the price drops, I move, seconded by the Hon. Member for Simcoe North (Mr. Lewis):

That the Government take the necessary steps to modify this agreement so that it will work both ways, which could mean a substantial saving to Canadians in their fuel bills when implemented.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

THE PRIME MINISTER

Mr. Ron Stewart (Simcoe South): Madam Speaker, it is important that recognition be given to the ideological direction being taken on behalf of this nation by the Prime Minister (Mr. Trudeau). In keeping with his personal socialist philosophy, he established a friendship accord with the Soviet Union and, as the only western leader to attend the funeral, eulogized Brezhnev as a man of peace, a tribute the people of Poland, Czechoslovakia and Afghanistan failed to comprehend. I move, seconded by the Hon. Member for Bow River (Mr. Taylor):

That, because the Prime Minister continues to support those Canadians who actively pursue a philosophy similar to his, to the extent of refusing to prosecute those who, like Hugh Hambleton, would otherwise be dealt with as traitors, this House direct that a letter be written to the newest man of peace, Yuri Andropov, former head of the KGB, suggesting the Prime Minister of Canada be awarded the Order of Lenin for services rendered.

Madam Speaker: The Hon. Member for Crowfoot (Mr. Malone).

EXTERNAL AID

ADVISABILITY OF PRODUCING UNICEF PARLIAMENTARY CHRISTMAS CARDS

Mr. Arnold Malone (Crowfoot): Madam Speaker, since attempting to get a motion passed yesterday, another 12,000 of the world's children have died of starvation. Since Members of Parliament and Senators send an estimated one-quarter of a million Christmas cards per year, and since UNICEF has done an outstanding job in bringing assistance to the world's needy children, I move, seconded by the Hon. Member of Oxford (Mr. Halliday):

That this Parliament urge that an informal group be organized by the political Parties in this Chamber to ascertain the advisability of having the UNICEF organization produce special parliamentary Christmas cards so that Members and Senators might, concurrently with their good wishes for the Christmas season, assist the needy children of the world.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

HUMAN RIGHTS

CONDEMNATION OF SASKATCHEWAN MLA'S COMMENTS

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, on Friday, December 10, Saskatchewan celebrated Human Rights Day. The day before, a Conservative MLA, Lloyd Hampton, told a legislative committee that it is not fair when a person buys a $100,000 house in a nice residential area and then is forced to sell it cheaply when immigrants buy the house next door. He said:

Their aroma floats into my property and the next thing you know the value of my home has gone to pot.

He also characterized native workers as being incompetent and suffering from hangovers. I move, seconded by the Hon. Member for The Battlefords-Meadow Lake (Mr. Anguish) and, I hope, by all Hon. Members of the House:

That this House condemn the Conservative MLA Lloyd Hampton's comments in light of their affront to federal and provincial human rights legislation, fundamental human dignity, and the history of immigration that has built this country of ours.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

S.O. 43

• (1410)

BUSINESS OF THE HOUSE

TIME ALLOCATION FOR REPORT STAGE AND THIRD READING OF BILL C-85

Mr. Len Gustafson (Assiniboia): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. The Minister of Agriculture (Mr. Whelan), in moving closure under Standing Order 75C, is creating yet another mammoth Crown Corporation named Canagrex which will have broad and powerful control on all agricultural and food products. This recent step by the Minister further undermines the democratic working of this House. Therefore I move, seconded by the Hon. Member for Medicine Hat (Mr. Hargrave) and the Hon. Member for Athabasca (Mr. Shields):

That this House ask the Minister of Agriculture to reconsider a step as serious as the one taken yesterday on closure and allow free and open debate in this House on Bill C-85.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

LABOUR CONDITIONS

BOWATER LAY-OFFS—PROTECTION OF WORKERS' JOBS

Mr. Ted Miller (Nanaimo-Alberni): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. Whereas the Bowater Newfoundland Ltd.'s employees have been put on notice that the company will close permanently a large part of its Corner Brook pulp mill on April 2, putting some 750 of the workers out of work; and whereas this decision came in spite of profitable years between 1978 and 1981 and the company's remission of large dividends to its British shareholders this year, I move, seconded by the Hon. Member for Vancouver East (Mrs. Mitchell):

That the House instruct the Government to meet company officials, provincial Government officials and employees' representatives to discuss possible action to protect the jobs of Bowater's workers, and that the Government aiso be instructed to investigate the circumstances of the reduction in the plant's operations in spite of its productivity and profitability.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

CANADA POST CORPORATION

1985 CONGRESS ON ALCOHOLISM AND DRUG DEPENDENCE—SUGGESTED ISSUANCE OF COMMEMORATIVE STAMP

Mr. Bill Yurko (Edmonton East): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. In view of the fact that the widespread social and economic costs resulting from the abuse of alcohol and drugs are becoming increasingly apparent and understood in Canadian society; in view of the fact that many agencies and groups across Canada are attempting to address this problem by increasing public awareness of it, and in view of the fact that there is almost a desperate call by society on all elected Members to act in a meaningful manner, at the request of the Alberta Alcohol and Drug Abuse Commission, I move, seconded by the Hon. Members for Saint-Michel (Mrs. Killens), Kootenay West (Mr. Kristiansen), and Calgary East (Mr. Kushner):

That this assembly act unanimously to bring attention to this very serious matter by requesting the Post Office to strike a stamp to mark the first meeting in Canada of the thirty-fourth International Congress on Alcoholism and Drug Dependence scheduled for Calgary in 1985.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

METRIC CONVERSION

MINISTER'S PRESS RELEASE REFERENCE TO REGULATIONS

Mr. Gordon Towers (Red Deer): Madam Speaker, my motion under Standing Order 43 is a direct challenge to the Minister of Consumer and Corporate Affairs (Mr. Ouellet) to retract an incorrect statement in his media release of yesterday that regulations regarding metric were passed by the Clark Government, by Order in Council. I checked with the Privy Council Office this morning and was informed that no such Orders in Council were passed between May, 1979, and February, 1980. Therefore I move, seconded by the Hon. Members for Wetaskiwin (Mr. Schellenberger) and Athabasca (Mr. Shields):

That the Minister of Consumer and Corporate Affairs move immediately to amend this false statement, and if he intends to follow through with his bluff to prosecute those Canadians in the retail field who are exercising their freedom of choice in a free country, that he treat the cases as sub judice and refrain from placing any phone calls to judges or criticizing their decisions.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

• (1415)

FINANCE

FUEL EXCISE TAX EXEMPTION SOUGHT FOR FARMERS

Mr. Jack Shields (Athabasca): Madam Speaker, because the rate of farm bankruptcies in Canada which have been caused by high overhead costs to farmers has reached the point where the survival of the agricultural industry is seriously threatened, I move, seconded by the Hon. Member for Wetaskiwin (Mr. Schellenberger) and the Hon. Member for Assiniboia (Mr. Gustafson):

That this House immediately take action to assist farmers to reduce their operating costs by introducing legislation which will exempt farmers from the payment of federal excise tax on fuels used in agricultural production.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

CROWN CORPORATIONS

OPPOSITION TO CREATION OF NEW CORPORATIONS

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, Crown corporations were termed a dangerous hole in the taxpayers' pockets, and the Government's control of Crown corporations was severely criticized by the Auditor General in his annual report. Last night the Minister of Agriculture gave notice that the Government is now invoking closure in order to create Canagrex, yet another Crown corporation. The Opposition has moved several responsible amendments to the legislation that will allow Parliament effectively to scrutinize public funds being spent by Canagrex. As a result of closure, these amendments will not now have a chance of being adopted. Therefore I move, seconded by the Hon. Member for Wetaskiwin (Mr. Schellenberger):

That this House instruct the Government not to create any new Crown corporations before legislation is passed which allows Parliament to regulate this form of subgovernment properly.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

BUSINESS OF THE HOUSE

TIME ALLOCATION FOR REPORT STAGE AND THIRD READING OF BILL C-85

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, in the absence of the Prime Minister, who indicated that he would be here, and in the absence of the Deputy Prime Minister, I will direct my question to the Acting Prime Minister, to whom I have also given notice. The Acting Prime Minister will know that the Canagrex Bill had been debated for only 90 minutes at the report stage. Yet last night, without warning, the Minister of Agriculture gave notice of an intention to introduce closure on Canagrex.

Some Hon. Members: Shame!

Mr. Clark: Will the Acting Prime Minister, on behalf of the Government, now agree not to proceed with closure on Canagrex?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, since the question concerns the business of the House, I think I should make it clear what the facts of the matter are. I may remind the Hon. Members opposite that the Canagrex Bill was introduced more than a year ago, on December 8, 1981. It was debated on second reading for twelve hours and fifty minutes on five sitting days. In committee, the Bill was debated for three and a half months. Twenty-seven meetings were held, lasting a total of twenty-one hours and forty-five minutes, and finally, at the report stage, most of the amendments being proposed are similar to those that were defeated in committee. The Leader of the Official Opposition ought to know that for the Government to give notice pursuant to Standing Order 75C means that his party in particular has refused to co-operate in negotiating a reasonable schedule for completing debate on the Bill. Otherwise, the Government would have had no reason for using Standing Order 75C. Whenever a minister responsible for a bill sees no other alternative but to give notice in order to limit debate at any stage, it implies that despite discussions with the Official Opposition, no agreement could be reached on when debate could reasonably be concluded. Consequently, what the Minister of Agriculture did yesterday is entirely in accordance with the Standing Orders of this House and with parliamentary procedure, and indicates the Official Opposition's lack of good faith in refusing to negotiate an agreement for ending debate on this very important Bill.

Oral Questions

[*English*]

POWER OF PROPOSED CANAGREX CORPORATION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, we have noted before with this pocket dictator of a Government—

Some Hon. Members: Hear, hear!

Mr. Clark: —that the weaker its case, the longer it takes it to defend its action. The Government knows that there have only been 90 minutes of debate at report stage. It knows that its own Members failed to show up to allow debate on this Bill the last time it was brought in. It knows that the Minister of Agriculture snuck into the House the other night and introduced closure by surprise, on Canagrex. What the Government House Leader has done is indicate that he holds in contempt the spirit of Parliamentary reform that was marked when Members from all sides of the House adopted the first report of the Committee on Standing Orders and Procedure, and that will not be forgotten.

Let me ask whomever is speaking for the Government as Acting Prime Minister whether the Government believes, and why this Government believes, that this Crown corporation needs the extraordinary power to buy and sell agricultural products, and why it refuses to allow that principle to be discussed here in the House of Commons of Canada?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I think the Leader of the Opposition will agree that one would have to be very narrow-minded to conclude that limiting debate at this point constitutes an attack against the spirit of parliamentary reform, on the contrary. The Right Hon. Member ought to know that the reform proposals provide for a parliamentary calendar, with set dates for adjournment. It will therefore become even more vital for parties to meet in good faith and try to negotiate agreements on the length of debate on certain bills, if the House really wants this experiment to be fruitful and to pave the way for permanent reform. What we are doing today in no way affects the spirit of parliamentary reform, and I think the Right Hon. Member's party, in refusing to agree to time allocation with a view to ending the debate on Canagrex, is in fact against the spirit of parliamentary reform. The Leader of the Opposition knows perfectly well that the House will adjourn on December 22. This is the first time in our history that Hon. Members have been informed three weeks ahead of time that the House will be adjourning on a given date for the Christmas holidays. Nevertheless, the Leader of the Opposition is doing everything in his power to keep the Government from expediting its legislation within a reasonable length of time. The fact that the Minister of Agriculture was obliged to give notice, as he did yesterday, means that the Leader of the Opposition failed to show the parliamentary co-operation required to conclude an agreement on a reasonable length of time for ending the debate on this very important Canagrex Bill.

• (1420)

[*English*]

AUDITOR GENERAL'S COMMENTS ON CROWN CORPORATIONS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, the Government House Leader will have a hard time explaining how it was the attitude of the Opposition that stopped his own Members from being able to show up in this House of Commons to debate Canagrex. They would rather boycott the House and then invoke closure, which is what they have done.

Some Hon. Members: Hear, hear!

Mr. Clark: I see that the dictator-in-chief has returned.

Some Hon. Members: Hear, hear!

Some Hon. Members: Withdraw.

Mr. Clark: Let me ask the Prime Minister—

Madam Speaker: Order, please.

Mr. Clark: Perhaps Members opposite would like to impose closure on the question period as well.

Some Hon. Members: Oh, oh!

Mr. Clark: Can the Prime Minister tell us whether the Government intends to ignore the Auditor General's report and recommendations about the abuse of Crown corporations generally, or does he intend to ignore it simply and exclusively in the case of Canagrex?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, if I may finish my answer to the question put by the Right Hon. Leader of the Opposition, he twice alluded to the fact that at a given time, there were not enough Liberal Members in the House to debate the Canagrex Bill. This reminds me that we tried twice over to call the Bill for debate, and twice the party of the Leader of the Opposition used childish tactics to prevent the debate from taking place. In fact, the occasion to which he is referring, namely, when a large number of Liberal Members were present but not in sufficient numbers to make a quorum, there were more than twenty Conservative Members hiding behind the curtains like a bunch of kids to prevent Parliament from working. Madam Speaker, since we are talking about the spirit of parliamentary reform, not about infantile behaviour, I suggest that the Leader of the Opposition consult the real lawyer sitting on his left, who will tell him that he urged me, in the present circumstances, to limit the debate because there was no way agreement could be reached on a specific deadline for concluding the debate on Canagrex.

• (1425)

[*English*]

POSITION OF PRIME MINISTER

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, let me direct my supplementary to the Prime Minister. Does the Prime Minister know anything about Canagrex? Does the Prime Minister know that his Government imposed closure on it? Does the Prime Minister intend to reject the advice of the Auditor General regarding the abuses of Crown corporations generally, or does he intend to reject that advice simply in the case of Canagrex?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I apologize to the House. I did arrive late. I was having lunch with the spiritual leaders of the country who wanted to debate the question of nuclear disarmament. On the way back I was told that the Leader of the Opposition had sent a letter to my office at 12.45, at which time I was already engaged in the meeting. Therefore, I have not had time to read the letter. However, I understand from the debate which has begun that the objection is more to the notice of closure than to the substance of the debate.

I understand that timing has been discussed over a long period as to how we can reasonably bring this debate to a democratic end by having a vote on it. There have been more than 86 hours in the House and in Committee given to the debate on this subject. I think any reasonable kind of person in a democratic meeting, and this is the case here, would be able to reach some firm agreement as to a reasonable amount of time after which the debate would be brought to an end. I do not think there is anything dictatorial in hoping that a democratic assembly will make up its mind on the time for debate and on the results of that debate. That is what we are asking the Opposition.

In so far as the question of the Leader of the Opposition on Crown corporations is concerned, I do not think that even he or his Party would think that the Auditor General was advocating the abolition or non-use of all Crown corporations, because then we could begin with Air Canada, CNR, and so on. Therefore, the question of Crown corporations and its relevance to the Auditor General's report is whether this Crown corporation will be properly controlled. That is the purpose of the debate before the House. It is on that we want the Opposition to express its views and to vote.

* * *

THE ECONOMY

REQUEST FOR CONVENING OF FIRST MINISTERS' CONFERENCE

Hon. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Prime Minister. Yesterday in the House the Minister of Finance, in reply to a question from the New Democratic Party, indicated that there ought to be a major co-ordination between the federal and provincial Governments to come to grips with the alarming level of unemployment in the country. Yesterday, at the same time the Minister was speaking here, the Maritime Premiers were meeting elsewhere, expressing the same desire for a co-ordinated effort between the federal and provincial Governments on the economy, but noting that the Prime Minister, not having agreed to a First Ministers' conference on this subject, they remain skeptical about the seriousness of the federal Government on it.

Considering that the Minister of Finance has said we need a major co-ordinated effort and, as everyone knows, unemployment is now at a disastrous level, will the Prime Minister state his agreement in principle and make it clear to the Maritime Premiers that he would like to have a First Ministers' meeting on the economy?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I would like to suggest to the Leader of the New Democratic Party that his question is very oddly timed. He is asking that question just two days before the federal Minister of Finance meets with all his opposite numbers from the Provinces, precisely to discuss ways of implementing that co-ordinated effort which we certainly want and which we suspect the Provinces want, and they will be attending that meeting. I would suggest to the Leader of the New Democratic Party that he put more faith in the provincial Ministers of Finance, who are coming precisely to discuss co-ordinated efforts, than the other Ministers of the Provinces who do not seem to know about that meeting.

• (1430)

REQUEST THAT PRIME MINISTER AGREE TO MEET PREMIERS

Hon. Edward Broadbent (Oshawa): Madam Speaker, it is not a question of faith in the provincial representatives on this issue. Up to this point, and specifically concerning the Prime Minister, it is a question of faith in the Government.

I would like to say in all seriousness to the Prime Minister that one of the advantages of a commitment by the Prime Minister now, instead of standing back and waiting to have such a conference, would be that the Finance Ministers when they meet could act on that assumption, sort out certain basic questions which ought to be faced by the First Ministers, and the First Ministers could then meet, presumably early in the new year, if it is not resolved before. Therefore, I would like to ask the Prime Minister once again, will he not commit himself in principle to the necessity of meeting on this fundamental question of unemployment with the other Premiers of the country?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I cannot speak for the Finance Ministers of the Provinces, but our Finance Minister has been part of the Government for more than ten years and throughout the seventies we have had a greater number of federal-provincial First Ministers' meetings than in any other period in our history. There have been dozens of such meetings, Madam Speaker, since I have been Prime Minister, as many, I think, as have been had, perhaps in the previous 25 or 50 years. The assumption is that we are always anxious to have federal-

provincial meetings if they are productive, and the best way to see if they can be productive will be for the federal Minister of Finance to meet with his counterparts to see what suggestions they have for co-ordinated or other forms of action in order to help revive the economy.

RESPONSIBILITY FOR CONVENING CONFERENCE

Hon. Edward Broadbent (Oshawa): Madam Speaker, with all due respect to the Prime Minister, surely if the meeting which is taking place on Thursday is a success, then, presumably, the implication of what the Prime Minister is saying is that there will be a First Ministers' conference. But even if it is not a success, I would like to suggest to the Prime Minister it is all the more reason for the Prime Minister of Canada to show some leadership and call the First Ministers together to give some collective leadership to Canada in this very serious economic situation. Therefore, I would like to ask him a straight question, not a rhetorical one. Would he not agree that, even if the meeting which takes place on Thursday is not successful, it is essential to get a co-ordinated effort at the national level, involving the Provinces and the federal Government, and, therefore, he should exercise his responsibility and request that the Premiers come and meet in Ottawa, or elsewhere, to deal with the very serious problem of unemployment?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I will speak my mind quite clearly on this. I think that a meeting which would be wildly unsuccessful and would break down as did the February meeting of last year, when there was total disagreement and practically chaos in the so-called collective approach of all First Ministers, would be counter productive. I would rather have no meeting if it appears from the meeting of the Finance Ministers that there is not some possibility of reaching a form of agreement, and if the signs seem to emerge from that meeting that the Premiers will use the next meeting as they did the February one, to make ten speeches on television blaming the federal Government for all the evils of the nation.

* * *

HOUSE OF COMMONS

PRESENCE IN THE GALLERY OF MINISTER OF EDUCATION OF SWAZILAND

Madam Speaker: I would like to draw the attention of the House to the presence in our gallery of the Hon. Canon S. D. Dlamini, Minister of Education of Swaziland.

Some Hon. Members: Hear, hear!

[*Translation*]

PRESENCE IN GALLERY OF THE SECRETARY GENERAL OF THE NORTH ATLANTIC COUNCIL AND OF FRENCH PARLIAMENTARIANS

Madam Speaker: I also have the honour of drawing the attention of the House to the distinguished presence in our gallery of Mr. Phillipe Deshormes, Secretary General of the North Atlantic Assembly.

Some Hon. Members: Hear, hear!

Madam Speaker: And of a delegation of French parliamentarians headed by Mr. Bernard Derosier.

Some Hon. Members: Hear, hear!

* * *

[*English*]

CROWN CORPORATIONS

FRAMEWORK FOR ACCOUNTABILITY—AUDITOR GENERAL'S COMMENTS

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, in his response to my Leader, the Prime Minister talked about what the Auditor General did not say about Crown corporations in his report. What the Auditor General did say was that of 33 key criteria which should be included in an omnibus Crown corporations' policy, the Government's Bill C-123 fails to meet some 26 of those criteria. I would like to ask the Prime Minister, will he now give the House the assurance that no new Crown corporations will be created, including Canagrex, until the Government has in place a comprehensive framework for the accountability of Crown corporations which meets most of the key objections of the Auditor General?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, we do have such a comprehensive framework. I believe it is before the House now in Bill C-123, and Part V of that Bill indicates that comprehensive framework which we see as appropriate for ensuring that Parliament has all the pertinent and relevant information regarding the operation and control of Crown corporations, and that the Government maintains the ultimate responsibility for acting on behalf of the shareholders. This is the spirit of Bill C-123. We hope that the Opposition will co-operate to bring it before the House as soon as possible so that we can hear their views on this and, hopefully, improve it and study any amendments they might want to bring in which would improve the control and administration of Crown corporations.

Mr. Hnatyshyn: If not, bring in closure.

REQUEST THAT BILL C-123 BE SCRAPPED

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Possibly the Prime Minister did not hear the question or he did not read

the Auditor General's report. What I pointed out was what the Auditor General said, that of 33 key criteria which the Auditor General feels should be included in any framework for Crown corporations, C-123 fails to meet some 26. In view of that fact, and in view of the fact that the Government, without any reference to Parliament whatsoever, over a three-month period created four new Crown corporations, and is acting now to gag Parliament on Canagrex, why will the Prime Minister not reconsider his policy? Why will he not stand Canagrex to one side? Why will he not scrap Bill C-123 and bring in a Crown corporations' policy which meets the objections of the Auditor General and the Parliament of Canada?

Some Hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): I am sure the Hon. Member is not serious in suggesting we scrap a Bill on which some 86 hours have already been spent.

Some Hon. Members: Put it aside.

Mr. Trudeau: Canagrex has been studied for 86 hours by this Parliament. If the Hon. Member is asking now about Bill C-123, then we suggest that the debate begin on that also and that we hear which particular criteria, in the view of the Hon. Member opposite, have not been met by that Bill.

Mr. Beatty: They are listed in the Auditor General's report.

Mr. Trudeau: I understand the Hon. Member has a copy of the Auditor General's report in his hand and he wants to make some arguments—

Mr. Clark: All you have are your jack boots.

Mr. Trudeau: —on the criteria. The Leader of the Opposition wants to get in on this, but I would suggest it would be a courtesy to his Member, to his backbencher, if he let me continue the argument with him. But the Leader of the Opposition is not known for his courtesy and he would like to act as a dictator—

Mr. Clark: I do not take lectures on courtesy from you.

Mr. Trudeau: —but unfortunately he cannot find in his Party people who want to be dictated to.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

INCOME TAX ACT

ALLEGED OMISSION OF NOTARIES IN IDENTIFICATION OF PROFESSIONS IN SECTION 16(2)

Hon. Roch La Salle (Joliette): Madam Speaker, my question is directed to the Minister of Finance. In his Bill to amend the statute law relating to income tax, I think there was a very serious oversight which the Minister will notice in Clause 16(2), which identifies the professions of accountant, dentist, lawyer, medical doctor, veterinarian and chiropractor. The Minister of Finance is aware that in Quebec, we have a very important profession, namely that of notary. Why is this profession not identified in the Minister's Bill?

Hon. Marc Lalonde (Minister of Finance): I shall check with my officials to find out if there has indeed been an oversight. If such is the case, an amendment will be proposed, when the Bill is considered in Committee of the Whole, to include this very important profession for which I have the greatest respect.

Mr. La Salle: Madam Speaker, on behalf of Quebec's 2,000 notaries and on behalf of a profession that has existed in Quebec for well nigh 300 years, does the Minister undertake to add to his legislation the profession of notary, which is very well known in Quebec?

Mr. Lalonde: As I said before to the Hon. Member, I shall check whether there was an oversight, and if that is the case, I shall see to it that a correction be made at the time the Bill is considered in Committee of the Whole. That is when amendments to a bill are made.

* * *

• (1440)

[*English*]

BUSINESS OF THE HOUSE

TIME ALLOCATION FOR REPORT STAGE AND THIRD READING OF BILL C-85

Mr. Bert Hargrave (Medicine Hat): Madam Speaker, I have a question for the Minister of Agriculture regarding the Canagrex issue. In view of the Minister's abrupt indication last night that he will proceed with closure, he must surely be aware of the total opposition to this legislation as it presently stands by almost all the organized beef cattle producers in Canada. He must know that beef cattle producers have requested that cattle and beef products be removed from the Bill unless the buy-sell provisions are cancelled.

How can the Minister justify such an extreme procedure when only 19 hours—and that may add up to five days—but only 19 hours of debate took place on second reading, and less than two hours at report stage?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the motion that I put through was because of the long talk that had taken place about Canagrex, even before it entered this House.

Some Hon. Members: Oh, oh!

Mr. Clark: That is a new parliamentary principle.

Mr. Whelan: Canagrex was not thought up by the Liberal Party. Canagrex was thought up by farming people in this nation, and it is still backed by farming people in this nation. As the Hon. Member says, it is not backed by all of them, not by 100 per cent, but the vast majority still want Canagrex and they are still asking that we get on with it. As late as yesterday evening, I am told, the President of the Ontario Federation of Agriculture was saying, "Where are we at? Let's get on with passing Canagrex."

The Hon. Member refers to the length of debate. He knows this was discussed in committee. He knows that you operate this House and the Committees as democratic forums, Madam Speaker. We have followed that principle. He also knows that if this were the Mother of Parliaments there would be an agreement for so many days of debate and to deal with amendments, et cetera.

Hon. Members opposite keep using the word "closure". We are asking for time allocation, Madam Speaker. Since I was 21 I have been elected to some kind of public office and I know that this is generally how business is administered, by some kind of ladies' or gentlemen's agreement.

Some Hon. Members: Hear, hear!

Mr. Hargrave: Madam Speaker, I would have to add to the Minister and to the Government House Leader that it is a little difficult, if not impossible, to collaborate on bad legislation.

Some Hon. Members: Hear, hear!

OPPOSITION TO CANAGREX

Mr. Bert Hargrave (Medicine Hat): I have a supplementary question, Madam Speaker. The Minister will be aware that some 23 agricultural commodity organizations have recently reaffirmed their total opposition to Canagrex. Most of them were unable to appear before the Committee. The Saskatchewan Stock Growers requested permission to appear but were denied the opportunity. I want to ask the Minister if this closure motion is his only response to this large and important segment of Canadian agriculture. Surely this is not the Canadian democratic way.

Hon. E. F. Whelan (Minister of Agriculture): Surely, Madam Speaker, it is the parliamentary way. We are operating within the rules and regulations of a democratic Parliament. The rules we have in this Parliament lag far behind the rules in most democratic Parliaments in the world, where this would be an automatic thing. For instance, Premier Davis had to do the same thing in Ontario just the other day. I do not hear Hon. Members opposite saying that his action was undemocratic. He used closure, and he used the guillotine.

We are asking for time allocation. The Hon. Member refers to Committee meetings. As he attended most of them he knows what took place. Democracy took place in the Committee. Members made the decisions on the amendments that were presented. What they are saying now is that they do not want democracy to work. That is what they are saying.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

EXTERNAL AFFAIRS

INQUIRY WHY CANADA OPPOSED ESTABLISHMENT OF ARAB STATE IN PALESTINE

Mr. Louis Duclos (Montmorency-Orléans): Madam Speaker, my question is directed to the Right Hon. Prime Minister. Last week, the United Nations General Assembly adopted a resolution with a sweeping majority, in favour of the establishment of an Arab State in Palestine, while Canada, with the United States, Costa Rica and Israel, voted against the resolution.

Could the Right Hon. Prime Minister inform the House why Canada thought it preferable to vote against this resolution?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, if the Hon. Member had given me notice of his question, I could have checked the text of the resolution we voted against or on which we abstained, or else I could have asked the Secretary of State for External Affairs who is at this moment meeting with members of the Brandt Commission. I cannot give a specific answer for the simple reason that I have not read the resolution in question. On the face of it, it seems to me that the Hon. Member's question raises a number of other questions regarding an Arab State in Palestine. Is this not merely a petition on a matter of principle? What is Palestine? Does it only mean the left bank of Transjordania? Does it include the Gaza strip? I do not know what the resolution contained, so I am really not able to answer the question.

* * *

[*English*]

RAILWAYS

WINNIPEG ACCIDENT—QUERY RESPECTING RELOCATION OF CPR YARDS

Mr. Les Benjamin (Regina West): Madam Speaker, I have a question for the Minister of Transport concerning the mishap, the explosion and fire, in the CPR yards in Winnipeg last evening. Since Mississauga and McGregor, and since there was a spill of methanol in the same yard two years ago, and in

light of the request by the City of Winnipeg for the relocation of the CP railway yards to an unpopulated area—and not only in Winnipeg but in many other cities as well—may I ask the Minister how many times this sort of accident will have to happen—is he waiting for people to be killed? How many times does it have to happen before the Government will act on feasibility studies and on the actual relocation of railway marshalling yards to unpopulated areas?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, in 1979 or 1980 an agreement had been reached that an overpass would be built, and the city and the Province requested UTAP money for that purpose. An amount of $7.6 million was allocated. But later, because of local opposition, the municipality decided to drop that project—regretfully, in my view.

The relocation had always been considered to be rather expensive at $170 million, which would probably be up to $300 million at this time. There are all kinds of problems associated with it besides the financial ones. For example, where the yard would go is one problem. All this is to say that at one point the city had a choice to make. It decided not to go ahead with the Sherbrooke-McGregor overpass. Since then it has decided to get involved in a core development program, and this is very well known to Members of the House.

Mr. Benjamin: Madam Speaker, had that explosion occurred last night at the overpass at one end or at the underpass at the other end, people would have been killed. That is not the answer. Those yards have to be relocated.

REGULATIONS GOVERNING TRANSPORTATION OF DANGEROUS GOODS

Mr. Les Benjamin (Regina West): It is two years and four months since the legislation on the transportation of dangerous goods was passed. The Minister has recently presented one-third of the regulations but they are still not in force, and two-thirds of the regulations have yet to see the light of day.

When is the Minister going to publish regulations that do something about the security of railway cars that contain, or used to contain, dangerous goods, in storage and marshalling in railway yards? What action is he taking to try to prevent what occurred last night from happening again?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I think my hon. friend should make a distinction between railways operations under the Railway Act—and there are plenty of regulations for the operation of railways in yards or outside them—and the transportation of dangerous goods. That is really a different issue. On the transportation of dangerous goods, as he said, we have gazetted the first units of regulations now. Most people who are well informed on the subject, while regretting that we have not gone faster in drafting these regulations, understand why it has been done so slowly according to the Hon. Member's standards. Drafting the regulations is terribly difficult because of the many jurisdictions that have to be reconciled, and I have explained that before. The operations in the yard come under the Railway Act and are not really a matter that would come under the transportation of dangerous goods, as far as I am concerned.

Madam Speaker: Could I ask all Hon. Members to please try to be more brief. We are runnning considerably behind time. I want to warn Hon. Members on both sides that they will not be able to get their usual number of questions in today. I would ask them to be very brief for the rest of the Question Period.

* * *

• (1450)

TRANSPORT

PROTECTION OF BRIDGES—REQUEST FOR FEDERAL-PROVINCIAL ACTION

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, my question is directed to the Minister of Transport. It arises out of the Canadian Coast Guard report on the vulnerability of standing bridge structures in Canadian waterways. The Minister will be aware that there are at least five from Vancouver to Halifax in some degree of danger. Ideally these bridges should be protected. The Minister will have in front of him a proposal from the Premier of the Province of Nova Scotia on an 80-20 per cent cost sharing arrangement to alleviate the possibility of imminent disaster. Will the minister give some indication of his preparedness to call together the various jurisdictions for the purpose of sitting down and resolving this very potentially disastrous problem?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I have answered this question a number of times. I have stated quite clearly that the responsibility for intraprovincial bridges is a provincial one. My hon. friend knows that, and I am quite sure that he agrees with it. Consequently, the protection of intraprovincial bridges under Canadian law is a provincial matter. However, because I am sympathetic by nature, and sympathetic to this particular subject, I have gone further and have said that I will be looking with the Provinces—Nova Scotia, in this particular instance—to find if there could not be savings on other transportation matters which could be made in order to help the federal Government make a contribution to this particular objective.

REQUEST THAT MINISTER INITIATE NEGOTIATIONS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Madam Speaker, an additional 800 transits will occur beneath the Angus L. Macdonald and A. Murray MacKay bridges into Bedford Basin this year. Will the Minister undertake to the House that he will ask his officials to initiate negotiations immediately which will lead to the conclusion that I am sure he shares, as well as all of us on this side of the Chamber?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, there is a federal-provincial body to look into these matters. I remember that this was one of the items that I

expressed the wish should be put on the agenda. I will check further and I will activate matters, if they have not yet been sufficiently activated.

* * *

INDIAN AFFAIRS

RECOURSE FOR CREDITORS IN CASES OF DEFAULT

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. According to one of the Minister's senior officials, Indian bands across Canada owed banks, retailers and suppliers more than $35 million as of the end of March, 1981. This estimate was arrived at by doing band audits. However, the Department gave up on the matter because it proved to be such a large problem. It now estimates that the total amount is probably in the neighbourhood of $100 million. What recourse does a creditor have when an Indian band defaults on the payment of a loan or a debt? What responsibility does the Minister have to these creditors?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, that is very largely a legal question, but let me indicate that I think many suppliers in communities near Indian reserves are aware of the limited liability of the Indian people with respect to reserve lands. They choose to make those supplies, knowing the degree of limited liability with respect to others. They have to accept a certain amount of responsibility for the fact that they are prepared to extend the credit under those circumstances.

If the Hon. Member is suggesting that somehow the Minister should intervene and tell Indians where and how they can buy, it certainly runs counter to any suggestion from the Hon. Member or the Opposition Party with respect to ending the dependency and paternalism regarding Indian people which they allege so often in the House.

Mr. Greenaway: That is not what I had in mind. I had in mind to tell the Minister that his officials are telling us that a serious credibility problem is building up because of this. Many suppliers, banks and retailers think the Department has some part to play in this, and that is why I wanted to raise the matter on the floor of the House today.

INVESTIGATION REQUESTED

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, will the Minister order an investigation into the problem, and will he report the findings of such an investigation to the House?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, in each case where this occurs, where band councils expend money for purposes other than the ones indicated when they sign contribution agreements with the Department, we go in, we intervene, we send in auditors to assess the situation and to apply what corrective measures we can. We will continue to do that, but I just want to indicate that the Hon. Member is ill-disguising what he is suggesting. I take it that he is suggesting a greater degree of interference by the Department, and that is not consistent with policies enunciated by his Party.

* * *

POLITICAL PARTIES

RECRUITMENT OF LIBERAL PARTY MEMBERS

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, my question is directed to the Prime Minister. Do the Prime Minister and the Government approve of a political party using a citizenship court judge as a tool for recruiting new members to that party?

Right Hon. P. E. Trudeau (Prime Minister): The question is hypothetical, Madam Speaker, in its very form.

Mr. McDermid: Maybe I could show the Prime Minister that it is not hypothetical.

MULTICULTURAL RECRUITMENT MANUAL

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, could the Prime Minister explain why the multicultural recruitment manual of the Liberal Party of Canada, written by the Minister of State for Multiculturalism, suggests under the chapter entitled, "New Activities for Recruitment", that a meeting be called by a Liberal riding association under the guise of a citizenship class involving a citizenship judge, and that this meeting be used to recruit new members to the Liberal Party? Does he support this flagrant misuse of citizenship court judges?

Some Hon. Members: Oh, oh!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I would have to take cognizance of the document itself. If the Hon. Member would be patient, I will look into it.

* * *

NUCLEAR ARMAMENTS

TESTING OF CRUISE MISSILE—CANADA-UNITED STATES AGREEMENT

Mr. Doug Anguish (The Battlefords-Meadow Lake): Madam Speaker, my question is directed to the Prime Minister. Recently the Secretary of State for External Affairs said that the umbrella agreement between the United States and Canada had been concluded, or tentatively agreed upon. In the absence of the Secretary of State for External Affairs, could the Prime Minister tell us what are the details of the umbrella agreement, including the Cruise missile, if any, and when he expects the final signing of the agreement?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am afraid that I will have to take notice of the question on behalf of the Minister. I do not know of any date.

REQUEST THAT AGREEMENT BE DEBATED IN PARLIAMENT

Mr. Doug Anguish (The Battlefords-Meadow Lake): Madam Speaker, my supplementary question is directed to the Prime Minister as well. In the United States matters of this importance are usually discussed by the House of Representatives. Just recently the MX program was turned down there because of financial implications and the concern about nuclear arms. Will the Prime Minister assure us that there will be some debate in this House on the whole umbrella agreement, specifically on the use of the Cruise missile over Canadian territory, before the agreement is finally signed, so that we can voice the concerns of our constituents who have been writing to us about the Cruise missile question?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I agree with the Hon. Member that the question is extraordinarily important. I hope the New Democratic Party would view it as important enough to give perhaps one of its opposition days to debate the subject.

* * *

ENERGY

MEETINGS BETWEEN FEDERAL AND NEWFOUNDLAND MINISTERS

Hon. James A. McGrath (St. John's East): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. The Minister met in St. John's yesterday with his Newfoundland counterpart. Can he tell us whether, arising out of that meeting, we can expect a resumption of formal negotiations on the offshore? Can we also expect a degree of flexibility from the Minister which hopefully could lead to a settlement?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I had meetings last Friday in Montreal and this Monday in St. John's. We explored new avenues which could lead to a resolution of this problem. I guess the fact that we have had two meetings is a good sign. I am well known for my flexibility, but at the same time I have to protect the interests of the Canadian Government.

JOINT MANAGEMENT AND REVENUE SHARING PROPOSAL

Hon. James A. McGrath (St. John's East): Madam Speaker, could the Minister be more specific and tell us whether or not he is prepared to deal with the Newfoundland compromise proposal on joint management and revenue sharing?

[*Translation*]

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, we have explored new avenues, and Mr. Marshall and myself have agreed that our two governments should not necessarily maintain their previous positions and that they should try to seek new alternatives. That is exactly what we are trying to do at this time.

* * *

[*English*]

HOUSING

COMMITMENT TO NON-PROFIT AND SOCIAL HOUSING IN ONTARIO

Hon. David Crombie (Rosedale): Madam Speaker, my question is directed to the Minister responsible for housing. Yesterday I had the opportunity to ask the Minister of State for Finance whether or not the reports that social housing, co-op housing and non-profit housing had been reduced by over 600 units in the Province of Ontario were correct. He indicated that he could not confirm that figure but found it surprising and shocking. Could the Minister confirm the figure today?

• (1500)

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, I heard the exchange. In fact my colleague dealt with the Hon. Member very effectively. The reality is that the social housing budget has been consistent since 1979, with some variations, but over all the statistics would show that the average has been very well respected. In fact, it has been more than respected.

The Province of Ontario, in the area of social housing, has benefited from 30 per cent to 38 per cent over the same period. It, too, has been dealt with very fairly. In the debate taking place, I think probably caused by some statement by the Minister of Housing for Ontario, the point was not made that the allocation of municipal non-profit housing units, 75 per cent paid by the federal Government, is at the total discretion of the Minister of Housing for Ontario.

REDUCTION OF PROJECTS IN TORONTO

Hon. David Crombie (Rosedale): Madam Speaker, the figures that are in the hands not only of the Province of Ontario but of the City of Toronto and of metropolitan Toronto are that in 1982 the allocation from the federal Government was 7,418 and the allocation for 1983 is 6,688. Those are the actual figures with which they are working. The city has now taken an action to reduce five projects, all co-op and social housing, including those dealing with handicapped and disturbed children. Would the Minister check with his own officials and confirm those facts? Right now those projects are being halted as a result of the information which they have from officials in CMHC. Would the Minister check those facts and get in touch with the city?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, not only will I check those alleged facts but I can inform the Hon. Member that the 1983 budget has not been finalized.

Point of Order—Mr. Nielsen

[*Translation*]

VACANCY

HON. WALTER DINSDALE FROM BRANDON-SOURIS DECEASED—SEAT VACANT

Madam Speaker: I have the honour to inform the House that, following the notice of vacancy given in the House on Monday, December 13, 1982 by the Hon. Member for Provencher (Mr. Epp) and pursuant to Section 10 of the House of Commons Act, I have addressed my warrant to the Chief Electoral Officer for the issue of a new writ for the election of a member for the electoral district of Brandon-Souris.

* * *

[*English*]

POINT OF ORDER

MR. NIELSEN—PROPOSED TIME ALLOCATION ON BILL C-85

Hon. Erik Nielsen (Yukon): Madam Speaker, I rise on a point of order. Last night, as recorded at page 21551 of *Hansard*, there will be found in the right-hand column the heading: "Business of the House—Time Allocation for Report Stage and Third Reading of Bill C-85". This statement by the Minister of Agriculture (Mr. Whelan) then follows:

Mr. Speaker, I wish to inform the House that there has been consultation among the representatives of the Parties and that it has not been possible to reach an agreement pursuant to Standing Order 75A or 75B with regard to the allocation of time on report stage and third reading stage of Bill C-85, an Act to establish a corporation called Canagrex to promote, facilitate and engage in the export of agricultural and food products from Canada. Therefore, at the next sitting of the House I shall propose a motion pursuant to Standing Order 75C to allocate one sitting day to each of the said stages of the said Bill.

As you know, Madam Speaker, I was unavoidably absent from the House when the Minister of Agriculture made that statement during debate on Bill C-139, an Act to amend the Income Tax Act. Upon being informed of the statement, at 9:55 p.m., as recorded at page 21556 of *Hansard* for December 13, 1982, I said, among other things:

I want to note, Mr. Speaker, that ordinarily this—

"This" referred to the Minister's remarks. My sentence continued:

—would trigger a debate tomorrow before Government Orders for two hours. I want to serve notice now that we do not accept the propriety of the procedure adopted by the Minister in giving that notice tonight. We do not accept the notice.

To support my submission which I will be making to you that that notice was out of order, I want to review some of the precedents with respect to the notices given since the implementation of new Standing Order 75C.

On December 1, 1971, at page 10046 of *Hansard*, the then President of Privy Council (Mr. MacEachen), under the heading "Business of the House—Notice of Time Allocation Motion for Committee of the Whole Stage on Income Tax Bill", gave notice with respect to the Bill then under consideration, which was Bill C-259, that he would move pursuant to Standing Order 75C that four additional days be allotted to the Committee of the Whole stage of that Bill.

The next precedent I wish to draw to the Chair's attention is recorded in *Hansard* for Monday, December 13, 1971 at page 10383, where again the then President of Privy Council gave notice during Routine Proceedings, dealing with Business of the House, that he would be imposing Standing Order 75C limiting debate and stating his intention to move a motion which would limit the debate at the third reading stage of Bill C-259 to an additional three days.

The next precedent is to be found in *Hansard* for November 12, 1975 where the then President of Privy Council, the Hon. Mitchell Sharp, gave notice that he would be invoking Standing Order 75C with respect to Bill C-58. He stated:

—I shall move that not more than five additional hours shall be allotted to the consideration and disposal of proceedings at the said stage of the said Bill.

That notice was given during debate on Bill C-58.

The next precedent in *Hansard* is found at page 11639 for March 9, 1976 appearing under the heading in *Hansard* of "Routine Proceedings—Business of the House". The then President of Privy Council, the Hon. Mitchell Sharp, again invoked the provisions of Standing Order 75C with respect to Bill C-68. He said that he gave notice that at the next sitting of the House we would move that not more than five hours shall be allotted on that bill.

At page 12340 and 12341 for March 31, 1976, Mr. Sharp, the then President of Privy Council, rose during the debate on the Bill on a point of order and informed the House that he would be invoking the provisions of Standing Order 75C with respect to Bill C-83, allocating a further four days for the consideration and disposal of second reading. Again, I point out that procedure took place during the debate on Bill C-83.

The next precedent is found in *Hansard* at page 2495 for January 28, 1977. Again under Routine Proceedings notice was given by the then Minister of Finance, the Hon. Donald S. Macdonald, invoking the provisions of Standing Order 75C with respect to Bill C-22 limiting Committee of the Whole stage consideration to an additional eight hours. Again, that action was taken under Routine Proceedings.

• (1510)

On February 8, 1977, at page 2830 of *Hansard*, again under Routine Proceedings, the then Minister of Finance, the Hon. Donald S. Macdonald, gave notice that he intended to move a motion limiting the proceedings at third reading stage and passage of Bill C-122 to one additional sitting day. Again, that action was taken by the then Minister under Routine Proceedings.

On March 28, 1977, at page 4377 of *Hansard*, again under Routine Proceedings, the then Minister of Employment and Immigration (Mr. Cullen) gave notice under Standing Order 75C which affected Bill C-27 and informed the House that a motion would be made at the next sitting for the purpose of allocating five further hours to the second reading stage of Bill C-27. Again, that announcement was made under Routine Proceedings.

At page 1077 of *Hansard* for November 21, 1977, the then Minister of State for Multiculturalism, the Hon. Norman A. Cafik, gave a similar notice. It is recorded under Routine Proceedings, Business of the House for that day, and he gave notice that he intended to move a motion limiting the proceedings on second reading stage of Bill C-11 to five additional hours. Again, that action was taken during Routine Proceedings.

At page 1498 of *Hansard* for December 2, 1977, again under Routine Proceedings, the then Minister of Finance (Mr. Chrétien) gave notice under the provisions of Standing Order 75C relating to Bill C-11, for study in Committee of the Whole, limiting that study to an additional three days. Again, that action was taken under Routine Proceedings.

On June 5, 1978, at page 6049 of *Hansard*, again under Routine Proceedings, Business of the House, the then Minister of Finance (Mr. Chrétien) invoked the provisions of Standing Order 75C by giving notice that he intended to limit discussion on Bill C-56 at second reading to a further one additional day. Once again, that action was taken during Routine Proceedings.

Then on June 12, 1978, at page 6298 of *Hansard*, the then Minister of Finance (Mr. Chrétien), under Business of the House, invoked the provisions of Standing Order 75C restricting further discussion of Bill C-56 at the Committee of the Whole stage to a further two additional days. Again, this was done while that legislation was under discussion and on Routine Proceedings.

At page 458 of *Hansard* of October 25, 1978, again during Routine Proceedings, dealing with the Business of the House, the then Minister of Finance (Mr. Chrétien) invoked the provisions of Standing Order 75C on Bill C-7 and gave notice that he would be moving to restrict consideration at second reading to one further sitting day. Again, that action was taken under Routine Proceedings.

At page 2262 of *Hansard* for December 19, 1978, again under Routine Proceedings, the Hon. Member for Lambton-Sarnia (Mr. Cullen) invoked the provisions of Standing Order 75C informing the House that he would be moving a motion limiting debate to one additional day on each of the stages of report and third reading of Bill C-14. Again, this was under Routine Proceedings.

In *Hansard* for March 17, 1979, at page 4281, again under Routine Proceedings, the then Minister of Energy, Mines and Resources and Minister of State for Science and Technology, the Hon. Alastair Gillespie, invoked the provisions of Standing Order 75C to limit discussion on Bill C-42 to one additional day for each of the report and third reading stages of that legislation. Again, the action was taken under Routine Proceedings.

At page 2040 of *Hansard* for December 5, 1979, again under Routine Proceedings, my colleague for Nepean-Carleton (Mr. Baker) gave notice under Standing Order 75C to limit discussion on Bill C-20, to amend the Income Tax Act and to provide a tax credit with regard to mortgage interest and home owner property taxes, to one further sitting day. Again, that action was taken under Routine Proceedings.

At page 1840 of *Hansard* for June 6, 1980, again under Routine Proceedings, Business of the House, the present Government House Leader (Mr. Pinard) gave notice of invoking the provisions of Standing Order 75C with respect to Bill C-30, informing the House that he intended to propose a motion allocating one additional sitting day to the second reading stage of that Bill. Again, that action was taken under Routine Proceedings.

In *Hansard* for January 12, 1981, the President of the Privy Council (Mr. Pinard) invoked the provisions of Standing Order 75C while Bill C-48 was under discussion, notifying the House that he intended to propose a motion that would limit the debate on second reading stage of that Bill then under discussion to one further day.

At page 7147 of *Hansard* for February 11, 1981, the Government House Leader and President of the Privy Council during debate on Bill C-59 indicated that he was giving notice under Standing Order 75C to allocate one additional day for second reading stage of Bill C-59 which was then under discussion and in which the Minister was participating in the debate.

At page 8614 of *Hansard* for March 25, 1981, the Minister of State for Finance, during the debate on the measure, invoked the provisions of Standing Order 75C to limit the report and third reading stages of Bill C-59 to one sitting day for each of the stages of the Bill then under discussion and being debated.

• (1520)

At page 10373 of *Hansard* for June 8, 1981—and this is one exception—the Minister of State for Finance (Mr. Bussières) gave notice, immediately following the dinner recess, under the provisions of Standing Order 75C, to limit the report and third reading stage of Bill C-57 to one sitting day for each of those stages. In that precedent, the Chair will note that under discussion at that time was a national energy measure, and that immediately following the dinner recess at 8 p.m. the Minister of State for Finance rose on a point of order. The record does not disclose whether any consent was sought or given. Mr. Deputy Speaker in the chair at the time simply recognized the Minister of State for Finance on a point of order and it was that vehicle which he utilized to give that notice. I do point out, in passing, and I will come back to it in a moment, that no consent was sought.

At page 13734 of *Hansard* for December 4, 1981, the Minister of Energy (Mr. Lalonde), as he then was, during Routine Proceedings, under Business of the House invoked the provisions of Standing Order 75C with respect to the proceedings on Bill C-48, giving notice that he intended to move a motion that one sitting day be allocated to the third reading stage of that Bill. That action was taken again under Routine Proceedings.

At page 15348 of *Hansard* on February 24, 1982, the then Minister of Public Works (Mr. Cosgrove), under Business of

the House during Routine Proceedings, invoked the provisions of Standing Order 75C stating that he intended to move a motion which would limit debate at the second reading stage of Bill C-89 to one additional sitting day.

On July 14, 1982, at page 19327 of *Hansard,* again under Routine Proceedings, Business of the House, the then President of the Treasury Board (Mr. Johnston) invoked the provisions of Standing Order 75C, stating that he intended to move a motion to limit discussion on Bill C-124 at the second reading stage of that measure to one further sitting day.

On July 21, 1982, at page 19556 of *Hansard*, again under Routine Proceedings, Business of the House, the then Minister of State for Finance (Mr. Bussières) invoked the provisions of Standing Order 75C, stating that he intended to propose a motion to allocate two additional sitting days to the second reading stage of Bill C-125.

Now another significant precedent, Madam Speaker. On July 27, 1982, at page 19756 of *Hansard*, the Government House Leader (Mr. Pinard) invoked the provisions of Standing Order 75C during which he notified the House that he would be moving a motion allocating one additional sitting day to the second reading stage. In any event, the precedent is significant enough to read it in full. Under the heading, "Business of the House, Disposition of Bill C-124", I draw again to the attention of the Chair that when this action was taken the business under discussion was a Bill concerned with UFFI. The Government House Leader took his action immediately following the dinner recess, and this is what is recorded in the exchange:

MR. PINARD: Mr. Speaker, I have had consultations with the House leaders, and I think I know what the hon. member wants. Perhaps he will be satisfied once I have disposed of the following.

This is the significant part, Madam Speaker:

At this time I would like to have unanimous consent to tell the House the result of those talks.

MR. DEPUTY SPEAKER: Is there unanimous consent for the minister to make a statement at this point?

SOME HON. MEMBERS: Agreed.

MR. PINARD: First of all, I wish to inform the House that notwithstanding consultations which took place—

Thereafter followed the usual wording of the invocation of Standing Order 75C, during which he informed the House that he would be moving a motion to limit further discussion on Bill C-124 to one additional day on the said stage of the said Bill. I am presuming that is the second reading stage.

The significant thing is that the debate was recommenced immediately following the dinner recess by a request from the Government House Leader for consent of the House to invoke the provisions of Standing Order 75C.

On July 31, 1982, at page 19874 of *Hansard* the then President of the Treasury Board (Mr. Johnston), during a debate on Bill C-124, said this:

I also take this opportunity to inform the House that there have been consultations among the representatives of the parties and that it has not been possible to reach any agreement under the provisions at the report stage and third reading stage of Bill C-124, an Act respecting compensation in the public sector of Canada.

Then there is an interjection by the Hon. Member for Hamilton Mountain (Mr. Deans), and Mr. Johnston went on:

Therefore, I wish to give notice, Mr. Speaker, that at the next sitting of the House I shall propose a motion, pursuant to Standing Order 75C, to allocate one sitting day to each of the said stages of the said bill.

I point out, Madam Speaker, that the Minister took that action during debate of the very measure that was concerned with his notice under Standing Order 75C.

On December 1, 1982—and the Chair will be happy to learn that this is my last *Hansard* precedent—at page 21172, again under Routine Proceedings under the heading of Business of the House, the Minister of National Health and Welfare (Miss Bégin) invoked the provisions of Standing Order 75C, saying that she intended to propose a motion pursuant to that Standing Order to allocate one further sitting day to the second reading stage of Bill C-131. The Chair will recall that that measure was then called later on as the Order of the Day.

Those precedents all having been set on the record, Madam Speaker—my research has been fairly exhaustive; there may be other precedents but I certainly have not found them—it would appear that this summarization can be made of the precedents which I have put on the record.

The first point that can be made is that notice under Standing Order 75C was given during Routine Proceedings in all cases with the following exceptions. There are five exceptions with respect to the giving of notice not during Routine Proceedings, and those five exceptions concern notices all of which were given during debate on the measure under discussion, the measure being the subject matter of the notice being given under 75C. Those occasions were November 12, 1975; January 12, 1981; February 11, 1981; March 25, 1981; and July 30, 1982. In those five instances, as I say, the provisions of Standing Order 75C were invoked while the measure intending to be affected by the notice was then under discussion. It was then under consideration, to use the words of the Standing Order, which I will get to in a moment.

• (1530)

The second point that can be made concerns the one instance on March 21, 1976 when the notice was given by virtue of a point of order during the debate on the Bill concerned. In my submission, that really is not an exception and it need not have been done on a point of order. It certainly could have been given, as the precedents so clearly point out.

The third point I wish to make is that the President of the Privy Council (Mr. Pinard) sought the unanimous consent of the House during debate on another Bill not the subject matter of 75C. That was on July 27, 1982. I have already cited that precedent before the Chair. The point is that unanimous consent was sought and given.

The last remaining point, the fourth point, is that on June 8, 1981 notice was given on a point of order during an allotted day. That precedent, if the Chair will examine it, will disclose that that point of order was raised by the Minister giving the notice immediately there was a quorum after the dinner recess. There is nothing wrong with that if the Standing Orders had

been complied with. I point out with respect, and with no reflection on the action of the Speaker who was present at the time—I do not know who it was—that it was up to the Chair at that time to seek the consent that was necessary, as the Government House Leader displayed on the occasion of July 27, 1982. That consent was not sought.

It might be said that now that record is part of *Hansard* it constitutes some kind of precedent as to the manner in which notice must be given under 75C. I suggest to the Chair that simply because no objection was raised at that moment to that notice on that Bill, it does not establish that event as a precedent for all time to be taken into consideration in reaching a decision as to whether 75C has been properly invoked. My submission is that it was done the wrong way and that consent should have been sought.

It is of singular importance to note that in all cases, apart from that one aberration, since that Standing Order has been utilized in this place—and I believe it came into force in 1969—notice under 75C has either been given during Routine Proceedings or during the discussion of the measure which the notice intended to affect. That was not done in this case.

Last night we were discussing Bill C-139, an Act to amend the Income Tax Act. In my submission, based on those precedents, that notice was wrongly given and is a nullity. Let us just reflect for a moment on the wording of 75C:

> A Minister of the Crown who from his place in the House at a previous sitting has stated that an agreement could not be reached under the provisions of Standing Order 75A or 75B—

There is nothing wrong at all so far. It is the next words that are important:

> —in respect of proceedings at the stage at which a public bill was then under consideration—

My submission is that Bill C-85 had to be then under consideration in order to allow the Minister to invoke the provisions of Standing Order 75C.

Some Hon. Members: Hear, hear!

Mr. Nielsen: That is in those cases where the notice is not given during Routine Proceedings, which I submit would be the proper place for it to be given.

That essentially is my submission to the Chair. I believe that the notice is a nullity. We cannot proceed with the triggered debate for two hours today unless the Government now wishes to call Bill C-85. If it calls C-85, then certainly it can give the notice; but it cannot give it during debate on a matter which is not the subject matter of the notice.

Those are my submissions. I tried to give the Chair as much notice as possible last night because I realized this matter required an immediate decision of the Chair.

I further submit to the Chair, on the basis of the literal raft of precedents, that the Chair really is compelled to come to the conclusion that either the notice should have been given under Routine Proceedings, which could have been done quite easily by any Minister of the Crown giving notice yesterday during Routine Proceedings, or during a discussion of C-85. There may be other ways. However, what happened last night is certainly not one of them.

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I will be brief in dealing with this point. I want to say that the Hon. Member for Yukon (Mr. Nielsen) has made a submission both lengthy and elaborate, obviously well researched and supportable.

I want to say that to give notice of 75C in the middle of another debate is quite unacceptable. If it were not for the way that *Hansard* does its work, it would be entirely possible for Members of the House of Commons not to be made aware that 75C had been announced by the Minister during the course of the debate last evening. That is crucial. Surely Members are not required to read every word uttered by every Minister every day in order to determine whether at some point in time some Minister rose to give notice of 75C. They have reason to expect that the notice will be given in the usual way at the usual time.

I urge you, Madam Speaker, to read page 21551 of *Hansard*. The Minister did not at the beginning of his speech, almost the entire content of which was out of order, bring to the attention of the House, either by way of a point of order or in any other obvious way, that it was his intention to notify the House that 75C was to be used.

The Minister went on for a number of pages during the course of his deliberations, starting at page 21549. It was not until page 21551, in the middle of his speech, that he was giving notice of the use of 75C. I make the point that *Hansard* need not have put a heading in the speech "Business of the House". *Hansard* need not have done that; but had *Hansard* not done that, then the notice which the Minister gave last night would have been buried in the middle of a speech on another piece of legislation and would have excaped the notice of the majority of the Members of the House of Commons. If for no other reason than that, the notice was not properly given.

I want to say further that all of the precedents given by the Hon. Member for Yukon are valid. This is not the way the Government has normally gone about giving notice to the House of Commons. This is not an acceptable way for the Members of the House of Commons to be given notice. I suspect that it probably was intended that he give notice at eight o'clock, but perhaps he was not here; or maybe it was intended that he give it during the Routine Proceedings earlier in the day, but perhaps he was not here. I do not know about that. I am surmising that may have been the case.

• (1540)

Mr. Nielsen: Any Minister could have done it.

Mr. Deans: It is true, any Minister could have done it. But I ask you in the interest of fairness, Madam Speaker, to rule that this way is unacceptable, that there is no precedent for it, and that because there is no precedent for it, it is unacceptable. But even more important than that, we must establish here and

now that you cannot slip in notice during the middle of a debate on an entirely different matter.

Mr. Blaine A. Thacker (Lethbridge-Foothills): Madam Speaker, I wish to present an argument to you based on the broader aspect of parliamentary reform and procedure. As you know, there is a special parliamentary committee sitting which is designed to make this place more operable for Members of Parliament so that we can go back to our ridings and report on what is happening.

We have 282 Members of Parliament, soon to be 310 if the law is not changed, and there are a million different rules and procedures. We have come to rely on the fact that we are going to meet at two o'clock, and everyone will be here before we spread out over 20 committees and the special task forces. We have come to expect that during that time the Government will provide its notices. Indeed, if you look under "Routine Proceedings" on the Order Paper, there is a special heading entitled "Government Notices of Motions". That is a period when Government Members can stand and give notice of motions which they are going to present, and all of the precedents submitted by the Hon. Member for Yukon (Mr. Nielsen) show that, with the exception of five occasions when the House was actually involved in the debate on the Bill regarding which they gave notice. That is a reasonable exception because the people in the House at that time were involved with that very Bill. Therefore, they are the people who are interested.

Last night on the income tax Bill, if the Standing Committee on Agriculture had been sitting and all Hon. Members of this House who are interested in agriculture were off on another part of the Hill, the fact that the Minister stands up and gives notice on a Bill dealing with agriculture which affects 300,000 people directly in this land just will not wash, Madam Speaker. I submit to you, on that broad principle, that you have to find that the notice given by the Minister of Agriculture (Mr. Whelan) last night, slipped into a tax Bill, is not sufficient.

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I do not think it will take me as long to make my argument as it took the Hon. Member for Yukon (Mr. Nielsen), because I think our case is much stronger and speaks for itself. The proposition which the Hon. Member for Yukon has basically put forward, Madam Speaker, is that either notice has to be given under Routine Proceedings or during consideration of a Bill which is then under debate.

To clear that up we have to look, first of all, at the Standing Orders, Standing Order 75C. The Hon. Member read it but I suggest he did not go quite far enough. That Standing Order reads:

A Minister of the Crown who from his place in the House at a previous sitting has stated that an agreement could not be reached under the provisions of Standing Order 75A or 75B—

Did that happen? Yes, that happened. So far so good.

—in respect of proceedings at the stage at which a public bill was then under consideration—

I believe the many precedents to which the Hon. Member for Yukon referred in which this was done under Routine Proceedings destroys his own argument that it can only be done when the Bill in question is under debate. If you are interpreting it in the way he is suggesting, Madam Speaker, it would clearly suggest that to do it under Routine Proceedings would be some other way which is not specifically referred to here. I suggest that that is not the way it is meant to be interpreted.

It is abundantly clear that that is not the way it is to be interpreted if you, as Mackenzie King used to say, "read on, read on", because my hon. friend from Yukon stopped after the word "consideration". And what does it go on to say?

Mr. Nielsen: I don't have a crystal ball.

Mr. Smith: After the word "consideration" it says:

—either in the House or in any committee—

What does that phrase "or in any committee" mean?

An Hon. Member: It certainly does not mean last night.

Mr. Smith: It certainly would not suggest that the Bill had to be under debate in the House, because how could you apply Standing Order 75C to something which was going on in committee if you could only do it when the debate was going on in the House? Clearly, what that means is that the Bill is at a stage in which it can be called, it has been called for report stage, it has been dealt with at report stage, and it is a proper matter to be called at any point. I suggest, Madam Speaker, that that is the proper interpretation of what that Standing Order means.

I think it is quite clear that it does not mean it can only be done if the Bill in question is under debate, or all of those examples to which the Hon. Member for the Yukon referred where it was done under *Votes and Proceedings*, would be out of order. And how do you explain the phrase "in any committee", if that is what it means?

I think we can also look at precedents, and I thank the Hon. Member for Yukon for the very exhaustive number of precedents to which he referred where this was done under *Vote and Proceedings*. That is, of course, in my opinion, an appropriate occasion for it to be done, but certainly not the only occasion.

Mr. Nielsen: You mean Routine Proceedings.

Mr. Smith: I think if you go back to the first time it was used, as a matter of fact on December 1, 1971, it was done under *Votes and Proceedings*.

Mr. Nielsen: Routine Proceedings.

Mr. Smith: Routine Proceedings, yes. Clearly, the Bill had not been called at that point. So I suggest that it clearly does

not mean that it can only be done when the Bill itself is under debate.

There have been a number of other occasions on which it has been done in some manner other than on Routine Proceedings, and I would refer you, Madam Speaker, to November 12, 1975 and January 12, 1981. It was not done then during Routine Proceedings. My hon. friend referred to it being done on an allotted day. I believe there are two precedents on which it was done on an allotted day, March 25, 1981 and also June 8, 1981. In the latter case, it was done on a point of order.

My hon. friend has referred to the occasion when consent was asked by the Government House Leader, but I suggest to him that the reason consent was asked was that he did not have the floor. It was not that it was necessary to get the consent of the House to give notice, but he needed the consent of the House to in fact get the floor. I think a careful reading of what occurred there will make that point quite clear.

I think we can then, if we are still in any doubt, go to Beauchesne at page 224 of the Fifth Edition, Citation 732, which states, and I quote:

> Whenever a Minister of the Crown—

That is the word that is used. It says, "Whenever". It does not say, "During Routine Proceedings". It does not say "During the debate on the Bill in question". It says "Whenever". That is the Citation used in Beauchesne. It reads as follows:

> Whenever a Minister of the Crown has given notice under S.O. 75C that he will propose a motion for the purpose of allocating a specified number of days or hours for the consideration of a stage of a bill, this notice must be accepted by the Speaker.

It refers also to a citation from *Journals* of December 1, 1971.

With regard to the point made by my hon. friend, the Hon. Member for Hamilton Mountain (Mr. Deans), which somehow suggested that unless a person read *Hansard* very carefully, something could be snuck in, it is quite true that Government business was not called as an item. That is something which is done in the minds of the Editors of *Hansard*, but it is not something which occurs in fact, or at least in that particular instance.

I would simply like to introduce to some Members opposite another Journal which is put out by the House called *Votes and Proceedings*. It would appear that some Hon. Members on the other side of the House do not read *Votes and Proceedings* as carefully as they should, because if they refer to *Votes and Proceedings* for yesterday, they will see very clearly in the fourth paragraph that the Minister of Agriculture (Mr. Whelan) did in fact give notice. I suggest, therefore, if a person reads the Journals properly and looks at *Votes and Proceedings*, that that really is not a very strong argument.

Finally, I suppose the bottom line is what is going on here in terms of the public. I think some people might get the impression that the axe has fallen, that the Government is trying to choke off debate and ram something through. Nothing could be further from the truth, Madam Speaker. What is clearly happening is that the Official Opposition in particular is trying to frustrate the will of Parliament by a deliberate filibuster.

• (1550)

The Bill was first introduced on December 8, 1981. Since then 86 hours and 35 minutes have been spent in discussion of this Bill in the House and in committee. I could give the exact dates and the details at great length if that were in question, Madam Speaker.

An Hon. Member: Go ahead!

Mr. Smith: Anyone who wants to do the mathematics on it can do so. I have been invited to do that and perhaps I shall, if you think it is appropriate, Madam Speaker.

Second reading began on January 25, 1982 and was completed on February 5, 1982, taking five sitting days, 12 hours and 50 minutes. It then went to committee on March 23, 1982.

An Hon. Member: That was to hear evidence.

Mr. Smith: It was completed on July 15, 1982. It was reported on July 19, 1982. Twenty-seven meetings were held on this measure for a total of 71 hours and 45 minutes.

Hon. Members opposite are now suggesting that the Government is strangling and choking off debate when 27 meetings of the committee at which this matter was discussed were held.

An Hon. Member: That is not relevant.

Mr. Smith: Report stage began on July 29, 1982, and two hours have been spent on that stage. The total time spent on the Bill has been 86 hours and 35 minutes.

Mr. Blenkarn: That is not so.

Mr. Smith: What is really happening is that the Government is assuming its responsibility for leadership and is saying: "We are not going to allow the Opposition to filibuster this Bill and prevent the democratically elected Members of the House from coming to a vote". Hon. Members opposite can vote against the Bill, but we should make a decision and get on with it, one way or the other. The Government is living up to its responsibilities and is showing leadership in a proper and acceptable way, according to the Standing Orders.

Mr. Taylor: It is dictatorship.

Mr. Harvie Andre (Calgary Centre): Madam Speaker, my remarks will not take long but I wish to address one point that has not been raised and which I think is relevant. Speaking of relevance, the final remarks of the assistant House leader of the Government are certainly in violation of Standing Order 34(2) which provides that when a Member is speaking to a point of order the argument should be relevant. The Hon. Member spoke of the number of hours the committee spent listening to witnesses regarding Canagrex. That can hardly be called relevant to the question that is being debated.

Point of Order—Mr. Nielsen

The Hon. Member referred to Citation 732 in Beauchesne's Fifth Edition, giving great emphasis to the word "whenever". The Citation begins, "Whenever a Minister of the Crown has given notice". There is no doubt about that, Madam Speaker. Whenever proper notice has been given under Standing Order 75C, it is the obligation of the Chair to accept that notice. The arguments presented by the House Leader of this Party and the House Leader of the New Democratic Party show that notice was improperly given.

I should like to offer another reason why the attempt by the Minister of Agriculture (Mr. Whelan) to give notice last night was out of order. I refer to the question or relevance of speeches and relevance of subject matter raised on motions before the House. There are generally accepted rules of relevance, albeit not rigidly enforced as a certain amount of latitude is allowed. Certainly in the middle of debate on an income tax Bill one cannot speak of capital punishment or in the middle of discussion of an energy Bill speak about fisheries, and so on. There has to be some sort of relationship between speeches and the motion before the House.

I should like to quote briefly from Bourinot's Parliamentary Procedure and Practice, Fourth Edition. At page 340 there appears the following statement:

> But it is nevertheless the duty of the speaker of the house (or chairman of committee), to interfere when he finds that the member's remarks are not relevant to the question before the house. On such occasions, he may very properly suppose "that the member will bring his observations to bear upon the motion before the house" (*m*); or "that he will conclude with something that will bring him within order" (*n*). And he may find it necessary to caution a member that "he is approaching the limits of propriety which confine hon. members is speaking to that which is relevant to the subject in hand", and to express the hope "that he will be careful to confine himself to that which is relevant" (*o*). In other words, he must direct his speech to the question before the house or committee, or to the motion or amendment he intends to move, or to the point of order raised.

On that basis, it is perfectly in order, during Routine Proceedings or discussion of the subject bill, for a Minister to give notice under Standing Order 75C. At any other time it is irrelevant to the motion under discussion. It is certainly irrelevant to the income tax Bill for the Minister to bootleg in what he assumed was proper notice under 75C. It most certainly was not proper notice under 75C. Perhaps he should have been called to order immediately and instructed to confine himself to the motion before the House, which was second reading of an income tax Bill.

The Minister's whole statement last night was irrelevant to the motion being discussed. It was irrelevant to the income tax Bill. It was irrelevant to the motion that Bill C-139 be now given second reading, and therefore it was improperly placed in the debate and should have been ruled out of order on the spot by the Speaker. It is a nullity now and we cannot accept it.

If the Minister wants to rise on Routine Proceedings and give notice, or if the House Leader wants to declare that Bill C-85 will be the subject of debate this afternoon and during the course of that debate give notice, such actions would certainly be relevant to the subject matter under debate. Otherwise it is irrelevant and a nullity.

I humbly submit that that argument, coupled with the argument of my House Leader and that of the House Leader of the New Democratic Party, must bring you, Madam Speaker, to the conclusion that the Minister of Agriculture will have to start over again.

Mr. Nielsen: Madam Speaker, I have one brief suggestion to make. My hon. friend from Calgary Centre (Mr. Andre) mentioned the solution. We are still on Routine Proceedings. I have made a very strong case in support of the right of any Minister of the Crown to give notice on Routine Proceedings. That is where it should be done and that option is open to the Minister now if he wants to rectify the matter.

Madam Speaker: I thank the Hon. Member for Yukon (Mr. Nielsen) for having given me sufficient notice of his point of order and a good idea of what his arguments would be in this case. I was able to look into the precedents in order to enlighten my decision.

The Hon. Member for Yukon has given us a very long list of precedents in favour of his argument that this notice of motion is out of order. Those precedents are real. I have found a number of precedents which go exactly another way, however. That is to say, they indicate that notices of motion to limit debate have been given at another time than those that the Hon. Member feels are indispensable. They were given at another time than under consideration of a certain bill.

I will not read the precedents at length but the first is a notice of motion to limit debate on Bill C-68 which was given in the House immediately after the dinner break, although not necessarily during the course of consideration of the Bill on which a limit was to be proposed. The Bill then before the House was Bill C-83 and the notice was given for limiting debate on Bill C-68.

In another instance, on Bill C-59 the notice of intention to limit debate on the measure was given at the end of a speech in a supply debate.

• (1600)

There is another precedent concerning Bill C-57, where notice was given immediately after the dinner break on a point of order, as the Hon. Member himself has pointed out.

A further precedent is Bill C-124 on which notice was given immediately after the dinner break. The business before the House then was Bill C-109 and notice of the intention to limit debate was on Bill C-124.

We rely quite heavily on precedents. I guess the Hon. Member was right in pointing out to me the numerous precedents which could be invoked in favour of his argument that notice to limit debate on a Bill must be given in the course of consideration of the very Bill. But these other precedents go the other way and indicate that notice of such motion can be given at other times. In fact, as we have seen from the precedents, the notice can be given during Routine Proceedings, during consideration of the Bill on which it is intended to limit debate, during debate on another Bill than the one on which

the limit is proposed to be imposed, and also on a point of order, as the Hon. Member pointed out.

In looking at the long list of precedents which the Hon. Member gave me, one might think the Chair must absolutely find in favour of those arguments which he has given, but I think Hon. Members would agree that other precedents exist.

Now, why do we find ourselves in this situation? I believe the Hon. Member for Yukon was invoking precedents against an argument which does not exist in regard to this particular situation, as I think Members will realize on reading very carefully Standing Order 75C:

A Minister of the Crown who from his place in the House at a previous sitting—

Those are the two conditions which are imposed upon the notice to propose a limit on a debate. Those are the only conditions which are written up in the Standing Orders; that is to say, that the Minister must be in his place in the House, and that he must do this at a previous sitting. He stated at that previous sitting and standing in his place:

—that an agreement could not be reached under the provisions of Standing Order 75A or 75B in respect of proceedings at the stage at which a public bill was then under consideration either in the House or in any committee—

The Hon. Member for Yukon uses that as referring to the fact that notice is only in order if it is given during consideration of the Bill on which it is proposed to impose a limit. That particular phrase describes exactly what we want to do and does not constitute a condition under which that notice has to be given.

I will read it in French where I think it is a little more clear because of the French language which requires punctuation. In French it says:

Un ministre de la Couronne qui, de son siège à la Chambre, a déclaré à une séance antérieure qu'il n'avait pas été possible d'en arriver à un accord, en vertu des dispositions des articles 75A ou 75B du Règlement, relativement aux délibérations . . .

The punctuation indicates quite clearly to what the remainder of that sentence relates, that is to say:

. . . relativement aux délibérations à l'étape de l'étude d'un bill . . .

I am afraid that disposes of the argument made by the Hon. Member for Yukon. In reading the Standing Order it is quite clear that the phrase stated by the Hon. Member, that is to say, "at the stage at which a public bill was then under consideration", does not constitute a condition under which a notice of motion can be given.

I think the Hon. Member has probably destroyed his argument by telling the Chair that these notices had been given sometimes when a quorum was reached in the House, or on a point of order or during Routine Proceedings. It does indicate that notice can be given on many occasions and in many circumstances, not only in the unique circumstances which he has cared to mention, that is to say, only when we have under consideration the particular Bill on which the limit is to be imposed.

The Hon. Member is smiling, but I think he has to read the Standing Order very carefully, and I think he will agree with me that "A Minister of the Crown who from his place in the House" and "at a previous sitting has stated" are the conditions. I believe they were fulfilled in this particular case.

I thank other Members for their interventions, in particular the Hon. Member for Hamilton Mountain (Mr. Deans), who said that this procedure was unacceptable. It might be, but if Hon. Members find it unacceptable, I think they should proceed to change the rules because the Chair unfortunately cannot accept judgment values on the rules; the Speaker has to read the rules and interpret them as rigorously as possible. If it is not acceptable to the Hon. Member, I must tell him that it is in accordance with the rules.

The Hon. Member for Lethbridge-Foothills (Mr. Thacker) made an intervention with which I have a lot of sympathy. How can a Member know what is going on in the House all the time? Also the Hon. Member for Hamilton Mountain referred to that. Of course Hon. Members would not be required to read all of *Hansard*; that indeed could be too much punishment for them. But if they want to challenge something, obviously they have to read everything in *Hansard* which is relevant to the challenge they want to make.

The Hon. Member for Lethbridge-Foothills would appreciate that there is a distinction between the notice given last night and the fact that the motion would come forward under "Motions" during the course of Routine Proceedings; therefore, Members would be in the House, if they chose to come only during Question Period, and they would be aware of the motion and, furthermore, they could debate it. The rules also provide for a fair chance of debating something if Hon. Members wish to do so.

As for the Hon. Member for Calgary Centre (Mr. Andre), I have to tell him that his argument on relevance was interesting. I agree with the Hon. Member that we should perhaps look at the rule of relevancy and apply it more often. It is an extremely difficult rule to invoke because Members are bound to say to the Chair: "Yes, I will be relevant; in two minutes the Chair will see how relevant I have been, despite the fact that what I am saying appears not to be relevant". The particular argument of relevance in this case, I am afraid, was not altogether relevant.

I have to rule that the notice of a motion to be made later this day by the Hon. Minister of Agriculture (Mr. Whelan) was in order, and I so rule.

* * *

PRIVILEGE

MR. MAYER—DEPARTMENTAL PUBLICATION RESPECTING CANAGREX LEGISLATION

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, I have what I believe is a serious question of privilege of which I have given you prior notice. I should like to outline it briefly before I attempt to amplify my case.

It involves the Department of Agriculture publishing a very extensive and elaborate defence of the Bill about which we are talking respecting Canagrex. I find that it interferes with my privileges as a Member of Parliament in the sense that the Government has used the full weight of its printing press and the Minister has used the weight of his Department to make a one-sided case for a Bill before it has in fact become the law of the land.

I should like to quote from a December 10, 1979, ruling of Mr. Speaker Jerome, as reported at page 2180 of *Hansard*, in which he said:

> The support of public funds, where applied to parliamentary activities, ought, I think, to apply across the floor of Parliament—

• (1610)

I submit, Madam Speaker, that parliamentary activities include the enabling of Members of Parliament to make their case properly for or against pieces of legislation that are in front of the House. When Speaker Jerome suggested that that ought to apply across the floor of the House, it implied to me that the Opposition ought to have access to the kinds of funds and expertise which the Minister had in preparing well over a 100-page document in both official languages in making what I consider a biased case for the Canagrex legislation. If I could go on for a minute—

Madam Speaker: Order, please. Yes, the Hon. Member can go on as long as he comes to the point and tells me immediately where he feels his privilege has been affected. He is now discussing something but it does not constitute a question of privilege as he has argued it now, or from what I gathered from his notice. If the Hon. Member does have a specific point of privilege, I would like him to announce it now so that I can follow his arguments. There is a difference between grievances and privilege and I am sure the Hon. Member is quite aware of that.

Mr. Mayer: Very briefly, Madam Speaker, I feel that what I am discussing here today is very similar to what has become known in our Party as the Neil report, which report was undertaken during the brief period of time when we were the Government. At that time a Member of Parliament conducted a study on behalf of the Government of the day. Speaker Jerome at that time ruled the report could not be used in the House. In fact, the Progressive Conservative Party of Canada ended up paying for the report.

I suggest that the Government should not be using its high offices to publish the type of report that is more suited to the kinds of activities done by research departments. I can give you some quotes from Speaker Jerome where he points out that those kinds of activities based on party policies, not on the law of the land, are much better financed by what we consider to be each party's very adequate research funds.

Madam Speaker: I know the case very well. Research was done by a caucus committee and the matter was ruled on by my predecessor. I know what subsequently happened. A department felt that the particular information would be useful to it and it was decided to reimburse the Conservative caucus for its research, which was then distributed widely to the country or to the Members. However, the fact that the Government tried to distribute certain material one way or the other is not a matter on which the Chair can rule. It does not enter into the zone of what can be considered privilege.

How has the Member's privilege been affected? The Hon. Member knows the definition of privilege and I would like him to address that very shortly in his arguments, because he is telling me about a case of which I am aware. I know what the ruling is and I think the Hon. Member understands what it means as well. I would like the Hon. Member to come to his point of privilege.

Mr. Mayer: Madam Speaker, basically I am asking you to uphold the principle that each Member in this House has the same opportunity as the next; equity among Members, if you will. The Minister of Agriculture, through the weight of his Department, is able to mount argument for a piece of legislation that is not in fact the law of the land, to which I happen to be opposed and to which many of the people whom I represent are opposed, and I consider my privileges, as a Member of the House as equal as the Minister, have been severely interfered with. The Minister of Agriculture, through the weight of his department, published a 140-page document. I, as an individual Member of Parliament, have no access whatsoever to the kinds of resources or facilities by which I could put out that kind of document. This interferes with the performance of my job as a Member of Parliament. On the other hand, the Minister of Agriculture has these resources and facilities available to him. Specifically, that is why I think my privileges have been interfered with.

If you agree with me and let me go on, Madam Speaker, I can cite some examples for you from past rulings. If you disagree with me, I would find it incomprehensible for you to suggest that an individual Member of Parliament, such as myself, cannot have access to the same research and production facilities as a Minister of the Crown, because it puts me at a great disadvantage to my constituents.

Madam Speaker: Order, please. That particular point does not come within the purview of privilege. It does not constitute a question of privilege. If that is the Hon. Member's point, which he is telling me now it is, then I must tell him that is not in the realm of the practice which would allow me to find a prima facie case of privilege. Government spending, the way money is spent, the way documentation is distributed and the way Goverment chooses to announce certain policies might grieve Hon. Members considerably. They might want to protest that and debate it, which is quite legitimate and I would allow that under the proper proceedings. But I cannot allow this to be done by way of raising a question of privilege.

Mr. Mayer: Madam Speaker, may I then ask you what are the proper proceedings through which I can raise this issue? Let me further ask you if you think by your ruling today—and I take it by implication that you are in favour of allowing a

Minister of the Crown to propagandize my constituents in a fashion that I am not able to—

Madam Speaker: Order, please. I never said that I found that legitimate. That is not my concern. I am telling the Hon. Member that the way in which the Government determines that it will publicize its policies, its instructions, its directives or its regulations is not of concern to the Chair. The freedom of expression of the Hon. Member has not been tampered with. He has not been molested. Privilege deals precisely with these kinds of things. I do not think that a publication published by the Government—which the Hon. Member, by the way, was able to consult, I suppose—constitutes a question of privilege. His freedom has not been tampered with. Perhaps he is saying that he has not had a fair chance. He is able to expose and discuss that in the House, but the Chair cannot arbitrate in these matters.

Mr. Mayer: With all due respect, Madam Speaker, to paraphrase or to quote you, you said that under the proper proceedings you would allow me to raise this issue. What are the proper proceedings?

Madam Speaker: I am willing to coach Hon. Members on the procedure which they can use in order to do whatever they want to do in the House, but not in the House. Perhaps the Hon. Member could discuss this with me in another place and I could indicate times and proceedings which are available to him; but I am sure he knows them very well.

Mr. Taylor: Madam Speaker, I rise on a point of order. When a Government uses public money to advertise one side of a Bill before it becomes law—

Madam Speaker: Order, please. If the Hon. Member wants to raise a point of order, he may do that, but I have now ruled that the Hon. Member for Portage-Marquette does not have a question of privilege. As a matter of fact, the Hon. Member for Portage-Marquette has accepted my ruling. He asked me alternatively what proceedings could he use because he has accepted my argument.

Some Hon. Members: Oh, oh!

Madam Speaker: Order, please. I am speaking to the Hon. Member for Bow River (Mr. Taylor) now. The Hon Member may not comment on my ruling. There was no question of privilege in the case of the Hon. Member for Portage-Marquette.

Mr. Taylor: Madam Speaker, I rise on a point of order. What I am saying, if you will just hear me out, is that when a Government advertises one side of a Bill before it becomes law, then it is not fair—

Madam Speaker: Order, please. That is not a point of order. The Hon. Member is debating the question; he is not raising a point of order. This is not the time for debate. He can use many other occasions on which to debate that point, as he knows very well.

• (1620)

Mr. Mayer: Madam Speaker, you said that I accepted your ruling.

Madam Speaker: Is this a point of order?

Mr. Mayer: Yes, it is a point of order, Madam Speaker. You said that I accepted your ruling by implication. With great respect and deference to the Chair, I certainly accept your ruling on my point of privilege, but that does not mean that I accept the despicable conduct of the Minister of Agriculture in publishing this document.

Some Hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*Translation*]

HEALTH, WELFARE AND SOCIAL AFFAIRS

PRESENTATION OF THE SIXTH REPORT OF THE STANDING COMMITTEE

Mr. Marcel Roy (Laval): Madam Speaker, I have the honour of tabling, in both official languages, the Sixth Report of the Standing Committee on Health, Welfare and Social Affairs.

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

* * *

[*English*]

BUSINESS OF THE HOUSE

ALLOCATION OF TIME TO CONSIDER REPORT STAGE AND THIRD READING OF BILL C-85

Hon. E. F. Whelan (Minister of Agriculture) moved:

That, in relation to Bill C-85, an Act to establish a corporation called Canagrex to promote, facilitate and engage in the export of agricultural and food products from Canada, one sitting day shall be allotted to the consideration of each of the report stage and the third reading stage of the Bill; and

That fifteen minutes before the expiry of the time provided for Government business on those days, any proceedings before the House shall be interrupted, if required, for the purpose of this Order and, in turn, every question then necessary in order to dispose of the stage of the Bill then under consideration shall be put forthwith and successively without further debate or amendment.

Madam Speaker: Is it the pleasure of the House to adopt the motion? The Hon. Minister of Agriculture.

Some Hon. Members: No.

Mr. Friesen: A point of order, Madam Speaker.

Time Allocation

Madam Speaker: The Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen) on a point of order.

Mr. Friesen: Madam Speaker, I have a point of order concerning the statement that you have read in the name of the Minister. I listened to the Minister last night and I was prepared to raise a point of order on the content of his motion because I think it violates the Standing Order in question.

I heard him say last night that he intended to invoke Standing order 75C, and I quote, "to allocate one sitting day to each of the said stages of the said Bill". I wanted to wait until I heard the motion today to make sure that it was going to be the same as what the Minister presented last night.

In the interest of the accuracy of the Standing Orders, if Madam Speaker will refer to Standing Order 75C, she will note that the order reads:

—one sitting day and provided that for the purposes of this Standing Order an allocation may be proposed in one motion to cover the proceedings at both the report and the third reading stages on a bill if that motion is consistent with the provisions of Standing Order 75(13).

The language is very important here because the Standing Order reads:

—at both the report and the third reading stages—

The phrase "at both" discriminates between the two stages. If the motion had been intended to include both stages, it would have read "of both the report and third reading stages". The fact that the Standing Order reads "at both" indicates that this motion under Standing Order 75C must be presented at each of the two stages. Otherwise, it would have had an inclusive word, the preposition "of". Since it reads "at", it says very definitely that the Minister of the Government House Leader (Mr. Pinard) must present this motion at both stages.

I recognize that precedents indicate that historically it has been including both stages. I suggest to you, Madam Speaker, that even though it has been done in that way, the violations do not sanctify the condition. If the Minister wants to invoke Standing Order 75C, if we want to read this ruling accurately as it is presented in the Standing Orders, he must present 75C at each of the two stages.

Madam Speaker: As I read the Standing Order, I do not feel that the Hon. Member is right in his reading of it. The words "at both" in fact do not discriminate but mean that it is applicable to both those stages. If you read in French, it says:

. . . une seule motion peut prévoir l'attribution d'une préiode de temps pour les délibérations tant à l'étape du rapport . . .

If I translate literally—

. . . tant à l'étape du rapport qu'à celle de la troisième lecture . . .

"As much the report stage as the third reading", is exactly what it says in the French. Even in English, it is clear to me that "at both the report and third reading stage" of the Bill is not discriminating.

The argument made by the Hon. Member is that up until now that particular Standing Order has been violated. I suggest to the Hon. Member that it has not been violated but must be read the proper way. That is to say, that this particular phrase "at both the report and third reading stage" does not discriminate between the two stages of the bill but includes both of them.

At any rate, the Hon. Member may vote against the motion if he does not like its wording. I do not think he is reading the Standing Order properly and I cannot accept his point of order.

The Hon. Minister of Agriculture.

Mr. Andre: Madam Speaker, I am rising to speak on the motion you just called for the business of the day.

Madam Speaker: Does the Hon. Member have another point or order?

Mr. Andre: I am rising to speak on the item of business before the House.

Madam Speaker: I have recognized the Hon. Minister.

Mr. Nielsen: No.

Madam Speaker: Order. I had recognized the Hon. Minister when the Hon. Member rose on a point of order. Therefore, in my view I must go to the Hon. Minister.

Mr. Nielsen: Madam Speaker, I was following the proceedings quite carefully. I move, seconded by the Hon. Member for Simcoe North (Mr. Lewis):

That the Hon. Member for Calgary Centre be now heard.

Madam Speaker: The Hon. Member for Restigouche (Mr. Harquail) is rising on a point or order.

Mr. Nielsen: That cannot be done.

Some Hon. Members: Sit down.

Mr. Harquail: Madam Speaker, in the interest of assisting the House and the Chair—

Mr. Nielsen: There is a motion on the floor.

Madam Speaker: Order. It appears that the Hon. Member for Restigouche wishes to speak on that particular point of order.

Mr. Nielsen: No. It is not debatable.

Mr. Harquail: That is incorrect.

Mr. Nielsen: Standing Order 29 is quite clear. The motion has to be put forthwith. It is not debatable.

Mr. Harquail: Madam Speaker, you have given me the floor.

Madam Speaker: Order. The Hon. Member cannot be debating the motion at the present time because I have not put it before the House. He is raising a point of order on the proceedings which are suggested by the Hon. Member. At the present time there is not a motion before the House.

Mr. Nielsen: The Chair must rule on it.

Madam Speaker: This does not call for a ruling.

Mr. Nielsen: Standing Order 29 applies.

Madam Speaker: The motion moved by the Hon. Member for Yukon (Mr. Nielsen) does not call for a ruling; it calls for a vote.

Mr. Nielsen: That is right, forthwith.

Madam Speaker: Could I ask the Table if I can entertain a point of order before a vote.

• (1630)

Mr. Smith: As I understand it, the Member for Yukon (Mr. Nielsen) moved his motion after he rose on a point of order, and I would refer you to page 78 of Beauchesne, Citation 234, which says that a Member cannot rise on a point of order to move a motion.

Some Hon. Members: No, no.

Mr. Smith: I submit his motion is therefore out of order.

Mr. Nielsen: I did not rise on a point of order. That is precisely why—

Madam Speaker: Order, please, I hope we can resolve this without creating chaos in the House. I understand that I can entertain points of order on the motion that was proposed by the Hon. Member for Yukon, and I will entertain the point of order for the Hon. Member for Restigouche.

Mr. Harquail: Madam Speaker, I want to thank you very much for giving me the opportunity to speak in this House. The Members to your left have been very belligerent in not wishing to show any respect for other Members' rights—

Some Hon. Members: Oh, oh!

An Hon. Member: A point of privilege, Madam Speaker.

Mr. Harquail: Just a moment, I want to get to my point of order.

Some Hon. Members: Oh, oh!

Madam Speaker: Order, order. If the Hon. Member has a point of order, I would like him to expose the point of order forthwith.

Mr. Harquail: The point of order that I want to make, Madam Speaker, is the fact that you indeed had recognized the Minister of Agriculture (Mr. Whelan); you have indeed given him the floor.

Some Hon. Members: No, no.

Mr. Harquail: This is something that is trying to be glazed over, something that is trying to be railroaded in another direction. What I want to state for the benefit of the House is that I, as a Member sitting here, witnessed the fact that you had given the floor to the Minsiter of Agriculture, and I want to support this particular point—

Mr. Taylor: That is not a point of order.

Mr. Harquail: —to keep the record straight before the House. You had indeed recognized the Minister, and we were underway with his presentation when the Member from British Columbia asked for the floor.

Mr. Epp: I have a point of privilege.

Madam Speaker: We do have some business before the House that I have to deal with. Apparently two Members had risen—

Mr. Nielsen: Madam Speaker, I want to be heard on the point of order that you have entertained.

Madam Speaker: The Hon. Member for Yukon.

Mr. Epp: It is a point of privilege.

Mr. Nielsen: It has been asserted, Madam Speaker, by the candy-back kid, the Parliamentary Secretary to the President of the Privy Council—

Some Hon. Members: Oh, oh!

Mr. Nielsen: —that it is not possible to move a motion under Standing Order 29 on a point of order. I did not do that and the record will clearly show that I did not do that. I put the motion, after having been recognized by the Chair, without any preliminaries. It will show that quite clearly.

Even if I did, the Hon. Member is wrong. Even if I did rise on a point of order, which I did not, and the record will clearly show that, he is wrong. I would like to cite for the convenience of the Chair *Hansard* for October 26, 1981, commencing at page 12170, where a similar situation arose when the then Acting Speaker (Mr. Ethier) was in the chair. At that time he recognized the Hon. Member for Willowdale (Mr. Peterson). This is the exchange that took place:

Time Allocation

MR. NIELSEN: A point of order, Mr. Speaker. If government members speak now, they will have an opportunity of moving that we move to orders of the day. I therefore move that the hon. member for Vegreville (Mr. Mazankowski) be now heard.

SOME HON. MEMBERS: Hear, hear!

THE ACTING SPEAKER (MR. ETHIER): Order, please. The only time to move a motion such as that which the hon. member for Yukon (Mr. Nielsen) has just raised is when he has been recognized and given the floor. Had he been recognized and given the floor to participate in the debate, he could—

SOME HON. MEMBERS: No, no!

MR. BLENKARN: Not so!

THE ACTING SPEAKER (MR. ETHIER): Again, I must say that had he been recognized on a point of order, debating again whether there were two hon. members getting up to speak at the same time, and—

MR. BLENKARN: There were several.

MR. LAWRENCE: I stood up.

MR. MAYER: I stood.

THE ACTING SPEAKER (MR. ETHIER): Order, please. The Speaker, in the usual fashion, had been alternating. I saw the hon. member for Willowdale (Mr. Peterson) and I have recognized him. There could have been others seeking the floor whom I did not see; but at the time I alternated, as I do in all debates. The first hon. member to speak was from the official opposition, the second was a member from the NDP, and then we go to the other side. That has been done all the time. I did not choose between any hon. members. I recognized the hon. member for Willowdale, whom I saw rising. That now being the question, I will hear the hon. member for Yukon on his point of order.

MR. NIELSEN: I refer the Chair and his advisers to *Hansard* of December 11, 1975, at page 9938, where this precise question came up. After Mr. Allard had finished speaking, the then House leader for the opposition spoke. I draw Your Honour's attention to the fact that it was on a motion to concur in the report of a standing committee. Immediately after the mover had finished speaking, the hon. member for Grenville-Carleton (Mr. Baker) said this:

Mr. Speaker, I rise on a point of order. Under the Standing Orders of this House, I move, seconded by the hon. member for Medicine Hat (Mr. Hargrave):

"That the hon. member for Humber-St. George's-St. Barbe be now heard."

We don't want to hear him now.

MR. DEPUTY SPEAKER: The Hon. Member for Grenville-Carleton (Mr. Baker) has risen on a point of order under Standing Order 29—

That is my motion, under Standing Order 29.

—at page 24 of our Standing Orders, which reads as follows: "When two or more Members rise to speak"—

That was the situation here with the Minister of Agriculture (Mr. Whelan) rising and the Member for Calgary Centre (Mr. Andre) rising.

Some Hon. Members: No, no.

Mr. Nielsen: Here is the Acting Speaker of the day listening with great interest to what I have to say. I continued at page 12170 as follows:

Then the hon. member for Nipissing (Mr. Blais), along with the hon. member for Medicine Hat (Mr. Hargrave), intervened in the debate. Mr. Deputy Speaker, who was in the chair at that time, put the motion.

I suggest to you sir, that that is the obligation of the Chair now unless—I want to be fair because we all want to be fair on this side of the House—

And we still do, in this new spirit of collegiality and in the adoption of the experimental rules of reform.

—we can have the assurance of government members that their participation in the debate will be had without moving any motion—

And so on. The important part is this ruling by the then Acting Speaker. Madam Speaker, I know that you have the highest possible regard for the knowledge of the rules and practices and precedents of this place which resides in the Hon. Member who served in that very distinguished post of Acting Speaker and who is now with us today, I am sure, to give us the benefit of his advice once again, as he did on October 26, 1981. This is what he had to say at page 12170 of *Hansard:*

After referring to the Standing Orders, I want to correct something I said earlier. The hon. member for Yukon had the right to rise. I recognized the hon. member whom I saw rising, namely the hon. member for Willowdale.

I draw that to the Chair's attention. In that case the Chair recognized the Hon. Member for Willowdale, and went on to say:

It is very difficult for the Chair to argue. I am told other people were seeking the floor, and that could be debatable.

It certainly is not here.

When things such as this happen, the point made by the hon. member for Yukon is in order. The hon. member for Yukon has made a proposition. Nevertheless, I would have to put the motion before the House if anyone wants to be heard. There is a motion before the House that the hon. member for Vegreville be now heard.

Madam Speaker, I submit that there is no other way to invoke the provisions of Standing Order 29 except upon a point of order, but not to burden the Chair with that complication, I did not rise for that purpose. I was recognized without any preliminaries and moved the motion right off.

Some Hon. Members: Hear, hear!

Madam Speaker: I just want to summarize the situation. In my view, the Hon. Minister of Agriculture, who had risen when I read the motion to the House, had the floor. He was interrupted by another Member who invoked a point of order. Immediately after that point of order was heard, I felt I had to go back to the Hon. Minister of Agriculture in order again to give him the floor.

This is contested by the Hon. Member for Calgary Centre, whom I recognized supposedly on a point of order but who said he wanted to debate the motion. I feel that at that particular time the Hon. Minister of Agriculture had the floor, and therefore I wanted to recognize the Hon. Minister.

• (1640)

I now have a motion. This is contested by a Member of the House. The Hon. Member for Yukon rose quite properly under Standing Order 29 and proposed a motion, which I will now read and put to the House. It has been moved by Mr. Nielsen, seconded by Mr. Lewis:

That the Hon. Member for Calgary Centre be now heard.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Madam Speaker: All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

Madam Speaker: All those opposed to the motion will please say nay.

Some Hon. Members: Nay.

Madam Speaker: In my opinion, the nays have it.

And more than five Members having risen:

Madam Speaker: Call in the Members.

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

(*Division No. 276*)

YEAS

Messrs.

Althouse
Anguish
Baker (Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blaikie
Blenkarn
Bosley
Bradley
Broadbent
Cardiff
Carney (Miss)
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Cooper
Corbett
Cossitt (Mrs.)
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Darling
Deans
Dick
Ellis
Elzinga
Epp
Fennell
Forrestall
Fraser
Fretz
Friesen
Fulton
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hargrave
Hawkes
Heap
Hees
Hnatyshyn
Hovdebo
Howie
Huntington
Jarvis
Jelinek
Jewett (Miss)
Keeper
Kempling
Kilgour
King
Knowles
Korchinski
Kristiansen
Kushner
Lambert
La Salle
Lawrence
Lewis
Lewycky
MacDonald (Miss) (Kingston and the Islands)
Malone
Manly
Mayer
Mazankowski
McCain
McCuish
McDermid
McDonald (Ms.) (Broadview-Greenwood)
McGrath
McKenzie
McKinnon
McKnight
McLean
McMillan
Miller
Mitchell (Mrs.)
Mitges
Murphy
Murta
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Oberle
Ogle
Paproski
Parker
Patterson
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Roche
Rose
Sargeant
Schellenberger
Scott (Hamilton-Wentworth)
Shields
Siddon
Skelly
Speyer
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Waddell
Wenman
Wilson
Wise
Wright
Young—118.

NAYS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Bégin (Miss)
Berger
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupont
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Isabelle
Ittinuar
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacEachen
MacGuigan
MacLaren
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro (Hamilton East)
Nicholson (Miss)
Olivier
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Whelan
Yanakis—132.

● (2205)

Mr. Andre: Madam Speaker, on a point of order. I believe I heard the Clerk call out my name, and I wanted you to know that in view of the fact I am the subject of the motion I abstained from this vote.

Madam Speaker: The motion is lost. The Hon. Minister of Agriculture (Mr. Whelan) has the floor—

Mr. Whelan: Madam Speaker—

Mr. Nielsen: Madam Speaker, Madam Speaker—

Some Hon. Members: Oh, oh!

An Hon. Member: No way.

Madam Speaker: —and it now being ten o'clock, the House is adjourned until tomorrow at 2 p.m.

Some Hon. Members: Oh, oh!

Madam Speaker: Order, please.

Mr. Nielsen: I rise on a point of order. Point of order. You cannot, Madam Speaker, with great respect—

Some Hon. Members: Oh, oh!

Time Allocation

Mr. Nielsen: With great respect—

Madam Speaker: Order, please. The Hon. Member—I am not sure whether the Hon. Member rose before I adjourned the House—

Some Hon. Members: He did. He did.

Mr. Nielsen: Yes.

An Hon. Member: Yes, two of them did, Madam Speaker.

Madam Speaker: —but it seems from the protest—

Some Hon. Members: Oh, oh!

An Hon. Member: No way.

Madam Speaker: Therefore, if the Hon.—

Mr. Nielsen: I cannot be heard until they turn the mike on.

Madam Speaker: Let us not get excited.

Mr. Nielsen: Madam Speaker—

Madam Speaker: I did not see the Hon. Member rise before I adjourned the House.

Mr. Nielsen: Yes.

Madam Speaker: But apparently he had risen. Will the House allow me—

Some Hon. Members: No, no.

Madam Speaker: Then, the House is adjourned and I will hear the Hon. Member's point of order tomorrow.

At 10.08 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, December 15, 1982

The House met at 2 p.m.

• (1405)

MOTIONS UNDER S.O. 43

[*English*]

MEDICAL CARE

COLOUR CODING FOR MEDICAL GAS CONTAINERS

Mr. Dave Nickerson (Western Arctic): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. Whereas deaths caused by gas equipment mix-ups in hospitals are all too frequent, and whereas the Health Protection Branch and other agencies are already working diligently to reduce such deaths, I move, seconded by the Hon. Member for Grey-Simcoe (Mr. Mitges):

That this House favours a mandatory standard colour coding for all medical gas containers and supply lines.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

HUMAN RIGHTS

DEMAND THAT GOVERNMENT OF URUGUAY RELEASE IMPRISONED PROFESSOR

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, I rise to move a motion under the provisions of Standing Order 43. Professor Jose Luis Massera of Uruguay was seized and imprisoned for expressing political opinions. He has been tortured and held in terrible conditions in the Prison of Torture, Libertad, Uruguay. The conditions being suffered by Professor Massera are likely to lead to physical and mental illness, and possibly death, if his release does not occur immediately. Therefore I move, seconded by the Hon. Member for St. John's West (Mr. Crosbie):

That the Canadian Government condemn the actions of the Uruguayan Government and demand the release of Professor Massera. These flagrant violations of human rights are in direct contravention of the Helsinki Accord, and steps must be taken to have Professor Massera released and to put an end to acts such as he has suffered.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

BUSINESS OF THE HOUSE

SUPPORT URGED FOR BILL C-85

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. I move, seconded by the Hon. Member for Dauphin (Mr. Lewycky):

That this House cease the impasse over Canagrex and revert to its initial assessment of the Bill which was highlighted by enthusiastic support from the House Leader for the Official Opposition at first reading on December 8, 1981, and further reinforced in the House through agreement in principle on second reading debate where Members of the Official Opposition from Elgin, Moose Jaw, and Provencher, to name a few, supported the legislation, including support for Canagrex's ability to buy and sell agricultural products.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

EXTERNAL AID

SUGGESTED PRODUCTION OF UNICEF PARLIAMENTARY CHRISTMAS CARDS

Mr. Arnold Malone (Crowfoot): Madam Speaker, I rise to move a motion similar to one I have moved twice before because I have an indication that it might receive unanimous consent today. Since more than 100 million human beings are born into the world each year, most of whom will live in conditions of sub-standard housing, will remain illiterate by United Nations standards, and four-fifths of whom will continually suffer from malnutrition, I move, seconded by the Hon. Member for Oxford (Mr. Halliday):

That the political parties of this Parliament, through consultation, consider the advisability of having the UNICEF organization produce special parliamentary Christmas cards so that Members and Senators may have an appropriate option of sending Christmas cards that depict scenes from Parliament Hill and, concurrent with their good wishes for the Christmas season, be able to assist the needy children of the world.

S.O. 43

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

ENERGY

STATUS OF ARCTIC PILOT PROJECT

Mr. Howard Crosby (Halifax West): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. The $2 billion Arctic Pilot Project promoted by Petro-Canada promised new advances in shipbuilding and marine technology, industrial development for the Canadian East Coast, and access to a world market for Arctic gas. However, this vital project has been seriously delayed and is now stalled before the National Energy Board. Therefore I move, seconded by the Hon. Member for Annapolis Valley-Hants (Mr. Nowlan):

That this House direct the Minister of Energy, Mines and Resources to review the status of the Arctic Pilot Project and ensure that this vital ocean energy initiative is not drowning in the Government's sea of bureaucracy.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

• (1410)

NUCLEAR ARMAMENTS

CALL FOR DEBATE ON CRUISE MISSILE TESTING

Mr. Sid Parker (Kootenay East-Revelstoke): Madam Speaker, I rise under the provisions of Standing Order 43 to ask for the unanimous consent of the House to deal with a matter of urgent and pressing necessity. In view of the fact that the Government would not permit a debate in the House of Commons on the testing of the Cruise missile in Canada, in spite of the fact that this weapon represents a dangerous new step forward in the arms race, I move, seconded by the Hon. Member for Spadina (Mr. Heap):

That this House instruct the Government to provide for one day's House business in which this House can debate the testing of the Cruise missile on Canadian soil.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

THE ADMINISTRATION

EXPRESSION OF CONDEMNATION

Mr. Gordon Taylor (Bow River): Madam Speaker, whereas this Liberal Government is reneging on its agreement and changing the legislation regarding indexing of pensions for retired army personnel, retired RCMP and retired civil servants, which is shameful, while the Prime Minister and the Government refuse to investigate let alone cancel the permit given by the Minister of the Environment (Mr. Roberts) to friends in Banff which will desecrate a beautiful park, I move, seconded by the Hon. Member for Simcoe South (Mr. Stewart):

That this House condemns this callous Government which tries to kid the people by calling dictatorship leadership.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

[*Translation*]

EXTERNAL AFFAIRS

REQUEST THAT GOVERNMENT REFUSE TO TEST CRUISE MISSILE FOR UNITED STATES

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, I rise on a matter of urgent and pressing necessity, under the provisions of Standing Order 43.

In order to maintain our country's credibility as a defender of world peace, I move, seconded by the Member for Saskatoon East (Mr. Ogle):

That the Canadian Government turn down any requests by the U.S. Administration and President Ronald Reagan for testing their new cruise missile system here in Canada.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

[*English*]

MINES AND MINING

PROPOSED CENSURE OF MINISTER

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, whereas the Minister of State for Mines (Mrs. Erola) has once again shown her lack of appreciation for the problems endured by the Canadian mining industry as revealed by her comments in New Brunswick yesterday where she said that the Government can do little to help the slumping mining industry, and whereas this continuing effort to put the blame for the

depressed state of mining solely on world conditions completely ignores the effects of the federal Government's anti-investment policies and regressive tax measures, such as the proposal to tax the imputed rent of mining company employees, I move, seconded by the Hon. Member for Western Arctic (Mr. Nickerson):

That this House censure the Minister of State for Mines for her callous disregard of the effects of her Government's retrograde tax measures and anti-investment policies upon the Canadian mining industry.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

NUCLEAR ARMAMENTS

CHURCHES' POSITION ON CRUISE MISSILE TESTING

Mr. Dan Heap (Spadina): Madam Speaker, I rise under the provisions of Standing Order 43. Yesterday the leaders of the major Christian Churches in Canada met with the Prime Minister (Mr. Trudeau) to ask him, on behalf of millions of Church members, to refuse Cruise missile testing in Canada and the production of components of nuclear weapons in Canada. I therefore move, seconded by the Hon. Member for Winnipeg-St. James (Mr. Keeper):

That the Prime Minister now publicly respond to the request of millions of Canadians that the Church leaders presented to him yesterday.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

DEMAND THAT CRUISE MISSILE TESTING PLANS BE ABANDONED

Mr. Ted Miller (Nanaimo-Alberni): Madam Speaker, I rise under the provisions of Standing Order 43. Whereas Canadians voted overwhelmingly for balanced nuclear disarmament during referenda held coast-to-coast last month, and whereas citizens in the Vancouver Island communities of Port Alberni and Nanaimo voted 79 per cent and 82 per cent respectively in support of such resolutions, while students at Nanaimo's Malaspina College asked that their campus be declared a nuclear-free zone, I move, seconded by the Hon. Member for New Westminster-Coquitlam (Miss Jewett):

That Parliament instruct the Government to abandon its plan to test the Cruise missile over Canadian soil and that the Government redirect its foreign policy toward policies that will promote international peace, and that Canada be declared a nuclear-free zone as well.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

• (1415)

ORAL QUESTION PERIOD

[*English*]

CITIZENSHIP COURTS

REPORTED ALLEGATIONS BY MINISTER AGAINST JUDGES

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, my question is directed to the Prime Minister. The Minister of Labour has made very serious allegations against the Court of Canadian Citizenship. The Minister has alleged, among other things, that judges are expected to turn down a number of applicants as criteria for good performance, that there are clashes between the French and English speaking judges, and that there is a deliberate effort made to keep applicants from one ethnic group from being interviewed by a judge who comes from that same group. Does the Prime Minister agree that such allegations attack the integrity of the Court of Canadian Citizenship, and will he conduct a full investigation into the very serious allegations of the Minister of Labour?

Some Hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I had not heard of these allegations, but I will take notice of the question, and look into the matter, as the Hon. Member suggests.

Mr. Lawrence: We knew we could count on you.

ALLEGATIONS WITH RESPECT TO APPLICATION OF RULES

Mr. John McDermid (Brampton-Georgetown): Is that while the Prime Minister is looking into the issue I raised yesterday?

Will the Prime Minister also look into the allegations of the Minister of Labour that there are rules and regulations currently being applied which do not bear any resemblance to the citizenship legislation? Will he ensure that political pressure by Members of the Liberal Party is not being brought to bear on the everyday operation of the Citizenship Courts and the judges who, as I pointed out yesterday, are being used by his Party on one hand and, on the other hand, are being attacked by a Member of his Cabinet?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, that hardly seems like a supplementary question, having looked into the matter raised by the Hon. Member yesterday, and I would not want to give the detailed response which could be given by the Minister today in the House.

However, it would seem to me that it is not a matter of using courts when one encourages Canadians to become citizens. That is the—

Mr. Nielsen: Ask Ouellet to look into it.

Mr. Trudeau: —policy of this Party, to encourage new Canadians to become citizens, and we are happy to be associated with it.

REQUEST THAT MINISTER APOLOGIZE

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, my final supplementary question is also directed to the Prime Minister. Since Judge Alice McKeown, the then national co-ordinator of citizenship judges, upon learning of the allegations of the Minister of Labour which were made, by the way, in a letter to the then Secretary of State, said that the credibility of the Court of Canadian Citizenship had been seriously undermined, will the Prime Minister demand that the Minister of Labour publicly apologize to the Court of Canadian Citizenship judges?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, that is a return to the first question, and I said that I would take notice of it and look into the matter.

An Hon. Member: The same as you did yesterday.

Mr. Trudeau: I cannot say more on this day because I do not know what the statement was, the contents of the letter, and, indeed, I am surprised that a distinguished judge would use a Member of Parliament as a vehicle for his representations.

Mr. McDermid: It is a she.

Mr. Trudeau: If he has representations to make, I should think that he would proceed in another way than doing it in this open way.

INDEPENDENCE OF CITIZENSHIP COURT JUDGES

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my question is directed to the Prime Minister. I have in my hand copies of the letters from the Minister of Labour to the Secretary of State which outline in specific detail a very serious castigation of the entire Citizenship Courts, a wide brush accusation of racism and of attempts to improve performance by the number of rejections. I am quite prepared to send these letters over to the Prime Minister. They were circulated to the so-called Met Pac group in his caucus a year ago. That is the Metropolitan Political Action Committee, I suppose.

In terms of principle, does the Prime Minister believe that the Citizenship Court judges should have independence in terms of political pressures being put on them by members of his Cabinet?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, of course I believe that independence should exist, but, not having seen the letter, I cannot begin to see the relationship between the question and the allegation of the letter.

Mr. Nielsen: The Minister should resign.

Mr. Trudeau: Just from the quotes of the letter I have heard, it would appear to me that a Member of this Cabinet, as it should be the duty of any Hon. Member of this House, would try to improve the citizenship process, and if he or she feels there is anything untoward in the process itself, then he or she should be awake enough, as are our Members, to draw it to the attention of the relevant people.

Mr. Nielsen: The Minister should resign.

ROLE OF JUDGES

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, again my question is directed to the Prime Minister. The Minister of Labour has, in effect, made a charge that the Citizenship Court judges are a bunch of incompetents. I do not know whether this has any relation to the method of appointment on the part of the Prime Minister and his Cabinet, being that most appointees are Liberal devotees or wives of former Cabinet Ministers.

• (1420)

I also have a copy of a letter from the Solicitor General to the Minister of Labour, in which he gives a legal opinion that, notwithstanding the fact that there is some role for the Citizenship Court judges to play, no attention has to be paid to those decisions because the Secretary of State has the right to decide on citizenship matters, absolutely, without reference to the Citizenship Court judges. I wonder if that is the policy of this Government, that the Citizenship Court judges have no role to play in the applications for citizenship.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I think the Hon. Member is using a kind of perverse logic. He accuses the Minister of having made a charge against the Court. From my understanding of the reading of the quotes, the Minister was complaining about certain aspects of the administration of the citizenship laws, and surely that is not the same as making a charge. The Hon. Member, in his own question, accused Citizenship Court judges as being a bunch of Liberal devotees. Is that a charge, Madam Speaker, or is that a smear, or is that a way of showing his respect for the Courts?

Some Hon. Members: Hear, hear!

Mr. Crosbie: It is a fact.

NUCLEAR ARMAMENTS

REQUEST FOR FREE VOTE ON ISSUE OF CRUISE MISSILE TESTING

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, my question is directed to the Prime Minister. Yesterday in the House, the Prime Minister suggested that the NDP should use an opposition day to debate the Cruise missile question. I take it that by making that suggestion the Prime Minister would welcome such a debate and the ensuing vote. I would like therefore to ask the Prime Minister whether he would allow and welcome free expression of opinion and a free vote should the Cruise missile be debated, and not follow the example set the last time the NDP had an opposition day on the Cruise missile and related matters, on April 29, when the Government took all this as a want of confidence motion in the Government and therefore insisted that its Members could not be free, if they wished, to vote against the Cruise missile. Will the Prime Minister in other words, not use this issue as a confidence measure, but indeed allow a genuine free debate and free vote?

Some Hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, on the first part of the question, indeed I would welcome such a debate. I believe the matter is extremely serious and I certainly share the Hon. Member's concern with the importance of this issue being aired in Canada, it being properly understood and the proper decisions being taken by Government, so on the question of a debate, I repeat that I would welcome the debate and I hope the NDP will follow up on that suggestion.

Insofar as the latter part of the question about a free vote is concerned, I think the Hon. Member is showing a slight misunderstanding of the rules. If it is an opposition day and there is a vote, under the rules that is a vote of non-confidence in the Government. Of course, I would not suggest that these Members should support the NDP in a vote of non-confidence in the Government of which they are Members.

REQUEST THAT GOVERNMENT ALLOCATE DAY FOR DEBATE

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, many of the Members on the other side, including the Minister of Employment and Immigration, would welcome a free vote.

Some Hon. Members: Hear, hear!

Miss Jewett: I would like to remind the Prime Minister that there is not, in fact, an NDP opposition day left. The Prime Minister probably knew that at the time he made the suggestion. In view of that fact, plus the fact that he has to regard votes on opposition days as votes of want of confidence, that is all the more reason why he should take up the suggestion we have made time and time again, and indeed follow in the footsteps of his distinguished predecessor in 1958. At that time, the Liberals in opposition insisted on a parliamentary debate and vote in the House on the last most significant intergovernmental matter between Canada and the United States in defence, namely NORAD. Will the Prime Minister therefore, in view of all this, set aside a Government day, as the Liberals forced Mr. Diefenbaker to do then, for discussion, debate, and vote on the Cruise missile testing?

Some Hon. Members: Hear, hear!

• (1425)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, for one part, I would remind the Hon. Member that between now and March 26 there will be seven opposition days. Therefore, it is possible for the New Democratic Party to use one of its days, if its members think the subject is so important, to debate this issue. I repeat, we on this side are happy to debate the subject. In so far as referring to experiences in previous Parliaments is concerned, I cannot say. I do know that under the rules as they stand now, if the Opposition uses one of its days to call a vote it is, by definition, a vote of non-confidence.

PROCEDURE ADOPTED IN 1958

Mr. Doug Anguish (The Battlefords-Meadow Lake): Madam Speaker, my question is directed to the Prime Minister. In June, 1958, the late Right Hon. Lester B. Pearson insisted that the Government of the day, under the Right Hon. John George Diefenbaker, set aside a Government day to discuss the very important question of the agreement between the United States and Canada, the NORAD Agreement. In fact the Leader of the Liberal Party at that time said it was normal procedure for matters of such importance to be debated and vote on in this House of Commons. Does that not fly in the face of what the Prime Minister is telling us now?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, repeatedly since I have been Prime Minister this Government has agreed to put government days aside so that we would debate issues of international concern. This is one example. I remember another example when one of the opposition parties put, forward one day and we put forward another government day so that there could be a two-day debate. This is something we certainly envisage if the House Leaders want to discuss the use of government time in such a way. I repeat, if there is no such discussion, the New Democratic Party, sensing the urgency of this, can certainly move a motion any time on one of its opposition days between now—

An Hon. Member: He said it was normal procedure.

Mr. Trudeau: Well, they are talking of the lack of days. Did they suddenly just discover today that this was an urgent and important matter? Our own Liberal Convention held early in November debated this subject very thoroughly and there was a vote at the end of that. If the Hon. Member wants to know how we voted, she can refer to that convention.

Mr. MacEachen: She might rejoin the Party.

Presence in Gallery

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MINISTER FOR FOREIGN TRADE, OF THE NETHERLANDS

Madam Speaker: I would like to draw the attention of Hon. Members to the presence in our gallery of the Hon. J. W. Bolkestein, Minister for Foreign Trade, of The Netherlands.

Some Hon. Members: Hear, hear!

[*Translation*]

PRESENCE IN GALLERY OF MR. HONORIUS LACOMBE, EDITOR OF FRENCH DEBATES

Madam Speaker: I also wish to draw the attention of the House to the presence in our gallery of Mr. Honorius Lacombe, Editor of the French Debates, who is retiring today after seventeen years of dedicated service with the House.

Some Hon. Members: Hear, hear!

Madam Speaker: I am sure that Hon. Members will be very grateful to him for continuing the tradition of publishing an objective report of the Debates of this House.

Some Hon. Members: Hear, hear!

* * *

[*English*]

GARRISON DIVERSION

IMPACT OF U.S. HOUSE OF REPRESENTATIVES VOTE

Mr. Jack Masters (Thunder Bay-Nipigon): Madam Speaker, I have a question for the Minister of Employment and Immigration. Could the Minister, who has been very involved in trying to stop the Garrison Diversion Project, inform the House of the impact for Canada of the vote in the U.S. House of Representatives last evening which, in effect, suspended funding for Garrison?

Some Hon. Members: Oh, oh!

An Hon. Member: It has nothing to do with his responsibilities.

Madam Speaker: I am quite sure that is not under the purview of the Minister's administrative responsibility, having been in that Department which is responsible.

* * *

POLITICAL PARTIES

RECRUITMENT OF LIBERAL PARTY MEMBERS—USE OF CITIZENSHIP COURT JUDGES

Mr. John Bosley (Don Valley West): Madam Speaker, in the absence of the Secretary of State I will direct my question to the Prime Minister. It is pursuant to a question asked yesterday by the Hon. Member for Brampton-Georgetown. Yesterday the Prime Minister indicated that he would take notice of the question that was asked and that he would answer today. He knows that the Minister of State for Multiculturalism has already given his view on this matter when on "Canada A.M." today, in describing the use of Citizenship Court judges to recruit Liberals, he said "if that helps them think that the Liberal Party is a good Party that cares about them, I am pleased with that."

● (1430)

The document distributed by the Liberal Party at its Convention says very clearly that the purpose of the meetings using Citizenship Court judges is not only just to explain citizenship, but to "bring potential Members of the Liberal Party into contact with established Liberal associations". Will the Prime Minister indicate, Madam Speaker, whether that is a policy on the use of the judiciary which the Prime Minister of Canada supports?

Hon. Jim Fleming (Minister of State (Multiculturalism)): Madam Speaker—

Some Hon. Members: Oh, oh!

Mr. Fleming: As I pointed out yesterday, if trade unions, church groups and others are encouraged to ask Citizenship Court judges to describe to groups they bring together what it means to become citizens, then I think a political party should be encouraged to do that, if that helps people to better understand the political process, what citizenship is all about, understanding politics and voting in elections.

INDEPENDENCE OF JUDICIARY

Mr. John Bosley (Don Valley West): Madam Speaker, if we cannot get an answer from the chief Minister, perhaps I could direct my question to the Minister of Justice and Attorney General. Will the Attorney General, the Minister of Justice for Canada, tell me whether, in his view, it is reasonable for the judiciary to be used in Canada to, "bring potential Members of the Liberal Party into contact with established Liberal associations"? Is that a tradition of the independent judiciary as he knows it?

Some Hon. Members: Hear, hear!

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, I think that is just another way of asking the same question which my colleague has just replied to.

Some Hon. Members: Oh, oh!

FISHERIES

DISCLOSURE OF KIRBY TASK FORCE REPORT CONTENTS

Mr. Howard Crosby (Halifax West): Madam Speaker, I have a question I would like to direct to the Prime Minister. It concerns the status of the Task Force report relating to the Atlantic fisheries. I am sure the Prime Minister is aware of the difficult conditions which exist in the Atlantic fisheries because of the delay in making public the report of the Task Force which dealt with the Atlantic fisheries. My question relates to the Government and Cabinet policy with respect to such public inquiries.

What is the position of the Prime Minister with respect to disclosure of parts of the report which are made known to the public in various ways by leaks from the persons involved in the Task Force and by the Minister of Fisheries and Oceans, himself? He must know this creates a state of confusion. What is he going to do about it? And what is his policy with respect to these leaks and the misinforming of the public on such a vital matter?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member is asking about our policy on leaks. Our policy is to condemn them firmly.

REQUEST THAT RECOMMENDATIONS BE MADE PUBLIC

Mr. Howard Crosby (Halifax West): Madam Speaker, the Prime Minister has just condemned his own Minister of Fisheries and Oceans because he is responsible for the leaks in an interview with a correspondent in London, England, when he disclosed certain vital aspects of the recommendations made by the Task Force on the Atlantic fisheries. Will the Prime Minister, knowing the difficult state of the Atlantic fisheries, indicate to those persons intimately involved with that troubled industry, what the Government proposes to do? When is it going to make the recommendations public? When is it going to come up with a policy to resolve some of the problems? Or is he just going to let the Atlantic fishing fleet flounder on a sea of government indecision?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I heard, and so did you, the Minister of Fisheries answer that very question yesterday when he dealt with the Kirby Report, and he even referred to the Pearse Report, and indicated it was before the Government, and that their recommendations would be brought forth. That was the answer the Minister gave. I am not quite sure why the Hon. Member is asking a repeat of the same question.

* * *

MISCELLANEOUS ESTIMATES COMMITTEE

LOSS OF MEMBERSHIP FOR FORMER CHAIRMAN

Mr. Pat Nowlan (Annapolis Valley-Hants): My question is also directed to the Prime Minister. I would like to know how he reconciles his penetrating philosophical views about "the anti-democratic reflex reactions of the Liberal flocks of sheep", when they flip-flopped on Bomarcs in 1963, with the independent action of the Hon. Member for Ottawa-Vanier who "raised his voice against the dictatorship of the Leader", and last week voted against Bill C-133, only to lose his very membership on the relevant Standing Committee on Miscellaneous Estimates.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, as a matter of curiosity, when the Hon. Member said, "raised his voice against a dictator", who was he quoting from?

QUERY RESPECTING PRIME MINISTER'S POSITION

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, perhaps the Prime Minister has selective amnesia. It sometimes inculcates the very interesting mind of the Prime Minister. I am quoting from the Prime Minister's article in "Cité Libre" of April, 1963, when the then philosopher was commenting on the dictatorship of the then Prime Minister, Mr. Pearson. My supplementary, Madam Speaker, is that in that article the Prime Minister of today, as a philosopher then, wrote, and I quote:

> I notice amongst the old guard Liberals a degrading cynicism that remains unchanged; amongst the young Liberals I observe the same obsequious—

Madam Speaker: Order. Order! The question period is to entertain questions, not long quotations.

Mr. Nowlan: My question is very short and very much to the point, and it very much involves the whole political morality of this Government.

Some Hon. Members: Hear, hear!

Mr. Nowlan: And to continue the quotation, which the Prime Minister wrote in his own hand—

Madam Speaker: Order. Order!

Mr. Nowlan: I would like to ask the question.

Madam Speaker: Order. Order! I can certainly give the floor to the Hon. Member to ask the question, but not to debate and not to make lengthy quotations. And I am not treating him in any other way than I am treating other Members of the House.

Mr. Nowlan: Madam Speaker, I will try to observe your restrictive stricture.

Madam Speaker: What is the question?

Mr. Nowlan: My question to the Prime Minister, Madam Speaker, is this. Having developed an interesting reputation for political philosophy before he became a practising politician, why has he changed his mind from the article in 1963 when he talked about "old guard Liberal cynicism", and he, God forbid, "never trampled on democracy"? Is not what

happened to the Hon. Member for Ottawa-Vanier a trampling of parliamentary democracy, or has the Prime Minister just joined the "old guard" ranks of Liberal cynicism?

Some Hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member is confused. In his first question he referred to an article of some 25 years ago, I guess, or 20 years ago, and it cannot be all that urgent a matter. In the second part of his question, between quotes he indicated that the Member for Ottata-Vanier had, "raised his voice against a dictator". I was asking the source of that quote. I suspect the Hon. Member has made those quotations up as he makes up a lot of his questions.

Some Hon. Members: Oh, oh!

Mr. Nowlan: I will be raising a point of privilege, Madam Speaker, at three o'clock. I will read the whole speech. I give you notice now.

Madam Speaker: Order. Order! I really wonder what has come upon the Hon. Member. He has had an answer. The Hon. Member for Selkirk-Interlake.

* * *

NUCLEAR ARMAMENTS

REQUEST THAT PERMISSION BE REFUSED FOR CRUISE MISSILE TESTING

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, my question is directed to the Right Hon. Prime Minister who has stated three to four times in this House in recent weeks, including this afternoon, that he views the Cruise missile matter as serious, yet over the past nine months he has tried to defend his Government's decision to permit U.S. Cruise missile testing in Canada as part of an effort to achieve arms control agreements. But as early as 1974, U.S. military planners, including Admiral Holloway, then Chief of U.S. Naval Operations, argued for the Cruise missile because it could be deployed covertly and thus make any arms control verification meaningless. Given this information, will the Prime Minister now make a commitment to stop fuelling the arms race by refusing to allow Cruise missile testing in Canada?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I must point out to the Hon. Member that I do understand the concern shown by himself and by many Canadians on the testing of the Cruise missile in Canada, if that is indeed to happen, and which has not been decided yet. That is a matter which is being negotiated in the form of an umbrella agreement with the United States. I understand the concern. I want to point out, as I did to one of his fellow members of the New Democratic Party the other day, that this is part of our participation in an alliance, and, if we refuse to take some role in the alliance, we are either hypocrites because we are supposing someone else should take that role, or else we should withdraw from the alliance. I have not heard his party suggest with any unanimity that we withdraw from the alliance.

• (1440)

As to the Cruise itself, I want to point out that one of the reasons why we have followed this policy which we are debating now is that the Cruise, by its very nature, cannot be a first-strike weapon. The Cruise delivery time is two to three hours, depending on where it is launched from. It cannot be a first-strike weapon, it can only be a retaliatory weapon, used in cases where someone else started a nuclear war, or a war that we feel is going to mightily destroy the alliance. That is a basic point. If the Hon. Members were lobbying against the Pershing or something else, I would understand it more because I suppose conceivably it could be a first-strike weapon. But when you are talking of a missile the delivery time of which is three hours, Madam Speaker, I do not see how the Members over there, or anyone in good faith, could suspect that this is one way in which our side wants to start a war.

Some Hon. Members: Hear, hear!

Mr. Sargeant: Madam Speaker, I submit that the Prime Minister has become a born-again militarist.

Some Hon. Members: Oh, oh!

Mr. Nielsen: That will be the frosty Friday.

PRIME MINISTER'S MEETING WITH CHURCH LEADERS

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, given the Prime Minister's obvious disregard for the damaging impact of Cruise missile deployment on future arms control operations, and given that his mind is so obviously closed on this matter, could he tell the House why he wasted the time of the leaders of Canada's major Christian churches who met with him yesterday for the express purpose of changing his Government's position on Cruise missile testing and participation in MX development?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, they asked to meet me. I do not think it was their assessment that I wasted their time. We had a rational, intelligent discussion. I am sorry the Hon. Member is unable to carry on that kind of discussion. When he calls me a militarist, Madam Speaker—obviously we are a member of an alliance. We are not non-aligned, we are members of NATO. If that makes us militarists, because we are not absolutely neutral, so be it. But then I challenge his Party to get up and say now that they are not militarists in that sense, that they want to get out of NATO.

Some Hon. Members: Hear, hear!

METRIC CONVERSION

WARNING OF BUSINESS PROSECUTIONS

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, my question had been intended for the Minister of Consumer and Corporate Affairs. Perhaps I could direct it instead to the Minister responsible for small business.

The Minister of Consumer and Corporate Affairs has broken his word to the House of Commons and to retailers in Canada. He gave assurances to this Parliament back in January, 1981, that he would not prosecute those businesses who still choose to deal in imperial measurement, perhaps along with metric measurement. Will the Minister call off his colleague and stop force marching Canadians into metric and into the courts?

Mr. David Berger (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Madam Speaker, the retail gasoline industry met with the Minister on a number of occasions, and had a committee, as the Hon. Member is aware, which oversaw the transformation from the imperial system to the metric system. That committee stood down earlier this year because conversion had taken place in about 99 per cent of the cases. It is possibly damaging to certain competitors of those who seek to infringe the law, and therefore the Minister has taken steps to apply the law.

Mr. Scott (Hamilton-Wentworth): Surely, Madam Speaker, even the Parliamentary Secretary is not naive enough to believe that there are not many upset Canadians who are being forced to deal in metric, not only in the gasoline retail trade but in many other sectors of metric conversion.

METRIC COMMISSION BROCHURE

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, the Parliamentary Secretary will know that the Metric Commission is sending out a five-colour brochure, reported to have cost more than $100,000, with every family allowance and pension cheque, wherein it is stated that metric conversion is voluntary in Canada and that we in this country must go metric because the United States is going metric. Both statements are untrue.

Will the Parliamentary Secretary bring to the attention of the Minister that his own Department should stop this Metric Commission from publishing false and misleading advertising?

Mr. David Berger (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Madam Speaker, I do not know where the Hon. Member gets the impression that metric conversion is voluntary in certain sectors; it is part of the Weights and Measures Act and the Minister has a responsibility to apply that law. Further, Madam Speaker, given the fact that all young people in this country these days are educated in the Metric system I have a great deal of difficulty understanding—

Mr. Epp: Anything.

Mr. Berger: —the lobby being raised by the dinosaurs across the way.

Some Hon. Members: Hear, hear!

* * *

EXTERNAL AFFAIRS

PAKISTAN—DISCUSSION OF NUCLEAR POLICY

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is for the Prime Minister.

Some Hon. Members: Leader! Leader!

Madam Speaker: Order, please.

Mr. Crosbie: Madam Speaker, apparently they want a new leader over there.

Madam Speaker: Order.

Mr. Crosbie: Madam Speaker, the Prime Minister is meeting with the President of Pakistan this week and, as the Prime Minister knows, there is a great deal of fear that Pakistan is a country determined to develop a nuclear weapon. Will the Prime Minister tell the House what he hopes to accomplish in his meetings with the President of Pakistan, and is he going to urge him to sign full scope safeguards and sign the nuclear non-proliferation treaty? If the President of Pakistan does not agree to do that, are we going to continue our policy of refusing to deliver nuclear fuel or any other nuclear implements to Pakistan?

Right Hon. P. E. Trudeau (Prime Minister): Well, Madam Speaker, without going into the details of what has happened over the past years, I can assure the Hon. Member that in our past negotiations with Pakistan we stood pretty firm in ensuring that they would not become a nuclear state with Canada's assistance. That remains our position. Of course we will discuss that subject with him again, and it would be our desire that Pakistan and many other countries sign the non-proliferation treaty.

The Hon. Member asks what other subjects will be discussed. There will be many, but I am sure as a front-line state Pakistan will be willing to discuss with us the problems arising from the Soviet invasion of Afghanistan, a matter which I understand has caused concern even in the mind of the Hon. Member, preoccupied as he is with the leadership question.

Some Hon. Members: Oh, oh!

Mr. Crosbie: Madam Speaker, the Prime Minister seems to have leadership much on his mind. Methinks the throne is not as secure as it might appear, Madam Speaker.

Mr. Baker (Nepean-Carleton): He just has to look behind him.

Mr. Crosbie: Safeguards are needed by the Prime Minister.

Oral Questions

ARGENTINA—NUCLEAR ENERGY AGREEMENT

Hon. John C. Crosbie (St. John's West): Madam Speaker, Canada ended nuclear co-operation with Pakistan in 1976 when they refused to accept full safeguards in connection with our nuclear reactor in Karachi, but we still have Canadian technicians working on a Candu nuclear reactor in Argentina; we are still shipping them nuclear fuel bundles; we are still co-operating with them in the nuclear sense even though they have threatened to construct nuclear weapons.

Could the Prime Minister explain to the House the apparent contradiction between our policy with respect to Argentina and the policy he says we are still going to implement with respect to Pakistan?

Right Hon. P. E. Trudeau (Prime Minister): If I understand the Hon. Member correctly, Madam Speaker, he is supporting the position this Government took in the past as regards nuclear and non-nuclear co-operation with Pakistan. I am grateful to him for having reminded the House of that.

As far as Argentina is concerned, it is another case which has been answered in detail by the present Minister of Justice when he was Secretary of State for External Affairs. Just to refresh the Hon. Member's memory, it had to do with the fact that if we were unilaterally to denounce our agreement with Argentina now, then we would be doing away with all safeguards. They are bound by the safeguards agreement we have now. Since the first signing of agreements in the early 1970s we have attempted to heighten the level of those safeguards and we have not been successful in every case. But to follow the course advocated by the Hon. Member would mean that there would be no safeguards at all with the material and the technology which has already been transferred to Argentina.

• (1450)

GOVERNMENT RESPONSE TO BRANDT COMMISSION STATEMENT

Mr. Bob Ogle (Saskatoon East): Madam Speaker, my question is directed to the Right Hon. Prime Minister. Yesterday afternoon there were two groups of people here. One came representing the churches of Canada, seven national leaders, and at the same time Dr. Brandt from Germany and his commissioners were in the House of Commons. I think that was a very significant event. I feel that both came speaking with a prophetic voice.

This morning the Brandt Commission made a statement which called for urgent action to discuss means to increase world—

Madam Speaker: Order, order. The Hon. Member should be asking a question, not quoting from a report.

Mr. Ogle: I would like to ask the Prime Minister, without that much preparation, whether he is prepared at this moment to give a short answer on how he reacts to the Brandt statement this morning asking for greater liquidity, to reverse the decline in world trade and to alleviate the mounting burden of debt around the world? Does he have a feeling about how Canada can respond?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I know Members of Parliament had the privilege of discussing all these subjects with Mr. Brandt and his colleagues, and I discussed them with them the previous day. I think the Hon. Member knows that Canada has been responding and has been taking positions which the Brandt Commission recognizes as showing the proper kind of leadership. Naturally they would want us to do more.

Mr. Brandt and his colleagues suggested the convening of a Cancun-type conference and were very profuse in their congratulations to Canada for having played a leading role in the Cancun Conference. If the Hon. Member is really trying to find out whether Canada is on the same wavelength as the Brandt Commission, the answer is that we have been saying for a long while that the North-South problems are very grave and that they are linked not only to the peace of the world but to economic recovery. We have been saying that. We believe that, but it does not mean that we can give Mr. Brandt or any other organization a blank cheque on the future.

COMMITTEE STUDY OF NORTH-SOUTH RELATIONS

Mr. Bob Ogle (Saskatoon East): Madam Speaker, the House of Commons is changing its rules at this time. Would the Prime Minister be willing to ask the Government to set up a Standing Committee to study the North-South question steadily, the same way the Brandt Commission has extended itself?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, we just had a task force of the House, chaired by, I believe, the Hon. Member for Gloucester, which issued a report on this very subject. I think the findings of that task force are still worthy of interest, and certainly they have been studied by the Government in determining its policies.

* * *

THE ECONOMY

GOVERNMENT DEFICIT—MINISTER'S POSITION

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is directed to the Minister of Finance. This morning there were reports in the newspapers which indicated that the Minister is changing his position on the size of the federal Government's deficit for the purpose of funding direct job-creation programs. This comes at a time when the deficit is at the particularly high level of 40 per cent of federal Government revenues.

Would the Minister explain to the House why he is reversing himself on this and considering a further increase in the size of the deficit, rather than encouraging Canadians across the country to create jobs through tax incentives designed to generate about as much revenue as the apparent tax costs would be?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, a few weeks ago, in answer to a question of a similar nature, I indicated to the House that, as I was going to proceed with numerous consultations for the preparation of the budget, obviously there would be all kinds of speculations in the press about the options I would tend to entertain as the Minister of Finance. I said that I would not comment on those speculations because I was convinced that they would go in all kinds of directions. I should like to advise my hon. friend right away that he will probably see other articles in the next few weeks indicating a contrary direction. The advice I can give him is that he should read all of them as pure speculation. As far as the specific point he raised is concerned, I will take it as representation in the preparation of the budget.

Mr. Wilson: I hope, if the Minister of Finance raises this with his colleagues from the Provinces tomorrow, that he will let the House in on the secret which he apparently wants to hold off until the budget.

SUGGESTED TAX CREDIT FOR HOME RENOVATIONS

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, let me give the Minister an example of what I have in mind, the type of tax incentive to which I was just referring. Would he consider a tax credit, for example, of $5,000 against a portion of costs incurred in home renovations completed over the next six months? Obviously this would help the construction industry. It would stimulate expenditures on furniture and wood products with a high Canadian content and a high labour content, and it would be spread throughout the country. Would the Minister give consideration to this type of plan since it is likely to be more effective than large Public Works programs directed by bureaucrats here in Ottawa, and far broader and more efficient than the current CHRP direct loan program which requires a bureaucratic approval in each case?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I thank the Hon. Member for his interesting suggestion. I would only remind him that we already have in operation a program for home renovations which provides $3,000 grants and which has generated something like $175 million of investment by the private sector. I do not think he has invented the wheel in his suggestion. He only wishes to add more money to it; I will bear that in mind in the preparation of the budget.

Mr. Wilson: You do not understand the difference.

* * *

PUBLIC SERVICE

SCALE OF PRIVY COUNCIL CLERK'S SALARY AND PENSION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I wonder whether the Prime Minister could confirm that on November 5, 11 days after the announcement by Mr. Michael Pitfield of his intention to resign as Clerk of the Privy Council, the Government passed an Order in Council PC 1982-3439 to raise Mr. Pitfield's salary from the eighth decile D-M 3 level to the tenth decile D-M 3 level.

Will the Prime Minister confirm that that action had the effect of increasing Mr. Pitfield's pension by $1,500 to $3,000 per year at a time when the Government was acting to reduce the pensions of other Canadians?

Would he also confirm that Mr. Pitfield's salary has been increased 9.28 per cent since the introduction of the six and five guidelines?

Some Hon. Members: Shame, shame!

Right Hon. P. E. Trudeau (Prime Minister): No, Madam Speaker, I cannot confirm that but I will be happy to look into it. As regards the passage of that Order in Council, my recollection is that it was done effective April 1. I may be subject to correction on that, but it seems to me that that is an action which is taken as regards all Deputy Ministers, all Order in Council appointees. They are done every year on recommendations of the Special Committee from the private sector appointed to advise the Government on senior salaries. If the facts as quoted are correct, I can assure the House that the action was taken as part of an increase given to all senior public servants.

SALARIES OF SENIOR PUBLIC SERVANTS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, is the Prime Minister telling us that since the introduction of the six and five principle for ordinary Canadians, senior public servants, on average, generally, have been receiving salary increases in excess of 9 per cent as is the case with Mr. Pitfield? Is that what he is telling us? Also, would he tell the House of Commons on what authority he acted?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, on the first part of the question, the answer is no, that is not what I am telling the Hon. Member. If he looks at my previous answer he will see that he is making up the suggestion and not basing it on the facts.

When the Hon. Member asked me on what authority, I indicated that at least the moral authority came from a committee of private sector people which was set up more than a decade ago and which I believe was called the Kline Committee. But as far as the legal authority is concerned, it was the authority of the Governor in Council to recommend to His Excellency the Governor General, the salary levels of Order in Council appointees.

* * *

• (1500)

FINANCE

FEDERAL SALES TAX PROPOSALS

Hon. Marcel Lambert (Edmonton West): Madam Speaker, my question is for the Minister of Finance. On October 27 the

Minister announced that he was deferring any changes in the federal sales tax proposals until May, 1984. Can the Minister give this House absolute assurance that he will not try to introduce these changes piecemeal, product by product in the interval, say, for instance, in lumber and building products?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I can tell the Hon. Member that I am not contemplating any such step. He knows, however, that the task force has been agreed to. It is being set up, and consultations will take place. Obviously if there was unanimity on the task force in the private sector that certain steps would be taken, I would want to look at the advisability of proceeding with certain steps, but I can tell the Hon. Member that neither my Department nor myself is considering any such step at the present time. We have never discussed this matter.

Madam Speaker: The Hon. Member for Provencher.

Mr. Epp: Madam Speaker, I would like to direct my question to the Minister of Transport—

Madam Speaker: I am sorry, I thought the Hon. Member was rising on a question of privilege, of which he had given me notice. Questions of privilege are not exactly in the order in which I received them, but he was the only Hon. Member rising. I would just like Hon. Members to allow me to put an end to the Question Period, and I will do it this way.

* * *

[*Translation*]

MESSAGE FROM THE SENATE

Madam Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate have passed Bill C-140, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending the 31st March, 1983.

* * *

[*English*]

POINT OF ORDER

MR. EPP—ALLEGED UNPARLIAMENTARY LANGUAGE OF MR. HARQUAIL

Hon. Jake Epp (Provencher): Madam Speaker, I want to raise a question of privilege of which I gave you written notice today. I would ask you, Madam Speaker, to take a look at yesterday's *Hansard* at page 21585. You will note that *Hansard* records my name in two different places and that I was rising on a point of privilege. Circumstances being what they were yesterday afternoon, a vote was called by you and with the ringing of the bells there was no opportunity for me after ten o'clock last night to raise my question of privilege, and it is for that reason that I do so today.

Yesterday during the events of the afternoon there was an exchange between myself and the Hon. Member for Restigouche (Mr. Harquail) during which the Hon. Member for Restigouche, I presume wanting to participate in the debate at that time, was trying to get your eye. I suggested to him, as there were exchanges across the floor, that he should not rise and not further embarrass himself. The Member for Restigouche made a comment which I believe was, first, unparliamentary and, second, I believe it was obscene.

Madam Speaker: Order, please. Just to put this procedure more in conformity with our rules, the Hon. Member should be rising on a point of order and not on a question of privilege. Otherwise I need not hear him and can tell him that he does not have a question of privilege. The Hon. Member does have a point of order. If he wants to raise a point of order, I will entertain it.

Mr. Nowlan: I have a question of privilege, Madam Speaker, which takes precedence over a point of order.

Mr. Epp: Madam Speaker, I will take your advice. I will continue where I left off. I believe the comment was, first, unparliamentary and, second, I believe it was obscene. Third, I believe the comment was unworthy of any Member in the House, to raise matters in the manner in which that one was raised.

I notice that the comment is not recorded in *Hansard*. I have checked with a number of my colleagues on this side of the House to confirm whether or not they heard the comment made by the Hon. Member for Restigouche. A number of them assured me both yesterday and today that they heard the words used by the Hon. Member from Restigouche. Even though the matter is not recorded in *Hansard*, it is important the words of Hon. Members in this House be taken as the truth. Even though the words were not recorded in *Hansard*—and I have no intention of repeating them and thus entering them into the pages of *Hansard*—these types of exchanges are unworthy of all Members in the House and I would ask that the words uttered yesterday by the Hon. Member for Restigouche, confirmed by Members at least on this side of the House as having been made, be withdrawn.

Mr. Maurice Harquail (Restigouche): Madam Speaker, on this particular subject raised by the Hon. Member for Provencher (Mr. Epp), he admits that I did not have the floor, that I had not been successful in getting your attention. The Hon. Member has just stated that I did not have the opportunity to participate in the normal way. He confirms that I had not been successful in being recognized to participate at a very crucial time in the exchange and in the debate that was taking place at the time which, as Your Honour will only too well recall, resulted in a five-hour bell.

As I was trying to get the floor to make a correction for the House by pointing out that the Minister had already begun his remarks and that you had given the floor to the Minister of Agriculture (Mr. Whelan), at that point a dozen or more Members were heckling. It is very little wonder that the

comment was not recorded in *Hansard*. There were more than a dozen people drowning out my voice and drowning out my attempt to be recognized by the Chair, which created the problem in the first instance. I think if the Hon. Member had not been so reckless himself in participating in the manner in which he did, he would not be faced with this embarrassment for himself today.

Madam Speaker: The only point that is of interest in this particular exchange, and I thought the Hon. Member for Restigouche (Mr. Harquail) was rising for that purpose, is that I did not hear the words. I did not hear any words that were unparliamentary. They are not recorded in *Hansard*. Therefore, I have to rely on the word of Hon. Members. Hon. Members on this side of the House say they heard unparliamentary language. The only way I can rule on the matter is if the Hon. Member for Restigouche will confirm that he used unparliamentary language. Unless he does, there is no way that I can rule that what was said was unparliamentary. I have to take the word of all Hon. Members. If the Hon. Member for Restigouche feels he said nothing that was unparliamentary, I am afraid the point of order cannot be taken and I cannot rule on it.

Mr. Beatty: Show some honour.

Madam Speaker: The Hon. Member for Provencher.

Mr. Epp: Madam Speaker, with all respect, I think that creates a particular dilemma for all Members of the House in this sense, that literally anything can be said across the floor.

Madam Speaker: Order, please. Literally anything cannot be said across the floor. If I hear unparliamentary language, I deal with it. If I do not hear unparliamentary words, then I consult *Hansard*. If unparliamentary words are not recorded in *Hansard*, we also have the tapes and we can listen to them. Since we have none of those records and if the Hon. Member for Restigouche does not confirm that he used unparliamentary language, I have to insist that I cannot rule on the matter.

Mr. Harquail: Madam Speaker, in the interests of the great respect I have for this institution and for the Chair, and through you to the Hon. Member, whether he knows it or not the respect that I have for him, I want to say that if he has read something into this or heard something which is not recorded, it is difficult for me to respond to it. But I would want to take the opportunity to say that if the Hon. Member has been offended, I will withdraw whatever was said in the heat of debate that offended him. But he in fact knows full well that he contributed to the particular instance to which he is referring, if there was such an instance.

Madam Speaker: The matter is obviously closed.

PRIVILEGE

MR. McKNIGHT—USE OF FRANKING PRIVILEGE

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, I gave you notice of my question of privilege earlier today. I have raised this issue in the House regarding the use of franks and House of Commons stationery by Members outside of what would normally be considered their duties as Members of Parliament. I have read a ruling that you made on one occasion and I will give you the page number and the day so that you will have it for reference.

• (1510)

Madam Speaker: Order. Please do not read to me my ruling. The Hon. Member can read it later on. Right now, he should tell me what his question of privilege is.

Mr. McKnight: Madam Speaker, as I indicated in my letter to you, the question of privilege I am raising today concerns the use of privileges which Members of Parliament have because of our positions that could cause disrespect or be used in an unmeaningful way.

In order to enable you to make a ruling on this matter, I have taken the opportunity to inform the Hon. Member for The Battlefords-Meadow Lake (Mr. Anguish) that I would be raising it as well as to provide that Member with a copy of the correspondence which I hope to discuss. My reason for doing this is that I have correspondence from the Saskatchewan Land Bank Tenants Association, Box 89, Sonningdale, Saskatchewan which is signed by Chris Mewhort, who is the Secretary of the Saskatchewan Land Bank Tenants Association. It is a letter sent to J. F. Watts, Box 1105, Weyburn, Saskatchewan. In these pieces of correspondence in the envelope which bears the frank of the Hon. Member for The Battlefords-Meadow Lake, I do not find anything that refers to the Hon. Member by name, constituency or anything else which indicates that the Hon. Member is aware that his frank is being used.

If our franks are being used without our knowledge—

Madam Speaker: Order. I can see that the Hon. Member is complaining about the use that another Hon. Member has made of his frank.

Mr. McKnight: No.

Madam Speaker: It is not that? It is only proof, then, that the Hon. Member has not been quite clear as to what his question of privilege is. I want to know how whatever he is complaining about or what he is intending to expose affects his personal privilege.

Mr. McKnight: Madam Speaker, as I said in my initial remarks, with respect to the use of the privileges which are allowed Members of Parliament because of our positions, there is a great concern and need to protect the rights that are given to us by the House and, in fact, the people of Canada.

An Hon. Member: What is your point of privilege?

Mr. McKnight: I am sure that is not one of your assistants that I hear, Madam Speaker.

My question of privilege is that Members must know whether their franks are being used, because our franks are important. If a frank has fallen into the wrong hands or used without a Member's knowledge, it is important that all Members of Parliament are made aware of this. Letters that do not pertain to federal Government business or do not pertain to matters concerning a Member's own constituency may be sent out and people will assume that the frank was used with the Member's knowledge and, therefore, his endorsement of whatever information may be contained in those letters.

I raise this question of privilege because I feel that you, Madam Speaker, as the first Commoner of the House, have the right and will to protect the use of our franks. I have brought this to the attention of the Hon. Member for The Battlefords-Meadow Lake and, through raising this question of privilege, I am asking that Members be made aware of the situation and be sure that their franks are used only with their knowledge, since it may not have been used with the knowledge of the Hon. Member for The Battlefords-Meadow Lake.

Madam Speaker: Order. The Hon. Member must be fair. He does not know whether the frank has been used with the knowledge of another Hon. Member. He does not know whether the Hon. Member used it himself. It is not a very precise exposition of a complaint of a problem and I cannot accept it as such.

Furthermore, with respect to the matter of the use of a frank, if the Hon. Member has a complaint, especially of the type he is now discussing, I think he could discuss it with the Hon. Member. As Hon. Members know, the use of the frank is a matter that is usually discussed among the Members of the Committee on Management and Members' Services if there is a particular problem arising from the use of the frank. The Speaker does not interfere to tell Hon. Members in what instances they may use their frank or may not use their frank. This is up to the Hon. Member to determine. He does it within his own conception of what is or is not proper. If something improper arises, Hon. Members usually discuss it in the Committee.

I cannot hear the Hon. Member further. He has already spoken for quite a while on this subject and has not made clear that it is a question of privilege. I have gone to the trouble of explaining to him where he can get redress on this particular matter. I would urge him to do just that.

I will deal with the questions of privilege in the order they have been received. The Hon. Member for Lethbridge-Foothills (Mr. Thacker).

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

Mr. Nystrom: Madam Speaker, I rise on a point of order. In all fairness, the name of the Hon. Member for The Battlefords-Meadow Lake (Mr. Anguish) was dragged before the House. As you said, Madam Speaker, the Hon. Member making the charge spoke for quite a while. We have a tradition in the House of giving the Member at least a few minutes to reply to the charges that are being made. I maintain that that Member should have that right. I see the Hon. Member for Kindersley-Lloydsminster (Mr. McKnight) nodding his head.

Madam Speaker: I do not say that the Hon. Member would not have the right to reply, but I have already ruled on the matter, which is not a question of privilege, in any event. If the Hon. Member wishes to reply I may hear him later; but the Hon. Member for Lethbridge-Foothills rose before him and that is why I recognized him.

Mr. Thacker: Madam Speaker, in view of the fact that the matter was raised by the Hon. Member for Kindersley-Lloydminster (Mr. McKnight) and that the Member for The Battlefords-Meadow Lake (Mr. Anguish) wishes to respond, I would be delighted to stand down for a couple of minutes to allow him to respond. I do not want the Hon. Member to stand again on a point of order and interrupt a proper question of privilege which affects every Member of the House. I believe you will find that all Members have the same problem I have with respect to Private Bills. It truly is a question of privilege which must be dealt with.

Madam Speaker: There is some difficulty. I have already ruled on this particular question. I could perhaps accept what the Hon. Member has to say on a point of order but he should not comment on the ruling. If he wants to give an explanation, I will hear him on a point of order.

Mr. Anguish: Madam Speaker, on a point of order, the correspondence to which the Hon. Member for Kindersley-Lloydminster (Mr. McKnight) referred arose from a concern over a bill that was presented in the provincial legislature of Saskatchewan. It concerned Bill 46, an Act to abolish the land bank. In the wisdom of the previous Government, it saw fit to create the Saskatchewan land bank and the Saskatchewan Land Bank Commission as a means to get young farmers on the land. In the wisdom of the new Government which just came into power in Saskatchewan, it has seen fit to abolish the land bank by introducing Bill 46.

The Hon. Member does raise a very important matter. The letter which he has brought into question was sent out under the signature of a Chris Mewhort, who is a land bank tenant and represented the Saskatchewan Land Bank Tenants Association.

I believe that when a Member's frank is used it must be done in a way that upholds the honour of this institution. This is not accomplished if Members use their privilege as Members of Parliament, especially with regard to franking of correspondence, to send correspondence which has a political leaning or nature to it.

I submit that in the case of this letter that was sent out by the Saskatchewan Land Bank Tenants Association, there was no political motivation on my part. There were some 2,600 land bank tenants in Saskatchewan. Many of those are card-carrying members of the Progressive Conservative Party, many

are New Democrats and many are also members of the Liberal Party, I would submit.

• (1520)

I have no personal motivation in this matter because the letter that the Land Bank Tenants Association sent out was not only within my constituency—

Mr. Hnatyshyn: It was in mine!

Mr. Anguish: —but it was sent out to all of the approximately 2,600 land bank tenants in the Province of Saskatchewan.

Mr. Hnatyshyn: It came from my constituency!

Mr. Anguish: I do not solicit any funds in the letter for myself as a politician or for my political party. I hear the Hon. Member for Saskatoon West (Mr. Hnatyshyn) starting to cry that this was from his riding. I would admit that fact, and he can respond as well.

It happens that Mr. Mewhort, the Secretary of the Saskatchewan Land Bank Tenants Association, does in fact live in the riding of the Hon. Member for Saskatoon West. The writer of this letter came to me and said that he was very concerned about the passage of Bill 46 in the Saskatchewan legislature because it took away the rights that people have under the Charter of Rights and Freedoms which would apply to this House. In fact, Bill 46 takes away the right to any recourse—

Madam Speaker: Order. The Hon. Member is going far beyond the explanation that he was going to give with regard to the complaint raised by the Hon. Member. I asked him to make his comments short. I think we accept the explanation that he has given, but he must make his comments very short.

Mr. Anguish: Madam Speaker, I was coming to my point. I think that two things were indicated. The Hon. Member was asking if this was not an abuse of my frank, and was also asking if I was aware of the use of my frank on this piece of correspondence, which I could read into the record if you so wish, Madam Speaker.

Some Hon. Members: Go ahead.

Mr. Anguish: The frank was used with my full knowledge on this piece of correspondence. I would admit that. I maintain that there was no abuse of my frank as a Member of Parliament or, if Your Honour would see fit to find that there was an abuse, it would certainly be less flagrant than it was on November 30, 1978 when—

Madam Speaker: Order, please.

Mr. Anguish: —when the Hon. Member for Qu'Appelle-Moose Mountain (Mr. Hamilton)—

Madam Speaker: Order. The Hon. Member is raising another point in order to justify—

Some Hon. Members: No, no!

Madam Speaker: —his own conduct, which I do not judge. I told Hon. Members before that I do not judge whether the frank was used properly or not. If Hon. Members maintain that there is a complaint which could be lodged, then they must lodge the complaint before the Committee on Management and Members' Services.

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

Mr. Nowlan: I have a question of privilege.

MR. THACKER—PREPARATION OF PRIVATE MEMBERS' PUBLIC BILLS

Mr. Blaine A. Thacker (Lethbridge-Foothills): Madam Speaker, I rise pursuant to Standing Order 17. You will know from the notice that I gave to you that the question I propose to raise today affects each and every one of us as Members, because we all have Private Bills which we have presented and which we want to present. The question relates either to the inability or, as written in my notice, the refusal—although I am not sure that is the case—of the legislative drafters to prepare our Private Bills in time.

The reason I raise this matter before Your Honour—

An Hon. Member: Filibuster!

Mr. Thacker: —is that it falls under your jurisdiction on the Hill.

Since I became a Member in 1979, I have attempted to have Private Bills drafted with respect to gun control, with respect to making salaries public of officials who work for us and Crown corporations, and another relating to the Constitution which would provide for balanced budgets. Such Private Bills would reflect the wide views of constituents.

Ever since becoming a Member in 1979, I have met with different lawyers in the private legislation branch. The first time I went over there was in 1980, after we came back with the new Government in place. I met with a young lawyer and his adviser to discuss these Bills. They were supposed to be drafted but they never were. My researcher would go back after a few months and ask for an update. Then a draft of the gun control legislation came and it simply was not in the proper form. I held a meeting, then a second one, with a supervisor at which time I explained why I wanted to have a certain clause of the Constitution deleted. That officer was actually quite rude in the sense of implying that his branch would not draft just any Bill that a Member wanted. I wanted to have Clause 133 totally taken out of the Constitution, leaving the question of language to the Provinces, but the officer simply refused to draft that Bill. I think that is—

Madam Speaker: All right, I see what the Hon. Member's question is all about. What I must tell him is that it is not a question of privilege. It is, rather, a question concerning the services of the House. I very much regret that the Hon.

Member is running into that kind of trouble in getting his Bills drafted. I know that in that particular section we have run into some difficulties with some of the staff having to absent themselves—

Mr. Rose: Yes, everyone quits. That is what your difficulty is.

Madam Speaker: —and at least one having resigned to take another position which he thought was more in line with his interests. I knew that there was a bit of a backlog, but I did not know that it had inconvenienced Hon. Members to the extent that the Hon. Member would want to raise the matter in the House. I must tell him that he could raise it with me privately in my chambers, and I will certainly see to it that he gets his Bill or Bills drafted in the time that he needs them. If necessary, I will seek help from other services in order to satisfy Hon. Members.

Hon. Erik Nielsen (Yukon): I rise on the question of privilege.

Madam Speaker: The Hon. Member for Yukon (Mr. Nielsen) rises on a point of order.

Mr. Nielsen: I do not believe the Hon. Member for Lethbridge-Foothills (Mr. Thacker) had finished his comments, but it raises a serious question of privilege—

Mr. Smith: Filibuster!

Mr. Nielsen: —in my submission. I hear the Parliamentary Secretary saying "filibuster!" He is not concerned with the rights of Parliamentarians.

Some Hon. Members: Hear, hear!

Mr. Nielsen: The provision of services by the law branch of the House of Commons is very much a matter within the particular bailiwick of each and every Member of Parliament. I have heard more than one complaint from Hon. Members who have not been able to get their legislation drafted. As Your Honour knows, it has now been three months since Mr. Maingot has left and his position is still vacant. Surely, it cannot be all that difficult to fill a position of director of the House of Commons law branch, which is specifically charged with providing services to all Members of Parliament.

Then, too, I am aware that Professor Franks of Queen's University was commissioned to prepare a study. I am afraid I do not know who commissioned it. Perhaps the Office of the Chair commissioned that study. However, that study should be available and should be read by all Members of Parliament. For that purpose, it is my personal submission to Your Honour that the Franks report should be tabled so that it is available to all Members of Parliament.

Lastly, I suggest that any critiques which have been prepared of the Franks study should also be made available to all Members of Parliament so that we know where we are going with respect to the future of his very vital service of the House of Commons law branch to Members of Parliament.

Some Hon. Members: Hear, hear!

Madam Speaker: Is the Hon. Member for Lethbridge-Foothills (Mr. Thacker) rising on a point of order or a question of privilege?

Mr. Thacker: On the question of privilege, Madam Speaker. I believe, just from your own words, it has been shown that there is a prima facie case, and the question is not whether or not you try to solve it by meeting privately with me, or whether, by a motion, it is put before the proper committee so that all sides of the House—

Madam Speaker: No, I said it did not touch on privilege. The particular complaint which the Hon. Member was making did not touch on privilege, but I did say that I would be glad to discuss with him how we can solve this problem.

For the benefit of the Hon. Member for Yukon, I can tell him that the post of law clerk has been filled on an interim basis. The post was not left vacant; it was filled on an interim basis by another member of the personnel. Therefore, it was not left completely in abeyance. However, the Hon. Member is right in saying that it should be filled. At any rate, those are problems of administration which Hon. Members know should not be taken up and discussed in the House.

Mr. Benjamin: I have a point of order, Madam Speaker.

Mr. Nowlan: I have a point of privilege, Madam Speaker.

Madam Speaker: I have another notice of a question of privilege by the Hon. Member for Crowfoot (Mr. Malone).

• (1530)

MR. MALONE—DRAFTING PRIORITY OF PRIVATE MEMBERS' PUBLIC BILLS

Mr. Arnold Malone (Crowfoot): Madam Speaker, I preface my comments by saying that while you will note some similarity between what I am about to say and the comments of the Hon. Member for Lethbridge-Foothills (Mr. Thacker), I believe I can make a distinct difference, in terms of the concept of Private Members' Bills, that will set it apart from what you heard from that Hon. Member.

One of the common understandings of all Members is that we are treated equally. Our chances to raise questions, to raise points of order or questions of privilege, to print Bills or our opportunities to speak, are equal to all.

In making reference to the printing of Private Members' Bills, I want to bring to the attention of you, Madam Speaker, a specific comment of an officer who is in charge of drafting. I want to pause at this point to say that I lay no critique towards those good officers and the hard work that they do in drafting. I would not want any slant of anything I say to reflect on them because I think we are all aware of the fact that the restraints

of both the country and this House of Commons have led to an understaffing of those Members.

The specific comment that I would like to bring to your attention with respect to the reasons I could not get a Private Members' Bill drafted until into the next session is as follows: "There are some Bills of priority that must be drafted first".

I submit that, when there is a judgment of priority and the question of what comes first, what comes into question then is which Member among Members should be the first to receive consideration. I submit that a consideration is taking place out of this Chamber as to the status and nature of some Members versus others; a judgment is being made as to which Member ought to receive priority. Any time, whether within or outside the House, that there is a priority decision given as to which Members are to be first, that jeopardizes those Members who must be something other than first.

When we, for whatever reason, have cause to bring to the attention of the House of Commons a piece of legislation in the interest of our constituents, our Province or our country, we should be able to do that without having to challenge whether or not we meet the priority of some other Member. If we have, as individual Members of the House of Commons, legislation that we want drafted and placed before the House, we should not have to wait until another session of Parliament, especially when that session could be several months from now. We want to be able to have our legislation at least receive the attention of the public by the fact that it receives first reading and, hopefully, is debated in this Chamber.

I have had a number of Bills. The nature of the Bills are not necessarily important, but I have a list here of six. I am sure that just by reading them Members would find in the main most of them are probably important and which to a large extent they may concur in. But the fact is that we cannot even get them drafted, and if the reason for it is that there are some Bills of priority that must be drafted first, then I submit that there is a judgment being made that affects the working operations of each and every Member in this Chamber. That, I suggest, constitutes a question of privilege.

Madam Speaker: I think the Hon. Member could have come to my office and discussed this problem because it is obviously a problem dealing with the manner in which the services of the House of Commons are provided to Members.

May I tell Hon. Members that I spend a lot of time trying to improve the services to Hon. Members because I know that those services are essential to the accomplishment of their tasks as Members of Parliament. I think Hon. Members will recognize that I have spent a lot of hours doing just that.

I would tell the Hon. Member that if he has been told that some Bills have priority over any of his Bills, I think I can explain to him what that really meant. Our policy is that Bills are drafted on the basis of first-come, first-served; so the first Members who came, I suppose, would be the ones who had priority.

There is no judgment made by any people in the law branch or by myself or anyone who has to deal with these problems as to which of the Bills are the most important ones. That is certainly not a judgment that is made. If he has been told that there were certain priorities, it is simply because other Members presented themselves before he did.

I have a notice of a question of Privilege by the Hon. Member for Saskatoon West (Mr. Hnatyshyn).

MR. HNATYSHYN—ALLEGED ATTACK ON CITIZENSHIP COURT

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I did rise on a point of order, I do not know if you would want to hear me—a separate point of order—flowing from remarks of the Member for The Battlefords-Meadow Lake (Mr. Anguish) with respect to the admission he made as to the franking from my constituency of certain material, not under his signature but apparently under his auspices. I have the document in question and I would propose, with the unanimous consent of the House, to table these documents which are in the nature of a fund-raising opportunity and a membership application by an association involved with provincial legislation, not dealing with any responsibilities that we have in this Parliament.

I would ask, Madam Speaker, if I could obtain unanimous consent to table this material so it will be a matter of public record.

Madam Speaker: There are no precedents for that kind of tabling. The Hon. Member might make the documents available in another way, but there is no precedent for that kind of tabling.

Mr. Hnatyshyn: I wanted to ask for unanimous consent under Standing Order 42 of the rules of this House, which I think is available to us.

Mr. Nielsen: The House can do anything with consent.

Mr. Hnatyshyn: I certainly take your advice. I am quite prepared to—

Madam Speaker: The Hon. Member for Yukon (Mr. Nielsen) is quite right: the House can do anything with unanimous consent. Does the House consent to the tabling of these documents?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Madam Speaker: The Hon. Member does not have unanimous consent.

Mr. Hnatyshyn: Madam Speaker, I want to rise on a question of privilege arising from matters in the Question Period today, in which I participated, relating to an unprecedented attack on the independence of a judicial body in our country, not only by a Member of the House of Commons but also by a Member of the Cabinet—and I refer to the Minister of Labour (Mr. Caccia).

Privilege—Mr. Hnatyshyn

The point I want to raise by way of a prima facie case this afternoon is that this particular attack on the citizenship court is one which affects the rights and privileges of all Members. I think it would be helpful to us if I were to read specifically the contents of this letter which I have in my hand. I have given copies to the Prime Minister (Mr. Trudeau) so that he is apprised of the correspondence. As he indicated he may not have been, I felt it was a courtesy to let him have this information.

This is a letter from the Minister of Labour to the then Secretary of State who is now the Minister of State for International Trade (Mr. Regan). I make the point that while the letter is to the then Secretary of State, it has been published in the legal sense inasmuch as copies have been sent to the Metropolitan Toronto Political Action Committee and also to all Toronto Ministers of the Cabinet.

I will read the letter, Madam Speaker, and you will see the severity of the accusations and statements made which, I suggest, verge on, if not in fact meet, the test of libellous statements.

The letter is addressed to the Hon. Gerald Regan, P.C., M.P., Secretary of State, House of Commons, Ottawa, and is dated November 20, 1981. It reads as follows:

• (1540)

Dear Gerald:

Following letters I wrote you and your predecessor in recent months on citizenship matters, I am taking the liberty of writing this time on the organization of citizenship judges. Repeatedly the point has been made with me that:

(1) there is a structure of national and regional co-ordinators which is costly and considered unnecessary; judges seem to resent that organization because it causes internal frictions;

(2) judges are expected to show more rejections in their workload as one criterion of good performance; women applicants have to pay for this insane requirement;

(3) apparently one or more clashes between groups of English-speaking and French-speaking citizenship judges have taken place at a recent annual meeting;

(4) apparently deliberate efforts are being made to keep applicants from one ethnic group from being interviewed by the judge who comes from that same group.

If these points are important enough to you, I would take the liberty of suggesting a thorough review of the situation. In addition, as mentioned in my last letters, rules and regulations are being applied which do not seem to have any resemblance to the legislation. I am available for elaboration on these points and on the examples I have brought to your attention in previous letters.

With kind personal regards,

The letter is signed "Charles" over the signature of "Charles Caccia".

My question of privilege is simply this. You will take notice of the provisions of the Citizenship Act which established the Citizenship Court. There are many precedents which have been dealt with in this House of Commons regarding what I consider to be criticisms not only of the judiciary, but criticisms of judgments of individuals and the collective judiciary. In this particular case, outside the House of Commons a Cabinet Minister gave to those people who received the publication of this particular allegation the imprimatur of being the considered view of Members of this House of Commons.

Madam Speaker, I think that you can see, and you will agree, that when it is alleged in a very racist statement that apparently efforts are being made to keep applicants from one ethnic group to be interviewed from one who comes from another group, the reference is that the Citizenship Court judges are conspiring against the responsibilities that are to be carried out under the Citizenship Act.

When you consider that the allegation is made by a Member of this House that judges are expected to show more rejections in their workload as one criterion of good performance, when Parliament has spoken on these issues by the enactment of legislation, and when a Member of this House, a Member of the Cabinet bearing responsibility, says that rules and regulations being applied have no resemblance to the legislation, it reflects upon the House.

There are analogies not only in this country but in the United Kingdom, at the Mother of Parliament, of recent vintage. By way of example, the Solicitor General for Scotland in the United Kingdom recently said publicly—

Madam Speaker: Order, please. Is the Hon. Member arguing that a Minister of the Crown cannot write a letter to express an opinion on the way some person is applying the legislation? The Hon. Member has not yet told me where his personal privilege has been affected. The Hon. Member knows that a Minister does not necessarily speak for Parliament. He speaks for himself, for Cabinet, his caucus, and all these other things, but certainly not for Parliament. So I cannot accept that argument. If the Hon. Member has other arguments, especially as to where his privilege has been affected, I will be glad to listen to him.

Mr. Hnatyshyn: Madam Speaker, there are two points I would make. I am not objecting to the fact that one Member of Parliament writes to another, whether it be a Cabinet Minister or not. That is not the point. This document has been published by virtue of the fact it has been circulated among a number of people in Canada. By doing this, the Minister has indicated in no uncertain terms that legislation passed by this House of Commons, this Parliament as a whole, is being abrogated. He casts an aspersion on Members of the judiciary, namely the Canadian Citizenship Court.

The point is simply this. Members of Cabinet have a responsibility to reflect the views of the House of Commons in accordance with those authorities which we give by way of legislation, practice or tradition. What has happened here is without authority, without sanction or legislation. By virtue of no tradition, the Minister has circulated an accusation which affects the privileges of all Members of the House of Commons. The Minister is making the allegation that Citizenship Court judges are not performing the task that we as legislators have enacted.

I was making an analogy. In the United Kingdom, the Solicitor General of Scotland made a public statement that the laws relating to rape in that country were not properly constituted and were not being properly handled. Because of that statement made in public, the British Prime Minister asked for

his resignation and it was tendered. It was because of an admission on the part of the Minister that the Government was not handling its responsibility.

I draw an analogy here. In terms of legislation, whatever the Prime Minister asks the Minister of Labour or Secretary of State, it is his responsibility. However, here the Minister of Labour is saying that laws passed by Members of the House of Commons have been abrogated by some conspiracy by at least some of the Citizenship Court judges. As a Member of Parliament, I refuse to accept that categorical assertion.

If there are no greater facts, we should have the matter referred to the Standing Committee on Privileges and Elections so that we can determine the validity of the allegation to find out whether our laws are being abrogated by a conspiracy among some judges. If, Madam Speaker, you find that I have presented to you a prima facie case that our rights have not only been abrogated in this House, but that there is a reflection on the laws that we have passed, I will make the appropriate motion with respect to a reference to the Standing Committee on Privileges and Elections.

Madam Speaker: The Hon. Member for Willowdale (Mr. Peterson) had risen before the Hon. Member for Simcoe North (Mr. Lewis). I would like to know on what point the Hon. Member for Willowdale is rising.

Mr. Peterson: Madam Speaker, I am rising on a question of privilege arising out of today's performance. I have so far heard at least five—

Madam Speaker: Order. If it is a new question of privilege, I will hear the Hon. Member for Simcoe North, who wants to intervene in the question of privilege raised by the Hon. Member for Saskatoon West (Mr. Hnatyshyn).

Mr. Doug Lewis (Simcoe North): Madam Speaker, I want to add further to the very able argument of my colleague from Saskatoon West (Mr. Hnatyshyn), who has read into the record the very serious allegations made by the Minister of Labour (Mr. Caccia) with respect to the independence of the judiciary and the way the judiciary is operating. What we should be looking at is Beauchesne, page 25, Citation 80(2), and I quote:

> A question of privilege, on the other hand, is a question partly of fact and partly of law—the law of contempt of Parliament—

In 1976 the Prime Minister (Mr. Trudeau) felt that interference by a Cabinet Minister with the judiciary was so important that he came into this House on March 12 of that year and made a statement as Prime Minister. You will recall, Madam Speaker, that at that time there had been several occasions upon which Cabinet Ministers from the Liberal Government had been called into question with regard to contacting judges. There was a question regarding the then President of the Treasury Board; one regarding the present Minister of Energy, Mines and Resources (Mr. Chretien); and another regarding the present Minister of Finance (Mr. Lalonde), who at that time was an employee. There was a question regarding the then Minister of Public Works, Mr. Drury, who has since resigned. Then there was finally the question concerning the then Minister of Consumer and Corporate Affairs who resigned as a result of the judge's inquiry and then was reincarnated as the present Minister of Consumer and Corporate Affairs (Mr. Ouellet).

• (1550)

The Prime Minister very specifically said at page 11771 of *Hansard* on March 12, 1976:

> I entirely concur with the view of the Chief Justice that the independence of the judiciary must remain protected from interventions from Members of the Cabinet—

He went on to say:

> —there should be an immediate clarification of the régime which under this and, I hope, any future Government will govern the relationship of Members of the Cabinet with Members of the judiciary.

Finally he said:

> —no Member of the Cabinet may communicate with members of the judiciary concerning any matter which they have before them in their judicial capacities—

I appreciate, Madam Speaker, as does this House, that the Minister of Labour wrote the letter directly to the Hon. Gerald Regan, the Secretary of State, but what bothers this House, my colleagues on this side, is that a copy went to members of METPAC. We do not know who "METPAC" is. If the Minister of Labour had a concern with the conduct of the citizenship judges, why do the members of METPAC have to be apprised of his concern? Would it not have been something which the Minister of Labour should have dealt with directly with the Secretary of State, without spreading this kind of malicious allegation to all the members of METPAC and, presumably, to their secretaries and the people in their offices?

I believe, Madam Speaker, what concerns this Parliament and my colleagues on this side is that the Minister of Labour, by his actions, has brought every citizenship judge in Canada into question. Stucture is one thing, but they should not suggest they show more rejections, or that women applicants are not getting a fair break, or that there have been clashes between judges, or that there have been deliberate attempts to keep members of an ethnic group from sitting on applications from their own ethnic group. That is what we on this side feel is a contempt of Parliament. By suggesting this in his letter, the Minister has made every member on both sides a party to this allegation. We feel that is an abuse of the privilege of all the Members of this House.

Madam Speaker: It seems to me that the question raised by the Hon. Member for Saskatoon West might be a legitimate complaint, one the Hon. Member might make in this House, but criticisms of judges made outside of the House certainly do not call for the intervention of the House. It is really a matter for the courts to decide if they feel that the judiciary has been in any way affected by those particular criticisms. The fact that these criticisms were made in a private letter which subsequently was circulated to a number of other people does not change the matter at all. As a matter of fact, this letter

was supposed to have been circulated to members of METPAC. Who is METPAC? I do not know.

An Hon. Member: A Toronto Liberal organization.

Madam Speaker: I, as the Chair, have no way of finding out who these people are and why this letter has been circulated to them. This is a matter which has to be dealt with in another way than the one which is suggested by these two Hon. Members.

I would remind Hon. Members that criticisms of judges do not impair the operations of this House whereas a question of privilege would deal with the operations of this House. These particular criticisms of judges do not impair the operations of the House or obstruct Members, as a matter of fact, in their duties. They are able to perform their duties regardless of whether or not criticisms of that nature have been levelled at judges.

I have a lot of sympathy for the strong feelings which Members have about this particular situation, and they should be encouraged to pursue the matter in every possible way they feel they can pursue it, but I cannot allow them to do it under the guise of a question of privilege and, unfortunately, I have to rule that I do not find privilege in the Hon. Member's question.

I have a question of privilege from the Hon. Member for Willowdale (Mr. Peterson).

MR. PETERSON—CONDUCT OF MEMBERS OF OFFICIAL OPPOSITION

Mr. Jim Peterson (Willowdale): Madam Speaker, I rise on a question of privilege arising from today's proceedings. I feel that my privileges as a Member of Parliament to do the job for which I have been elected have been very seriously impaired by the type of conduct which I see going on today. We have already had at least five questions of privilege raised by Members of the Official Opposition. I see at least five or six other Members who are—

Madam Speaker: The Hon. Member might not like what is taking place in the House at the present time. He can have opinions on whatever is taking place, but certainly that is not a question of privilege. He has risen to expose a question of privilege, but unfortunately I have to interrupt him because he does not have a question of privilege.

The Hon. Member for Simcoe North (Mr. Lewis) on a point of order.

Mr. Lewis: Madam Speaker, while you were delivering your judgment, the Hon. Member for Don Valley East (Mr. Smith) allowed to the House that he was a Member of METPAC, and that might be of some assistance to you.

Madam Speaker: The Hon. Minister of Supply and Services (Mr. Blais) on a point of order.

[*Translation*]

Mr. Blais: Madam Speaker, my point of order concerns the procedure being used by the Members of the Opposition. I simply wish to point out that immediately after the oral question period, a series of questions of privilege were raised in an entirely disorderly fashion. As you know, Madam Speaker, there were at least six or seven other Members who advised the Chair that they intended to raise a question of privilege. My point or order is as follows: According to Standing Order 12 of the House of Commons, the Chair has the duty to preserve order in the House, and on page 441 of Erskine May, it says that it is the right of any Member of this House who conceives that a breach of order has been committed, to rise in his place.

With all due respect, Madam Speaker, I wish to say that after what happened when the bells started to ring yesterday afternoon, and considering the debate on the motion before the House pursuant to Standing Order 75C, and the position taken by the Opposition on motions of closure and time allocation under Standing Order 75C of the House of Commons, it is clear that the Opposition is systematically trying to create disorder in this House.

[*English*]

There are, of course, Madam Speaker, the rules of this House which have to be honoured, but beyond that there is the necessity in a democratic institution such as the Parliament of Canada that there be sound debate, and that the Orders of the Day, when they are ready to be called, ought to be called by the Chair. There ought not to be a possibility of systematic interruption by the misuse and abuse of the rules of the House by the raising of spurious questions of privilege by the Opposition. For them to do that, even though they may do that very quietly, in my view, Madam Speaker, constitutes a grave disorder that attacks the very essence of a deliberative body in a democratic society such as ours. And the Opposition, Madam Speaker, even though they think they are very bright and very smart in doing this, are discrediting the very essence of this Parliament of Canada and this House of Commons and they ought to be ashamed of themselves for doing so.

[*Translation*]

Madam Speaker: The Minister is absolutely correct in saying that when there is a breach of order, it is the duty of the Chair to intervene as appropriate. I do not know whether the Minister was openly or implicitly criticizing the Chair's behaviour in the circumstances, but it seems to me that this afternoon, all proceedings have taken place as prescribed by the Standing Orders. I cannot prevent Hon. Members from raising a question of privilege. I can only rule on questions of privilege. The questions are raised, and it is my duty to hear them. I try to ask Hon. Members to state their questions of privilege as quickly as possible, and especially to describe in the first few sentences what exactly their question of privilege is. That is what I have been doing all afternoon. If Hon. Members decide to raise a lot of questions of privilege, I

cannot do otherwise but hear them, and in doing so, I am fulfilling my duties as Speaker of the House of Commons. The Hon. Members of the Official Opposition are using one provision of the Standing Orders, while Hon. Members on the Government side use others. I respect Hon. Members on both sides of the House, and I am trying to conduct this debate as calmly as possible.

• (1600)

[*English*]

I have a question of privilege from the Hon. Member for Halifax West (Mr. Crosby).

MR. CROSBY—ALLEGED LEAKING OF TASK FORCE REPORT ON ATLANTIC FISHERIES

Mr. Howard Crosby (Halifax West): Madam Speaker, before I embark on my matter of privilege I think it behooves us to respond to some of the remarks of the Hon. Member for Nipissing (Mr. Blais) as to those who use the rules of the House.

Madam Speaker: Order, please. The Hon. Member was rising on a point of order. He said what he had to say, I ruled on that point or order, and the Hon. Member will not comment on that ruling. If he wants to expose a question of privilege, I will hear him.

Mr. Crosby: Madam Speaker, matters of privilege do not give rise to legal precision in the manner in which some Members have indicated in this House. In fact, no less an authority than our own Clerk of the House has said in the course of an article that the Canadian Parliament has always refrained from defining privilege too precisely in order to avoid anything which could be used to limit privilege in the future. I remind the Chair of that statement because, in order properly to raise a question of privilege, one has to lay the groundwork and refer to the—

Madam Speaker: Order, please. I see where the Hon. Member's question is coming from. The groundwork may be laid once the Hon. Member has told me what the question of privilege is. That is what the House wants to hear in the very first part of the Hon. Member's intervention. After that, if I feel I need some information, I will allow the Hon. Member to develop his arguments.

Mr. Crosby: Madam Speaker, if I may state my question of privilege as precisely as I can, it relates to the fact that the report of the task force on the Atlantic fisheries was prepared under Government direction and that matter has been reported on to the House. But what has happened over a period of time is that there has been systematic and deliberate leaking of items within the report by Ministers of the Crown, such as the Minister of Fisheries and Oceans (Mr. De Bané), the Chairman of the Task Force, J. Michael Kirby, and other persons connected with the task force. Publication of elements of the report has caused great confusion and difficulty for people in my constituency, across my province of Nova Scotia, and to many who are concerned with the Atlantic fisheries.

Therefore, I rise to complain as a Member of the House of Commons that both my privileges and my ability to represent my constituents have been adversely affected by this deliberate action on the part of Members of the Government and others connected with the Government.

I can provide examples, Madam Speaker. In a statement printed in the Halifax *Mail Star* it is reported that the Minister of Fisheries and Oceans hinted there were differences within Cabinet. While he recognized the urgency of settling on a new policy, in those areas where there was no unanimity the report would have to be delayed.

In the case of J. Michael Kirby, Chairman of the Task Force, he has given interviews to members of the press also.

Madam Speaker: Order, please. The Hon. Member has said nothing since the beginning of his intervention which would allow me to think that he has even the beginnings of a question of privilege. The Hon. Member knows that the way in which the Government chooses to publicize its policies, programs or studies has nothing to do with privilege. That is quite a different matter and I will not spend any time defining privilege to the Hon. Member. He knows what it is.

The leaking of publications to one person rather than to another—we had one the other day and I ruled on it—is not a question of privilege. If the Hon. Member has a question of privilege, I would like him to come to the point immediately so as to allow me to judge whether he has one. If he speaks for ten minutes without telling me what the question of privilege is, I will have to assume that it is not very clear in his mind where the privilege lies. I am sure the Hon. Member can be clear, and I invite him to be.

Mr. Crosby: Madam Speaker, in order to respond to the challenge you have given me—

Some Hon. Members: Oh, oh!

Mr. Benjamin: What challenge?

Mr. Crosby: The challenge to state my question of privilege. It is simply this. On November 5, 1982 my colleague, the Hon. Member for South Shore (Mr. Crouse), asked the Minister of Fisheries and Oceans when the report would be published. The Minister responded that it would be published at some later date. Again the other day my colleague, the Hon. Member for Vancouver South (Mr. Fraser), asked when the report would be published and again the response was "At a later date". In fact, elements of the report are being published all the time by way of leaks to members of the press. That affects our privileges in dealing with this very important matter.

Without regard to the technicalities of privilege, Madam Speaker, which I would be pleased to discuss and provide documentation, I am simply saying that I am having difficulty dealing with this very vital matter of policy with respect to the

Atlantic fisheries because there is a report before the Government which the Government has said it will release at a later date, and in fact elements of that report are being continually released by way of comments, interviews and material given to members of the press and others which are being published. It is simply that, Madam Speaker—a Government that chooses not to deliver the report to the House of Commons but to deliver it elsewhere.

Madam Speaker: Well, if I understand it, the Hon. Member is getting previews of that report. In a sense, that could turn out to be quite useful. However, I have to maintain my point. I have a lot of sympathy for the Hon. Member's complaint, but it is a complaint and he can bring it up in other circumstances, not under the guise of a question of privilege. I have to rule that he does not really have a question of privilege.

The Hon. Member for Regina West (Mr. Benjamin) has a point of order.

* * *

POINT OF ORDER

MR. BENJAMIN—REQUEST TO TABLE DOCUMENT

Mr. Les Benjamin (Regina West): Madam Speaker, in order to be of assistance to all my colleagues in the House and to the Chair, I would like to seek unanimous consent to table an envelope addressed to Leslie Benjamin, Regina, Saskatchewan, under the frank of the Right Hon. Member for Yellowhead (Mr. Clark), a letter on House of Commons stationery asking me for a donation for the P.C. Canada Fund.

Some Hon. Members: Oh, oh!

Mr. Benjamin: Along with a leaflet referring to the Progressive Conservative Party financial statement. I would ask leave for unanimous consent to table these documents in the House.

Some Hon. Members: Agreed.

Madam Speaker: Does the House give its unanimous consent for the tabling of these documents?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Madam Speaker: The Hon. Member does not have unanimous consent. The Hon. Member for Edmonton-Strathcona (Mr. Kilgour) on a question of privilege.

* * *

PRIVILEGE

MR. KILGOUR—ALLEGED UNPARLIAMENTARY LANGUAGE OF MR. BERGER

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, I will be very brief. As I indicated in my notice to you, the Parliamentary Secretary to the Minister of Consumer and Corporate Affairs (Mr. Berger), to the best of my information and belief, used the word "dinosaur" in referring to Members of this Party earlier in Question Period. I have not yet been able to get the "blues", but I am informed that that is the case. If you wish, Madam Speaker, to put the question to him and ask him whether or not he did do so, it is your choice to do so. Otherwise, I would go on to make the case that you should rule that the word "dinosaur" is not an acceptable parliamentary word.

• (1610)

Madam Speaker: I heard the word "dinosaur" but I do not know whether it is unparliamentary. I am just being advised that it is not on the list, so it is not an unparliamentary expression.

Mr. Kilgour: I think it should be.

Madam Speaker: I might rule on that some day! Furthermore, that is not a question of privilege. It is a point of order. I want to tell the Hon. Member that because he rose on a question of privilege and received priority over other Hon. Members who were rising on points of order, I have to apologize to the other Members who were rising on points of order for recognizing the Hon. Member, since he said he had a question of privilege. The Hon. Member for Annapolis Valley-Hants (Mr. Nowlan) told me this afternoon that questions of privilege have precedence, a point of which I am aware.

When Members who have questions of privilege do not rise in the House I cannot recognize them, and that was exactly the case. The Hon. Member does not have a point of order in this particular circumstance. I would remind him that anything concerning unparliamentary language is a point of order.

MR. NEIL—S.O. 43 MOTION OF MR. ALTHOUSE

Mr. Doug Neil (Moose Jaw): Madam Speaker, I will be very brief. My question of privilege arises as a result of a motion under Standing Order 43 this afternoon which was proposed by the Hon. Member for Humboldt-Lake Centre (Mr. Althouse) and seconded by the Hon. Member for Dauphin (Mr. Lewycky).

The motion is deliberately misleading in that it attempted to point out that two Members of my Party and I were supportive of the Canagrex Bill but have since changed our minds.

Madam Speaker: The Hon. Member is debating a motion which the House has dealt with already. There was no unanimous consent to debate the motion under Standing Order 43. He seems to be debating that motion just now, and I cannot allow it at this particular time because the House has dealt with it.

Mr. Neil: Madam Speaker, I am suggesting that if someone makes a statement in a motion under Standing Order 43 which deliberately misleads, there is a question of privilege and I, as a Member, am entitled to raise it.

Mr. Nielsen: Now you have a question of privilege. Go ahead.

Mr. Neil: I am entitled to rise on a question of privilege with respect to that motion. Otherwise, if that is not the case, the situation is that any Member of the House can rise on a motion under Standing Order 43 and impute motives, accuse people of something, and there is no recourse. I suggest that I have a question of privilege based on that motion under Standing Order 43. The suggestion was that I, in particular, along with two other Members, have changed my position with respect to Canagrex. This is not the case.

If the Hon. Member who proposed the motion and the Hon. Member who seconded it would read *Hansard* for January 29, they would find that that was not the case. In particular, if they look at *Hansard* for February 5, 1982 when the vote was taken on second reading, they will find there was no unanimous consent for second reading of Bill C-85 but that the vote on second reading was on division.

I suggest the motion was a deliberate attempt by the Hon. Member for Humboldt-Lake Centre to cast aspersions on myself and other Members of my Party named in the motion, and I believe I have a question of privilege.

Madam Speaker: I believe that is a point of order. The Hon. Member was mentioned in the motion under Standing Order 43. I suppose I have to take this as his desire to make a statement about the fact that his name was used. He has a point of order, and I guess the Hon. Member has made his point.

Mr. Epp: Madam Speaker, I rise on the same point of order. In referring to the comments of the Hon. Member for Moose Jaw (Mr. Neil), I would like to indicate that my name was mentioned as well as the Hon. Member for Provencher. I want to associate myself with the words of the Hon. Member for Moose Jaw (Mr. Neil) and suggest that this type of attempt to draw people into these kinds of statements has been a tactic the New Democratic Party has used for a long time and is not worthy of the House.

Madam Speaker: The point has been made.

MR. NOWLAN—REMARKS OF MR. TRUDEAU DURING QUESTION PERIOD

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, I rise on a question of privilege. I rose earlier to let the Chair know that I intended to raise a question of privilege at three o'clock. Quite frankly I would like to elaborate on it. The Prime Minister (Mr. Trudeau) is not here. I asked to see the "blues" or to have the "blues" here so that I could lay the facts on the table. In response to a question from me this afternoon, I heard the Prime Minister say that I fabricated—the word was "fabricated"—the quotes that I was using in my question. It is very clear under Beauchesne that "fabrication" or "fabricated"—

Madam Speaker: Order, please. It is also very clear that that is a point of order, not a question of privilege.

Mr. Nowlan: Madam Speaker, with respect, it says right in Beauchesne that this is a matter of privilege reflecting on a Member, in effect saying that I lied in the House of Commons. If that is not a fundamental question of privilege, I do not know what is.

Quite frankly, I will look at the "blues" tomorrow and I will not take too much of the time of the House. I want to give the Prime Minister notice that I was quoting from the historic document, "Cité Libre", of April, 1963 entitled: "Pearson or The Abandonment Of Conviction; 'Lester B. Pearson . . . the defrocked priest of peace'." This article was written by the Prime Minister, about whom many of us have heard before in terms of the article. I very deliberately used three quotations taken right from the article which, in effect, castigated the then Liberal Party for making a fundamental flip-flop on the Bomarc missile. Not a Liberal spoke out either in the Party or, more particularly, in the House of Commons. Those were the quotes which I used. The Prime Minister knows well from what I quoted; he knows this article. This article helped make a reputation for the gentleman in terms of a clear political and analytical finding. I am asking the Prime Minister to withdraw—

Madam Speaker: Order, please. The Hon. Member is not going to continue this speech because he is continuing to debate a question which he raised during Question Period. He has pointed out that he is not certain he heard the word. When he makes certain that he did hear it, he can raise his point of order and I will accept it at that time, but not at this time.

* * *

POINTS OF ORDER

MR. HARQUAIL—RIGHT TO RESPOND TO QUESTIONS RAISED

Mr. Maurice Harquail (Restigouche): Madam Speaker, perhaps this will be helpful for Members on all sides. I would like to learn about the following from you. Three times this afternoon questions of privilege were raised and I thought it was a time-honoured rule that Members involved in questions of privilege be in the House to respond. The Hon. Member from Halifax West (Mr. Crosby) raised a question of privilege with respect to the Minister of Fisheries and Oceans (Mr. De Bané), who was not here. Another question was raised with respect to the Right Hon. Prime Minister (Mr. Trudeau), who was not here.

Some Hon. Members: That is their problem.

Mr. Harquail: Is it not an accepted practice that, if a question of privilege is to be raised, there at least be agreement, understanding or common courtesy that the Member involved in the question of privilege be in the House to hear the question and be able to respond to it? Perhaps, Madam

Speaker, you could shed some light on this. Is it not an accepted practice?

Madam Speaker: It goes several ways. It is not a rule; it is a matter for the Speaker to determine whether the Speaker needs to hear a response on a question of privilege.

In these cases this afternoon I did not feel I required any response on the part of another Hon. Member. If they had been in the House and had sought the floor, perhaps I would have heard them, but I had to deal with this business. A question of privilege, as Hon. Members know, has a character of urgency and takes precedence over other business. I have been able to rule on these questions without hearing responses, and that is perfectly proper.

Mr. Harquail: Madam Speaker, just to finalize this, I defend those Members who are not here and reserve on the record their right to have the opportunity to respond and rebut the points which have been made.

Some Hon. Members: Tomorrow!

Madam Speaker: No, they would not have an opportunity to respond because, once I have ruled, the matter is closed. The Parliamentary Secretary to the President of the Privy Council (Mr. Smith) might have chosen to respond in the names of the Hon. Members who were referred to. They did not ask for the floor and I was able to rule on those questions. I was sufficiently informed about the substance of what were not questions of privilege by the way, to rule on them.

• (1620)

MR. ALTHOUSE—REFERENCE BY MR. NEIL

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, the Hon. Member for Moose Jaw (Mr. Neil) has just referred to my motion which I moved under the provisions of Standing Order 43 today as being deliberately misleading and an attempt to deliberately mislead the House, which I think casts aspersions on me. My motion was based specifically on what was recorded in *Hansard* at page 14471 and attributed to the Hon. Member for Moose Jaw. The point contained in my motion this day was that the Conservatives had been in favour of the buying and selling option. I shall quote from *Hansard*—

Madam Speaker: Order, please. The Hon. Member should not be discussing his motion. He has raised one point; that is to say, the Hon. Member used the expression "deliberately misleading". I believe I heard that expression. Is the Hon. Member for Moose Jaw (Mr. Neil) quite certain that is what he wanted to say, or would he care to withdraw those words? The only way that charge can be made is in a substantive way.

Mr. Doug Neil (Moose Jaw): Madam Speaker, I deliberately made certain that I did not accuse the Hon. Member of deliberately misleading the House. I said that the motion was deliberately misleading; I did not say that the Hon. Member was deliberately misleading the House.

Some Hon. Members: Oh, oh!

Madam Speaker: I think the Hon. Member for Humboldt-Lake Centre can accept that. If he will, I think we can resolve the matter.

Mr. Althouse: Madam Speaker, on the point of order, I simply refer the House to page 14471 of *Hansard* where we find that the Hon. Member for Moose Jaw said:

> As far as I am concerned, Canagrex as a corporation should be concerned directly in sales, in co-ordinating sales with foreign governments and the industry in Canada.

Further down the page, we find:

> —the name of the game should be sales.

It was very clear that he discussed sales, and a buy and sell option was part of that.

Madam Speaker: I could not hear the last sentence of the Hon. Member because of the noise. Does the Hon. Member for Humboldt-Lake Centre consider that the intervention by the Hon. Member for Moose Jaw satisfies the point of order he raised earlier?

Mr. Althouse: Yes, Madam Speaker. I am satisfied with the Hon. Member's statement that I have not misled the House. I was simply pointing out that the motion itself was not misleading the House either, as *Hansard* itself shows.

Hon. Erik Nielsen (Yukon): Madam Speaker, on that very point, the Hon. Member for Humboldt-Lake Centre (Mr. Althouse) has said that my colleague, the Hon. Member for Moose Jaw (Mr. Neil), stated that he withdrew the charge of deliberately misleading. In fact, what the Hon. Member for Moose Jaw said was that the motion was deliberately misleading—

Madam Speaker: Order, please. That matter is settled to the satisfaction of both Members. That is the spirit in which this rule is applied. If Members are satisfied that they have not been offended or that language which is not parliamentary has not been preferred against them, then they are both satisfied and the matter is closed.

MR. SCOTT (HAMILTON-WENTWORTH)—REPLY OF MR. BERGER DURING QUESTION PERIOD

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, my point of order arises from an answer given to me earlier this day during Question Period by the Parliamentary Secretary to the Minister of Consumer and Corporate Affairs (Mr. Berger). This is the earliest opportunity I have had to raise my point. The Parliamentary Secretary asked me where I got information that metric conversion was voluntary in Canada. I want the record to show that the Government's own brochures which are being sent out by way of—

Madam Speaker: Order, please. The Hon. Member asked a question during the course of Question Period. He received an answer. If he is not satisfied with that answer, he may not bring it back under the guise of a point of order. This is not a point of order. He may ask another question tomorrow during

Question Period, and every day subsequently, if he gets the floor. That is the way to deal with that particular question.

MR. MALONE—DISTRIBUTION OF MATERIAL RESPECTING PENSIONS

Mr. Arnold Malone (Crowfoot): Madam Speaker, I rise on a point of order. This point of order is one to which I know you will want to give some attention. It relates to the distribution of materials in the House of Commons itself. I make specific reference to the recent tabling by the Minister of National Health and Welfare (Miss Bégin) of a new pensions approach for Canadians. So far there is nothing wrong. But what happened, as I understand it, is that around 3.30 p.m. that day, arriving here on Parliament Hill was a vehicle containing all of the printed material. Interestingly enough, first to be unloaded were volumes and volumes of specific brochures for the media, after the vehicle had previously stopped at the National Press Club. Again, when Members attempted right after to obtain copies, we found that those materials were not available to us.

Madam Speaker: Order, please. I think it will be obvious to the Hon. Member why this particular matter is not my concern. I do not control the buses. I do not control their itinerary, and I have no reason to do so. If the Hon. Member has a complaint, and it might be legitimate, he can make it to the Hon. Minister or to any other person who is in charge of distribution; but those distributions are certainly not my responsibility.

Mr. Malone: Madam Speaker, I hear your comments and I accept them totally. You are absolutely right, and I would not expect you to have any control of the buses. That, however, was not the point. The point I was coming to was that the media had for at least 40 minutes full access to all information while Members of the House of Commons did not. I share this with you, that when we approached distribution, the people in distribution expressed most vividly how concerned they were and told us that if we wanted copies—

Madam Speaker: Order, please. I have to correct the Hon. Member. As soon as the document was tabled in the House, it was, in principle, available to Hon. Members and they could consult it. At any rate, if the Hon. Member has a complaint about the press getting one copy or several copies before he did, that might be a legitimate complaint; but he had better make it to the Minister and not to myself. As far as the House is concerned, the document was tabled and Members could consult it.

MR. ANDRE—AUTHORITY FOR SALARY INCREASE FOR MR. MICHAEL PITFIELD

Mr. Harvie Andre (Calgary Centre): Madam Speaker, I rise on a point of order. Earlier this afternoon the Leader of the Opposition (Mr. Clark) asked the Prime Minister (Mr. Trudeau) a question about the salary increase recently given on November 5 to Michael Pitfield, formerly Principal Secretary to the Privy Council. The Right Hon. Leader of the Opposition asked upon what authority that was done. The Prime Minister replied, perhaps in error, that it was done on the advice of the private sector advisory committee on upper level public servants' salaries. That advisory committee advises on levels only, not on specific elements.

Perhaps the Prime Minister may have unintentionally misled the House, but in terms of that authority, Michael Pitfield when rehired by the Prime Minister in March, 1980, arranged—

Madam Speaker: That is not a point of order.

Mr. Andre: Madam Speaker—

Madam Speaker: No, the Hon. Member may not continue discussion on questions that were raised during Question Period. If he wants to receive more information on that particular matter, he can ask questions tomorrow during Question Period, but he cannot debate this matter in the House now under a point of order. Unless he does have a point of order, I cannot allow the Hon. Member to continue.

• (1630)

Mr. Andre: Madam Speaker, I have a very specific point of order in terms of the authority with regard to Estimates and Appropriations Bills. I will get to that point of order as quickly as possible without making the whole discussion totally incomprehensible because of a tremendous leap being required from the start to the main point.

In response to a question that is highly relevant in this six and five age concerning the ex-Chief Secretary of the Privy Council Office receiving a much more substantial pension increase, the Prime Minister (Mr. Trudeau) indicated that authority was based erroneously. We have checked the Order in Council which has adjusted the former Principal Secretary's glorious renumeration and departure scheme. The authority for his recent appointment on December 10 as a special adviser under Order in Council was supposedly gained from Appropriations Bill 1981-82.

Madam Speaker: Order. Does the Hon. Member really feel that it is reasonable to continue debating that question? I have just pointed out to him that a point of order is not to be used to continue to debate a question which the Hon. Member might wish to debate. While I hope he has an opportunity to debate it, he cannot, under a point of order, continue to discuss it. He has been doing so since the very beginning of his intervention.

Mr. Andre: Madam Speaker, Vote 1, Privy Council Estimates, 1981-82, contains this statement at the end of that vote: "—and the establishment of positions of senior adviser to which persons may be appointed by the Governor in Council to hold office during pleasure." That authority, through this Appropriations Act, was used by Order in Council to grant Mr. Pitfield this new position and high salary.

As you are aware, this question of legislating through Appropriations Bills has been a subject of debate on points of

order in the House since 1969 when these new rules were imposed through closure. There have been continuous and ongoing discussions. Speaker after Speaker in his rulings, including yourself, Madam Speaker, has indicated that it is wrong and inappropriate to use Appropriations Bills to legislate.

The defence mechanism that has been available to protect Parliament in this regard has been in the form of the labours of some Members of Parliament, including myself, who have read through this enormous document Vote by Vote by Vote in an attempt to establish whether there is, in fact, an effort to sneak through legislation. We have been doing this for years.

Mr. Smith: State your point of order.

Mr. Andre: My point of order is very simple. I will try to make it sufficiently simple for the Member to understand, which is difficult. At some point we have to establish some mechanism whereby this House can have better protection from that kind of abuse.

Madam Speaker: Order. I am being very patient with the Hon. Member. He seems to be impatient with me. I must remind him that he is now debating a question which might be legitimate, but there is nothing before the House that allows him to discuss that particular matter just now.

The Estimates have been passed by both Houses. If the Hon. Member had a complaint concerning this particular matter, he should have debated it at that time. The matter he is raising is not a point of order. I cannot allow the Member to continue to debate that matter. I am afraid that I cannot hear him any longer.

Mr. Andre: Madam Speaker, this item was raised precisely because this morning the research staff associated with the Progressive Conservative Party of Canada, after going through voluminous Orders in Council, discovered this point. I raise this matter today for that reason.

Madam Speaker: That is fine. If the Hon. Member has just discovered something that he wishes to debate, he can try to debate it on other occassions. However, this has nothing to do with the Standing Orders, and therefore it is not a point of order. The Hon. Member may not continue to discuss it. If he has discovered that issue this morning, he may debate it and express his concern but not at this particular time.

Mr. Andre: Madam Speaker, I have been searching for a number of years for some mechanism whereby this institution can, in fact, have some ability to protect its rights. As you well know, this particular issue has been raised at the appropriate times, many times, yet there continues to be—

An Hon. Member: What is your point of order?

Mr. Andre: The point of order is very simple. We have finally returned the Standing Committee on Procedures and Organizations to active use. If you share the view of others, which I hope you do, Madam Speaker, that it is, in fact, beholden upon this institution to show its mettle, if you will, from time to time and to prevent this from happening, I humbly request that the Chair suggest that this subject be referred to the Committee on Procedure and Organization so that mechanisms can be put into place which will prevent this kind of abuse in the future. I would then not have to rise on points of order four times a year, every time the Government brings forward its Estimates.

Madam Speaker: I know that the Hon. Member has been preoccupied by this very matter and has raised it at appropriate times in the House. The Hon. Member will remember that I have heard him for quite some length. He has been quite successful in obtaining some kind of redress for that particular situation. I would urge him to continue to proceed from one success to another with regard to this particular matter. However, he cannot do it now and I think he knows that. I will recognize another Member.

MR. SIDDON—CALL FOR STATEMENT FROM MINISTER ON TAXATION OF BENEFITS OF NORTHERN RESIDENTS

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, I wish to rise on a point of order on a matter relating to an announcement made outside of the House by the Hon. Minister of Finance (Mr. Lalonde) on December 2, 1982, in collaboration with the Minister of National Revenue (Mr. Bussières), the Minister of State for Mines (Mrs. Erola) and the Minister of Indian Affairs and Northern Development (Mr. Munro). This announcement and press release refer to a promise made by the Minister of Finance in the House of Commons on October 27 when he gave his economic statement at which time, quoting from the press release, he said, "The Minister had promised full details of his plan to the House of Commons". This important initiative which will lead to the taxation of the benefits of northern employees—

Madam Speaker: Order, please. What is the Hon. Member's point of order? He must know that statements made outside of the House do not constitute the basis for points of order. That goes without saying. Matters happening outside of the House are not covered by the Standing Orders. I do not see how the Hon. Member can rise on a point of order concerning this particular case.

Mr. Siddon: Madam Speaker, reading from the Minister's own press release, I quote the relevant section which indicates that the Minister had promised full details of the plan in the House of Commons. Since the implications of this announcement are so devastating for Canada's mining industry, I think it is important that the Minister should come before the House of Commons to make such a statement and then grant opposition Members an opportunity to question him and seek further clarification of such an announcement. As is set out in his press release, he promised to do that. I am trying to make a point that the Minister should come before the House.

Madam Speaker: That may be a legitimate complaint but it certainly is not a point of order.

MR. TAYLOR—PARLIAMENTARY LANGUAGE

Mr. Gordon Taylor (Bow River): Madam Speaker, I rise on a very innocent point of order. I come from Drumheller which is nestled in the Canyon of the Red Deer where the dinosaurs used to roam. I find nothing objectionable about the word dinosaur.

Madam Speaker: I would simply ask the Hon. Member in what Standing Order we provide for innocent points of order.

• (1640)

MR. DANTZER—PROPER FORM OF ADDRESSING MADAM SPEAKER

Mr. Vince Dantzer (Okanagan North): Madam Speaker, I rise on a point of order which I believe concerns every Member of this House and yourself. Your Honour may recall that last week two Government Ministers, the President of the Treasury Board (Mr. Gray) and the Minister of State for Mines (Mrs. Erola), who is responsible for the status of women, announced a policy barring the use of sexist terms in and around the House of Commons and the Government. I think I am correct in quoting the Ministers as saying that they did this because these terms perpetrated myths and stereotypes and created faulty perceptions and inappropriate behaviour. They said that women should be treated with equal respect and dignity, without reference to physical characteristics or reference to the female gender. I am sure that every Hon. Member wants to carry out what is a good policy. However, every time Hon. Members speak in the House, they use the words "Madam Speaker", and it seems to me that that title is a female gender word which might perpetuate myths and stereotypes and create faulty perceptions. I was wondering whether Your Honour would consider our use of the term "Speaker" or "Speakerperson" or, perhaps, in a friendly way, "Speak". Would Your Honour consider this and advise us as to what we should do in the future?

Madam Speaker: I wish I could answer the Hon. Member in French concerning this particular point of order. In French, it is quite clear that there is no reference to gender in the way in which I am addressed—Madame le Président. Le Président—being a substantive, which is considered to describe the function. When the function is fulfilled by a woman, one says "Madam". When it is fulfilled by a man, one says "Mister", so the function itself is absolutely neutral. However, the English language does not allow for that kind of distinction. I would be pleased if Hon. Members called me "Madam Speaker".

MR. KILGOUR—UNPARLIAMENTARY LANGUAGE

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, I wish to raise a matter that was raised previously as a point of order. I appreciate the fact that Your Honour asked the Clerk if the word "dinosaur" was on the list of unparliamentary terms, and I think he replied, "no". I would simply say very quickly, because you have heard a lot this afternoon, that the word "animal" is on the list, the word "pig" is on the list, and something else which bothers me is "black sheep", which is also on the list. This, of course, is a very serious matter. A dinosaur is defined as being any of an extinct group of saurian reptiles. Surely, if the furry dog and the squealy pig are unacceptable, it is far worse to call us dinosaurs, and I would respectfully ask that you enlarge the list to include the word "dinosaur".

Madam Speaker: I will give it much consideration.

MR. NIELSEN—POINT OF ORDER RAISED PRIOR TO ADJOURNMENT OF HOUSE

Hon. Erik Nielsen (Yukon): I rise on a point of order.

Mr. Blais: You should be ashamed for rejecting your—

Mr. Nielsen: The Minister of Supply and Services (Mr. Blais) is an expert at gross abuses of the Rules of the House, so I bow to him every time.

Some Hon. Members: Oh, oh!

Mr. Nielsen: Madam Speaker, I wish to raise two point of order at this time stemming from the proceedings in the House last night prior to and at the time of adjournment. I would like to deal with those points singly and in order reversed to that in which the irregularities took place.

My first point of order relates to the manner in which the House was adjourned last night. As you know, Madam Speaker, Standing Order 6(3) states:

> At 10:00 o'clock p.m. on Mondays, Tuesdays and Thursdays, at 6:00 o'clock p.m. on Wednesdays and at 5:00 o'clock p.m. on Fridays, Mr. Speaker shall adjourn the House until the next sitting day.

Clearly, Standing Order 6(3) provides that the House will adjourn at 10:00 p.m. on Tuesday nights. Furthermore, Standing Order 7 states:

> At the ordinary time of adjournment of the House, unless otherwise provided, the proceedings shall be interrupted and the business under consideration at the termination of the sitting shall stand over until the next sitting day when it will be taken up at the same stage where its progress was interrupted.

As Your Honour will note, Standing Order 7 states that unless otherwise provided, the proceedings then before the House shall be interrupted at the ordinary hour of adjournment and shall stand over until the next sitting of the House. This procedure is borne out by rulings such as the one to be found at page 3712 of *Hansard* for October 15, 1980, where the following exchange and ruling by the Acting Speaker are reported as follows:

> MR. MUNRO (ESQUIMALT-SAANICH): May I call it six o'clock, Mr. Speaker?
>
> MR. COLLENETTE: Do I understand, Mr. Speaker, that it is now six o'clock, or has the Hon. Member for Esquimalt-Saanich (Mr. Munro) called it six o'clock?
>
> THE ACTING SPEAKER (MR. ETHIER): The Chair recognized that it was six o'clock and therefore cannot recognize another member from the floor.

I submit, however, that in this case there was just such a provision as referred to in Standing Order 7 which would have resulted in delaying the normal adjournment of the House and that provision was contained within Standing Order 34(1)

which stipulates that the proceedings of the House will be interrupted either by a call to order by the Speaker or on a point raised by another Member of the House. It is very brief and I will read that for the record as well. It states:

Any Member addressing the House, if called to order either by Mr. Speaker or on a point raised by another member, shall sit down while the point is being stated, after which he may explain. Mr. Speaker may permit debate on the point of order before giving his decision, but such debate must be strictly relevant to the point of order taken.

In this case, Your Honour recognized that I had risen before you had adjourned the House and I refer the Chair specifically to page 215—

Madam Speaker: Order. Just for the record, no, I had not recognized that. I said, "The Hon. Member says that he has risen before. I had not seen him, but if he says that he has risen before, I will take his word for it". I had not recognized that, just for the record.

Mr. Nielsen: I will be reading that excerpt from *Hansard* into the record to support my point of order, Madam Speaker, and the judgment can be made on the basis of the evidence which will be then available. I was referring to page 21588 of *Hansard*, where this exchange is reported in the right-hand column:

MADAM SPEAKER: I did not see the Hon. Member rise before I adjourned the House.

MR. NIELSEN: Yes.

MADAM SPEAKER: But apparently he had risen. Will the House allow me—

SOME HON. MEMBERS: No, no.

I think it appropriate, at this stage, to review the events of last night, commencing at page 21587 of *Hansard*. I specifically draw the attention of the Chair to that page where the time is noted, as it is in all of our issues of *Hansard*. From time to time, the time is noted by the *Hansard* reporters as they are recording our proceedings. Your Honour will note that immediately following the vote itself, the list of the Members having been recorded, the time is noted as being 22:05, which was, of course, five minutes past ten. That time bears direct relation to the Standing Orders which I have already cited for the Chair with respect to the hour of adjournment. Then the Hon. Member for Calgary Centre (Mr. Andre) rose on a point of order, which was heard, and then Your Honour said:

The Motion is lost. The Hon. Minister of Agriculture (Mr. Whelan) has the floor—

That specifically relates to a decision of the Chair when the then Acting Speaker, Mr. Ethier, was in the Chair, and when it was drawn to the Chair's attention by Mr. Collenette that that was an impossible procedure, and he certainly had the positive reaction and decision of the Chair on that point. Concerning the point at which I rose to take part in that exchange immediately following your statement from the chair, the Minister of Agriculture (Mr. Whelan) is recorded as making probably the most intelligent contribution to any debate that he has made in the House in his whole career when he said:

Madam Speaker—

That was the extent of his contribution. The exchange continued:

MR. NIELSEN: Madam Speaker, Madam Speaker—

SOME HON. MEMBERS: Oh, oh!

AN HON. MEMBER: No way.

MADAM SPEAKER: —and it now being ten o'clock, the House is adjourned until tomorrow at 2 p.m.

SOME HON. MEMBERS: Oh, oh!

MADAM SPEAKER: Order, please.

MR. NIELSEN: I rise on a point of order. Point of order. You cannot, Madam Speaker, with great respect—

• (1650)

Then on the following page we find the following:

MADAM SPEAKER: Order, please. The Hon. Member—I am not sure whether the Hon. Member rose before I adjourned the House—

SOME HON. MEMBERS: He did. He did.

MR. NIELSEN: Yes.

AN HON. MEMBER: Yes, two of them did, Madam Speaker.

MADAM SPEAKER: —but it seems from the protest—

SOME HON. MEMBERS: Oh, oh!

AN HON. MEMBER: No way.

MADAM SPEAKER: Therefore, if the Hon.—

MR. NIELSEN: I cannot be heard until they turn the mike on.

That is another point of order that I would like to get into some day. It goes on to read.

MADAM SPEAKER: Let us not get excited.

MR. NIELSEN: Madam Speaker—

MADAM SPEAKER: I did not see the Hon. Member rise before I adjourned the House.

MR. NIELSEN: Yes.

MADAM SPEAKER: But apparently he had risen. Will the House allow me—

There were some noes, and therefore the House rose.

As a result of my rising, prior to your statement that the House was adjourned—and the adjournment is recorded, incidentally, in *Hansard* at 10:08—the adjournment, in my submission, should not have taken place. Had you so directed the House, pursuant to Standing Order 34(1), a debate on my point of order might have taken place before you delivered your opinion on that point. I will not burden the House with reading Standing Order 34(1) again; I have already placed it on the record.

Why was it important that my point of order be heard at that time? I would like to refer you, Madam Speaker, to the Fifth Edition of Beauchesne at pages 78 and 79, and specifically to Citations 233.(1), 235 and 237. Those Citations are as follows:

233. (1) Points of order are questions raised with the view of calling attention to any departure from the Standing Orders or the customary modes of proceeding in debate or in the conduct of legislative business and may be raised at virtually any time by any Member, whether he has previously spoken or not.

Mr. Smith: How many of the points of order today did that?

Mr. Nielsen: I cannot be blamed for the lack of comprehension of the candy-backed Parliamentary Secretary to the President of the Privy Council.

Some Hon. Members: Hear, hear!

Mr. Nielsen: Citation 235 of Beauchesne says:

235. Any Member is entitled, even bound, to bring to the Speaker's immediate notice any instance of what he considers a breach of order. He may interrupt and lay the point in question concisely before the Speaker. He should do so as soon as he perceives an irregularity in the proceedings which are engaging the attention of the House.

This is what I attempted to do last night. It goes on:

The Speaker's attention must be directed to a breach of order at the proper moment, namely the moment it occurred.

Again this is what I attempted to do last night. It goes on:

A point of order may be taken after a debate is concluded and the Speaker is about to put the question to a vote or after the vote has been taken—in fact, at any time, but not so as to interrupt the Speaker when he is addressing the House. Even the provisions in Standing Orders that action must be taken "forthwith" or "forthwith without debate" with respect to certain proceedings do not bar a Member from raising a point of order when a serious irregularity occurs.

The last Citation from Beauchesne which I mentioned, No. 237 on page 79 reads:

A point of order against procedure must be raised promptly and before the question has passed to a stage at which the objection would be out of place.

I have one last submission in that regard, Madam Speaker, one last precedent. You will note that Beauchesne stipulates that a Member is:

—entitled, even bound, to bring to the Speaker's immediate notice any instance of what he considers a breach of order. He may interrupt and lay the point in question precisely before the Speaker.

Those are the words of Beauchesne. Furthermore:

—a point of order must be raised promptly and before the question has passed to a stage at which the objection would be out of place.

That very valid ruling was established on February 20, 1911, and will be found at page 190 of the Journals for that date. I will quote briefly from that precedent. This is the Speaker rendering a ruling with respect to certain Senate amendments to a Bill to amend the Inspection and Sale Act, which was then before the Commons. He said, amongst other things:

At that time I stated to the Honourable Member that his objection was taken too late; also, that the Bill itself was not before the House but only the Senate amendments.

At the suggestion of some Honourable Member I allowed the matter to stand until to-day.

Here is the relevent portion of it:

After careful consideration of the subject, I see no reason to change my opinion. The time at which an objection is taken to any procedure of the House has always been considered as of importance, and some objections which might have very fairly prevailed, had they been taken at the proper time, have failed on account of delay. There is no special precedent upon this particular case, but there are abundant precedents to the effect that an objection to procedure must be taken promptly and before the matter has passed to a stage at which the objection would be out of place. This, I consider, to have been the case in the present instance, the Bill having passed its three readings and Committee of the Whole in the House of Commons before this point was raised. Any other ruling would lead to very undesirable complications.

I rose last night, Madam Speaker, to draw your attention to what I considered to be a breach of the procedures of this House, in accordance with this Standing Orders, the Citations in Beauchesne to which I have referred, and generally in accordance with the long-standing practices and procedures of this House. You recognized that I had risen before you adjourned the House, that is my position, that is my interpretation of the evidence that I have placed on the record. I mean no disrespect in taking that position, because I can obviously see from your expression that you do not agree with me. In any event, that is my position, that I was recognized before you adjourned the House. The House was nonetheless adjourned before you heard the point of order. Certainly my point of order that I wished to draw to your attention was not heard. As a result the proceedings may have passed beyond a point at which my point of order might have been in place.

I submit to you, Madam Speaker, that this particular breach of procedure may not simply be grounds for a point of order, but for a question of privilege, my personal privilege, since I was prevented from performing from what I consider to be my bounden duty and obligation, as a Member of Parliament, in drawing what I considered to be a breach of the procedures of this House, immediately to the attention of the Chair.

I am not laying blame at any doorstep. Procedures are often breached in innocence around this place by many like the Parliamentary Secretary (Mr. Smith), from a lack of knowledge of our practices and procedures and the legitimate traditions of this place.

An Hon. Member: From ignorance, in short.

Mr. Nielsen: In any event I submit that there was no recognition, no authority, with respect, at the point where you said at page on 21587 of *Hansard:*

The Hon. Minister of Agriculture (Mr. Whelan) has the floor—

I suggest to the Chair that that statement, to have any effect, goes beyond the authority of the Chair at that moment. Certainly the time, in *Hansard*, and the application of our Standing Orders would make that abundantly so.

• (1700)

If it were any other way, it would result in serious complications because the process which is open to all Hon. Members on this side when the Chair attempts to recognize someone is taken away from them. The Standing Orders provide, for instance, that such a motion as was moved yesterday can be moved by any Member, and the processes that were followed last night denied the right of Members to exercise that particular right under the Standing Orders.

At the very least, we start at square one with respect to the determination of that vote. I suggest that had I had the opportunity to do so, I would have suggested to the Chair last night that the adjournment would have occurred after the Chair properly heard the point of order raised by the Hon. Member for Calgary South, and that was it.

MR. NIELSEN—ANNOUNCEMENT OF VOTE TALLY BY CLERK

Hon. Erik Nielsen (Yukon): The other point of order I have to address to the Chair concerns the vote itself. I believe it to be a serious one. It is the first time I have seen a departure

from the practices in this place. Perhaps it was because of the absence of the Clerk or for whatever reason, nonetheless it happened. Again, I lay no chastisement or blame at any doorstep. I simply feel it is my obligation to address the point to the Chair, and for the Chair to take note of it for whatever action may be deemed necessary.

I want to refer the Chair to Citation 233 of Beauchesne's Fifth Edition:

Points of order are questions raised with the view of calling attention to any departure—

That Citation is already on the record. I have already drawn the attention of the Chair to it. In this particular instance, my point of order was related to the method in which the result of the division was announced to the House. I would like to draw your attention to Citation 217 of Beauchesne's, pages 74 and 75 of the Fifth Edition where it is set forth. I will not read it all as it is rather lengthy. It reads in part:

217. When the debate on a question is closed, and the House is ready to decide thereon, the Speaker says: "Is the House ready for the question?" If it is evident that no Member claims the right of speaking, the Speaker proceeds to put the question by reading the main motion, and then the amendment or amendments in their proper order. He then takes the sense of the Members of the last of these by saying: "Those who are in favour of the motion (or amendment) will say 'yea'. Those who are opposed to the motion will say 'nay'." When the supporters and opponents of the question have given their voices for and against, the Speaker says: "In my opinion, th yeas (or nays) have it." Should five or more Members rise to request a recorded vote, the Speaker says: "Call in the Members." The Sergeant-at-Arms ensures that the bells are rung; the Whips take steps to assemble their Members. Except under S.O. 9(2) there is no special time fixed for calling in the Members. It generally takes at least ten to fifteen minutes to get them, the Speaker remaining in the Chair, although order is not strictly maintained. The signal for taking the division is the return of the Government Whip and the Opposition Whip. The Whips march up the aisle and bow to the Speaker before returning to their seats. The Sergeant-at-Arms remains by the Bar, also bowing to the Speaker before resuming his seat. The Speaker then calls the House to order, rises and reads the question, adding: "The question is on the main motion (or amendment as the case may be). Those who are in favour of the motion (or amendment) will please rise." Led by the Party Leaders, Members starting from the front benches rise separately and a Clerk Assistant, standing, calls out their names. The Clerk records their votes on a printed list, repeating each name as he places a mark against it. The Members should sit down after they have heard their names distinctly repeated by the Clerk. Members are taken, by Party, in rows with the Party Leaders called out first as a matter of courtesy. When all the "yeas" have voted, the Speaker says: "Those who are opposed to the motion (or amendment) will please rise", and the votes are recorded as above. When the "yeas" and "nays" are taken down and counted, the Clerk rises, bows to the Speaker and declares the votes in both languages, saying: "Yeas, pour . . . ; nays, contre . . . " The Speaker then says: "I declare the motion (or amendment) carried (or lost, as the case may be)."

I would point out at this stage that we have to be concerned with our procedures last night in this specific regard. It goes on:

If a division takes place on an amendment to an amendment, the Speaker will immediately put the question on the first amendment,—

The rest of the Citation is not relevant. I draw your attention in particular to the words of that citation which read:

When the "yeas" and "nays" are taken down and counted, the Clerk rises, bows to the Speaker and declares the votes in both official languages, saying "Yeas, pour . . . ; nays, contre . . . "

It is at that point that the Speaker then declares the motion to have carried or to have been lost.

Hon. Members on this side of the House, including myself, did not hear the announcement of the tally of the vote by the Clerk and are therefore in some confusion as to whether or not the division was properly concluded and, therefore, whether the House was able to adjourn at the time it did last night.

If I might have your attention for just a moment, Madam Speaker, may I point out that in my responsibilities now I have a habit of watching the Chair, listening to everything that is said and watching very carefully. I must admit that I did not see, let alone hear, the Clerk read the results of the vote last night.

Mr. Cousineau: Horseshit.

Mr. Nielsen: Mr. Cousineau behind the curtain just used a very obscene word. I hope it did not get in *Hansard*.

Some Hon. Members: Shame.

Mr. Nielsen: I would, except for the fact that Beauchesne's clearly states that the vote is declared in both official languages, be of the opinion that the declaration of the Clerk is merely for the purpose of informing the Speaker. However, the fact that the Clerk is obliged to announce the vote tally in both official languages and the fact that ordinarily the Clerk would make his announcement into a microphone so that his announcement is audible to all Members of the House both indicate to me that the purpose of the declaration goes beyond that of merely informing the Chair.

In my submission it is important that Members of this House be aware of the tally as communicated by the Clerk in order to ensure that the vote has been properly tallied and that no error is made in announcing the results of the division. Indeed, I remember an occasion when the House Member for Nepean-Carleton (Mr. Baker) rose on a point of order to draw the attention of the Chair to the fact that he was tallied twice in a vote, a privilege that some of us would like to have on occasions from time to time in this House. Indeed, the decision rendered by the then Acting Speaker (Mr. Ethier) on the point of order raised by the Hon. Member for York East (Mr. Collenette) is another analogy. In our proceedings last night, the Hon. Member for Calgary Centre (Mr. Andre) rose to put the record straight.

The proper time for bringing such an error to the attention of the Speaker is at the time the error occurs. That is at the time that the breach of proceedings takes place. Because Members on this side did not hear the vote tally, they could not ensure that an error had not been made. Although I had risen to draw this matter to your attention, the House was adjourned and thus this is the first opportunity I have had to question the validity of the proceedings that took place last night. I submit, Madam Speaker, that I should have been given that opportunity last night. Although I do not question the accuracy of the tally conducted by the Clerk, I am led to ask whether or not the division was validly completed, given, if the Chair so finds, that this departure from custom was a fact, and whether it was possible to adjourn at all last night.

• (1710)

One last citation which I should like to quote from Beauchesne, Fifth Edition, at page 76, Citation 223(2), reads:

> A Member must be in his own seat should he wish to vote and should remain in his seat until the division is complete and the result announced.

I did not hear the result, and there are many Members on this side who did not hear the result. Citation 223(2) of Beauchesne refers to *Hansard* for February 16, 1976, page 10986, where the following exchange took place, and that was the occasion which I have already mentioned where the Hon. Member for Grenville-Carleton, as he was then, drew the attention of the Chair to the fact that he thought—well, I will read his words:

> Mr. Speaker, I think that inadvertently I was counted twice. I do not want to overdo my welcome among my colleagues. I think that I was counted twice because I shifted from my seat. The first vote only should be counted.

I do not know why he did not want the second vote counted. In any event, that Citation is there for the reference of the Chair. Clearly, Madam Speaker, it is not only necessary for a Member to be in his seat to give the question, but he must also be in his seat to hear the result of a division announced, and I question whether a division is complete before Members have heard the results announced and have had the opportunity to question those results. Secondly, if a division is incomplete, until such time as the results have been announced to the Members, it is my submission that it is contrary to the rules and practices of this House to adjourn the House. Those are the two points of order.

I have tried to be as brief as possible, but unlike the "candy-backed" Parliamentary Secretary to the President of the Privy Council (Mr. Smith), I believe they are points of order which are of substance and deserving of very careful consideration by the Chair, particularly in view of the next order of business to which we will be moving immediately following the Chair's decision on the first point of order which I raised.

With respect to the first point of order, the effect of that, if accepted, would be that, after your declaration that the motion had been lost, that was as far as the Chair could go. The hour of adjournment had been reached and passed. The Chair, I submit, at that point, was *functus*. It had no further power to make any further decisions such as the one which was raised last night, thus denying Members their undeniable right of access to certain actions under the Standing Orders, of which they may still wish to avail themselves today.

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I had absolutely no intention of rising on this point of order, but having listened to the Hon. Member for Yukon (Mr. Nielsen), I feel there are two things I want to say with regard to his comments. First, it is true, I think, that the count was not audible to the House of Commons last evening. I, in fact, noticed that myself at the time and would have perhaps raised it had it not been for the fact that there was a sufficient amount of turmoil and I felt we probably required no more at the time.

With regard to the question of whether the Clerk did in fact rise and read the count, although I could not hear it—and I make that point—there is no doubt in my mind as I watched that the Clerk not only rose, but he stood to the right as I am facing the Speaker, to the right of the Speaker, to speak to the Speaker.

Mr. Nielsen: This way?

Mr. Deans: No, no, below the dais, but to the right of the Speaker. The Clerk who did it is sitting at the Table at the moment. I did in fact see the Clerk rise, but I did not hear the count. Therefore, on the one part of the point of order, if it is indeed out of order for the count not to be heard, then, quite clearly, the point of order is valid. That is a question, of course, on which I cannot make judgment since I am not the Speaker.

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I have not entered into the debate on all of these points of order and privilege this afternoon because I did not want to lend them any credence because they are obviously a filibuster. But with regard to this point, I think it raises a question of the actions of the Table officers, and I think the Table must be supported. I had trouble hearing what the count was, but I certainly observed the Clerk turn toward you, Madam Speaker, and I could see his lips moving.

An Hon. Member: Did you hear the count?

Mr. Smith: I think it is a safe and reasonable assumption that he was giving you the count. There is an old rule of law, Madam Speaker, which says that those who seek equity must approach the court with clean hands.

An Hon. Member: Like the Citizenship Court.

Mr. Smith: If the Clerk could not be heard it was because Members opposite were raising such a fuss that he could not be heard. I would submit, Madam Speaker, that this is one of the most spurious points of order I have ever heard in my time in Parliament, and I regret it has cast reflections on the carrying out of the duties of an officer of the Table in whose ability and integrity I have the utmost confidence. I am sure I speak for all Members on this side on that point.

Some Hon. Members: Hear, hear!

Mr. Arnold Malone (Crowfoot): Madam Speaker, I would just like to take a moment or two to share with you my opinion of what happened last night. The sound system was not functioning. We did not hear the vote. In fact, what happened is that it was not really until we saw *Hansard* today that we factually knew who won or lost the vote last night.

With respect to the position taken by the Hon. Member for Yukon (Mr. Nielsen), I would like to underscore the theme of what he was making reference to, and that is that we need in this parliamentary concept the utmost concern for process, and that process, in its very definition, becomes the standard by

which a Parliament should be able to function. What happened last night is a question essentially of whether or not a Parliament can move to some other business while there is a question about its order. That question was being raised last night, and I put this to you, Madam Speaker, because you will be giving this some consideration: how could we move to any other form of business, be it adjournment or be it unanimous consent to move from one Bill to another, when in fact there is a question of order.

It would seem to me, as long as there is on the floor of the House some question about the process by which that House is conducting itself, namely, the rules by which it chooses to operate, that if there is a question about that process, then, by the nature of our Standing Orders, attention must be given to the fact of whether or not we are in order.

To be outside of order and then to move to some other activity is simply, I believe, a defiance of the rules of order themselves. Therefore, the specific question of the events of last night are in question, as is also the hypothetical event of moving to any other state of order than the one which might be before us.

With that in mind, Madam Speaker, I would also find it necessary to bring to the attention of the House, through you, that while we had before us last night a question of order at the time of adjournment, what has happened now is that nearly four hours of business have passed since that question of order was before us. I say this to underscore the necessity of considering points of order or questions of privilege at the time when they are submitted rather than putting them aside to some later period of time. As was indicated earlier, and I will not recite the Standing Order, we have a duty and obligation, when we believe there is a question of order, to bring that question of order to the attention of Madam Speaker or Mr. Speaker, depending on what the case may be.

I have extended the argument of the Hon. Member for Yukon because I think there is not only the question of the specifics which face you now, but the whole general hypothetical question of whether or not the House can shift from any form of business to some other form of business while there is on the floor of the House a question of whether or not it is in a state of order.

• (1720)

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, in my riding today there are 15 per cent unemployed and one in 13 workers in British Columbia will soon be going on welfare. My people want this House of Commons to deal with some real business and to get some Government action.

Some Hon. Members: Hear, hear!

Mr. Waddell: Let us get moving. This is ridiculous. I saw the vote last night. We did not hear the vote back here, it is true, as the Hon. Member for Crowfoot (Mr. Malone) said. But as the Hon. Member for Hamilton Mountain (Mr. Deans) said, we saw the vote being put by the Clerk, we saw it read, and we all know that the Government was not defeated. If it had been, we are sure it would have raised hell and we would have got that vote recorded. So let us move on. We know what the vote was, we know what is happening, and there is a big need in the country to get going.

Mr. Fred McCain (Carleton-Charlotte): Madam Speaker, we are no longer operating with privacy in this Chamber and no longer can we conceal from the public what takes place in this Chamber.

Mr. Blais: Don't you have any unemployed at home?

An Hon. Member: Canagrex will not solve unemployment.

Mr. McCain: I think what I have just said, Madam Speaker, should caution those who are treating the procedures of this House so lightly, frivolously and so carelessly to mend their ways and be responsible to their constituents in the performance of their duties.

I did not hear, Madam Speaker, nor did I see any lips move for the presentation of that vote to this House in the traditional way. When I left this House last night the first person I met had been watching the proceedings on television. The first question asked of me was: "Don't they announce the vote in the House of Commons? What kind of a procedure do you have? Did you win it or did you lose it?" No one made any remarks as to the results of that vote, and I have never seen that happen before.

Madam Speaker: Excuse me. Just for the record, and you will see it in *Hansard*, the Speaker said "the motion is lost".

Mr. McCain: Madam Speaker, I am not quarelling with that, but I am told by a viewer that there was no awareness as to who won or lost the vote. Perhaps in the noise your voice did not carry through the audio system. But I do think we have to give some consideration to conformity with good manners and the rules of this House.

I would just like to say in closing, Madam Speaker, that when the Hon. Member from Vancouver-Kingsway (Mr. Waddell), perhaps most notorious for his filibustering and time-wasting speeches, rises in this House in the frivolous manner in which he just did, this House does not gain in stature or in reputation with those who know it.

Mr. Waddell: Madam Speaker, all I said when I got up was that there are 15 per cent unemployed in my riding and there are going to be one in 13 workers in British Columbia on welfare next year. It is about time the Conservative Party paid some attention to that, and I wish the Member would shut up!

Some Hon. Members: Oh, oh!

Mr. McCain: Madam Speaker, no Member of this House is entitled to tell any other Member, from his position in his seat, to shut up. I submit to you, Madam Speaker, that that should be retracted forthwith, without comment.

Madam Speaker: Well, Hon. Members in the course of debate often use expressions which are a bit extreme. We have

heard them before in the House. Even if Members do use such expressions, the Speaker does not stop them. Members have their freedom of expression. The Hon. Member has had his say and I will allow him to have his say to the end.

Mr. McCain: Madam Speaker, perhaps it is not uncommon to hear interjections from Members sitting in their seat to go back and forth, some of which I deplore and very few of which I have been responsible for. But when a person in this House is recognized by the Speaker, and when in his official position as a Member he is speaking in this House and tells another Member to shut up, I submit to you, Madam Speaker, that that in fact is a question of privilege, and I am within my rights to suggest that that Member should retract that statement and apologize to this House.

Some Hon. Members: Hear, hear!

Madam Speaker: I have heard that very often in the House. Perhaps it is not the best way to continue debate, but I have heard it several times in the House and despite any opinion which the Hon. Member might have on its propriety, it has been accepted in the House. The Hon. Member for Athabasca (Mr. Shields).

Mr. Jack Shields (Athabasca): Madam Speaker, just to assist you in your ruling on this point of order, you will recognize that I sit very close to the Chair and I was unable to hear the Table deliver the numbers to you. Usually, if I sharpen my ears, I can hear Madam Speaker speaking to the Table officer with the microphones off, so we are in very close proximity. I did not hear Madam Speaker say that the motion was lost, and I hope you will give the position taken by the Hon. House Leader your due consideration.

Mr. Denis Ethier (Parliamentary Secretary to Minister of the Environment): Madam Speaker, it seems to me that this whole debate evolves around the doubt that we have in each other. I think the House should operate, and always has, under the assumption that everyone speaks the truth and no one intends to mislead the House. Today we have heard Members speak of irregularities, others on points of order, and others on questions of privilege. Now I have heard my friend, the Hon. Member for Yukon (Mr. Nielsen), talk of the ignorance of some of his colleagues concerning the rules and procedures. Certainly no one could accuse our good friend, the Hon. Member for Yukon, of being ignorant of the rules.

Mr. Nielsen: The Hon. Member for Hamilton Mountain (Mr. Deans) always does.

Mr. Ethier: On the contrary, I would like to compliment him on his knowledge of the rules and procedures. But I might touch on one point that was not mentioned this afternoon. It was totally omitted by the Hon. Member for Yukon and, as a matter of fact, by all Members of his party. That, Madam Speaker, is abuse. I am referring to the abuse of the rules, the abuse of the privileges of Hon. Members, the abuse of the position and the titles that certain people hold, such as Leaders of Opposition, House leaders.

Mr. Nielsen: Ministers of Agriculture.

Mr. Ethier: And again the abuse of the confidence and trust that Members have in each other. On this, Madam Speaker, I bring you back to the motion before the House yesterday which the Hon. Member for Yukon is complaining about. I submit to you that this motion was moved, perhaps in good faith—I am sorry to see my friend from Yukon leave the House because it concerns him.

Mr. Jarvis: I will tell him. I am taking notes.

Mr. Ethier: When the Hon. Member for Yukon moved under Standing Order 29 that the Hon. Member for Calgary Centre (Mr. Andre) be recognized, it was an error. To do that the Hon. Member for Calgary Centre had to have been rising in his seat. I can tell you that he was not in his seat, and I am sure the Hon. Member for Yukon did not want to mislead the House. I know he is too much of a gentleman for that. I am certain he would want to correct that wrong.

At the time you recognized the Hon. Minister of Agriculture (Mr. Whelan), Madam Speaker, I was sitting in my seat listening quite attentively to what the Hon. Member for Yukon was saying because he mentioned me on a couple of occasions with reference to the time when I was occupying the Chair. I know very well that the Hon. Member for Calgary Centre was not seeking the floor. It was a mistake that the Hon. Member for Yukon made, and all I ask is for him to correct yesterday's wrong. That is all I have to say.

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, I am sure the Hon. Member would not want to leave misinformation on the record. The Hon. Member for Calgary Centre (Mr. Andre) was rising to speak to the question of privilege which I had raised, and I saw him rising in his place at the point when the House Leader was raising Standing Order 29.

• (1730)

I just want to correct the record in terms of what the Hon. Member for Glengarry-Prescott-Russell (Mr. Ethier) raised. The Hon. Member for Calgary South was in his place.

Mr. Harvie Andre (Calgary Centre): Madam Speaker, in spite of the words used, I am sure the Hon. Member was referring to myself, the Hon. Member for Calgary Centre, rather than the Hon. Member for Calgary South.

I was most certainly in my seat. I was most certainly trying to be recognized. I was recognized by Madam Speaker. It was at that point, after that occasion, that the House Leader for the Progressive Conservative Party moved under Standing Order 29. I am sorry, but the Hon. Member for Glengarry-Prescott-Russell (Mr. Ethier) is simply erroneous in his observation that I was not properly in my place at that point in time.

Mr. Gordon Towers (Red Deer): Madam Speaker, I too would like to say a few words in this regard. It was unfortunate last night that we could not hear it. As you are aware, I

think I am close enough to you that I can hear, usually. Actually, it is the first time in my ten years' experience in the House of Commons that I have not heard the vote.

There is one point which should be made, that is, who was contributing to the noise at the time so that it could not be heard? Madam Speaker, you should not be criticized, nor should the people at the Table. Another point which cannot be overlooked is that when our House Leader was standing and tried two or three times to get your attention and the attention of the House of Commons, you were prepared to give your attention to that. You tried, you did everything in your power, but the Members of the Government would not allow you; they shouted you down. Let it be recorded that it was Government Members. Why would we shout down our own House Leader when he was trying to get the attention of the House of Commons?

Some Hon. Members: Hear, hear!

Mr. Towers: I do not know whether Hon. Members opposite were supported by the New Democratic Party—they care less for democracy anyway; we have seen it happen before—but it certainly was not us on this side who did not want our House Leader heard. It was Hon. Members opposite. They would not allow you, Madam Speaker, to adjudicate the proceedings in the House of Commons, as usually happens. This has to be recorded fairly and squarely.

Mr. Smith: Madam Speaker, I had hoped that you would soon conclude that you have heard enough on this point to rule because what is going on here today is quite disgusting. We are talking about the reputation of a very devoted servant of the Table. It is fine to have tricks up their sleeves to try to prevent the House from dealing with the business with which it should be dealing; that is one thing. But they should not drag into disrepute the ability of a very devoted servant of the Table to carry out his functions. They all know that he announced the vote, and I think they should drop this and quit these gutter tactics.

Some Hon. Members: Hear, hear!

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Madam Speaker, Members of the Official Opposition admitted very clearly today that they have a hearing problem. I would like to ask through you, Madam Speaker, whether they have learned to read, because in *Hansard* the yeas and nays are recorded.

Madam Speaker: Hon. Members have had a chance to express their views on the last two points of orders raised by the Hon. Member for Yukon (Mr. Nielsen). I listened very carefully to his presentation and to that of other Members. I had the feeling last night that I carried out the procedure as it should have been done. It happens very often that we see the clock at a certain time and we do not see it when it strikes exactly ten o'clock. I know that I acted according to that practice.

As for giving the floor to the Hon. Minister of Agriculture (Mr. Whelan), I felt—and I think Members will feel the same way—that I was carrying out an order of the House; we had just voted on that particular motion. There are other considerations. There was another point of order raised about Hon. Members not hearing the Clerk calling out the count of the vote. I will look at that too, to see whether there is any irregularity in that particular instance.

But I think it happens very, very often in the House that Members do not hear the count because often when the count is given there is considerable noise in the House. It seems to me that it is probably sufficient for the Speaker to announce whether the motion has been defeated or adopted, and I certainly did that last night.

I will take the Hon. Member's points of orders under advisement because I want to look at all his arguments and review all the procedure to ascertain whether all procedures have been followed according to our rules.

ROUTINE PROCEEDINGS

[*English*]

OFFICIAL LANGUAGES ACT

MEASURE TO AMEND

Mr. Dan McKenzie (Winnipeg-Assiniboine) moved for leave to introduce Bill C-666, an Act to amend the Official Languages Act.

Some Hon. Members: Explain.

Mr. McKenzie: Madam Speaker, the purpose of this Bill is to extend in legislation the spirit of paragraph 7 of the House of Commons resolution of June 6, 1973 on official languages by ensuring that a public servant or employee of a Crown corporation, hired prior to the day of the coming into force of the Official Languages Act and still employed without being rehired since that day, is able to continue to occupy his position or compete for any other position without his ability to perform in his second official language being taken into consideration as a criterion of merit.

Also this Bill would restore the merit system in the Public Service, Armed Forces, RCMP and the 480 Crown corporations. It would stop the dead-ending of qualified public servants in their positions because of their lack of aptitude to learn the French language. It would run counter to the Bill of the Secretary of State (Mr. Joyal), Bill C-398, which is intended to force bilingualism on the private sector by the imposition of fines and jail sentences for non-compliance.

Clause 2 would prevent the Government from forcing compliance of the Official Languages Act on the private sector without first seeking enabling legislation to that effect by way of a full parliamentary debate in the House of Commons,

rather than employing the Liberal practice of resorting to Orders in Council and secret directives.

Also this Bill would correct the discriminatory aspects of the Liberal Government's bilingual policies which are now under investigation by the Canadian Human Rights Commission.

Madam Speaker: I remind the Hon. Member that statements at this particular stage of presentation of a Bill should be kept very short. It does not allow for a full explanation of the Bill, only of the purpose of it.

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

Madam Speaker: First reading of Senate Public Bills, Government Notices of Motions, Motions.

* * *

• (1740)

POINT OF ORDER

MR. NIELSEN—CONSIDERATION OF BILL C-87 UNDER NOTICES OF MOTIONS

Hon. Erik Nielsen (Yukon): Madam Speaker, I rise on a point of order. Yesterday if you look at the record, the Chair called Government Notices of Motions, at which time the Minister rose and my motion was dealt with, and so on. Today the process was reversed. There might be something that happened between last night and today of which I am unaware that would cause that reversal. But it seems to me the debate arises in the same place today as it did yesterday, namely, on Government Notices of Motions. That is where it started yesterday. That is the stage at which the Standing Orders tell us we should be at today.

Madam Speaker: This debate has now been transferred under Government Orders, and the debate will take place when we reach Orders of the Day.

Mr. Harvie Andre (Calgary Centre): Madam Speaker, I would like some clarification. Quite clearly, the debate commenced on Government Notices of Motion yesterday. We never got to Motions at all. Today there has been a change. Perhaps there was an inadvertency either today or yesterday, but it is important. Other Members on this side of the House would like to know what is the proper procedure.

Madam Speaker: I will read to Hon. Members the Standing Order to which I am referring. It is Standing Order 45(2). It reads:

> When a debate on any motion made prior to the reading of the Orders of the Day is adjourned or interrupted, the order for resumption of the same shall be transferred to and considered under Government Orders.

This is the Standing Order I feel applies in this particular circumstance.

Mr. Nielsen: Madam Speaker, may I submit another Standing Order for the Chair's consideration. I quoted it earlier today, namely Standing Order 7. But before reading it,

let me just refresh our memories as to what occurred last night. The item was called under Government Notices, at which time the Minister and the Hon. Member for Calgary Centre (Mr. Andre) rose at the same time, at which time I presented my motion that the Hon. Member for Calgary Centre be heard. The bells rang. The vote was taken and the House was adjourned, as I have already described.

Standing Order 7 stipulates:

> At the ordinary time of adjournment of the House, unless otherwise provided, the proceedings shall be interrupted and the business under consideration at the termination of the sitting shall stand over until the next sitting day—

That is exactly what happened last night. The proceedings were interrupted by the Chair declaring the adjournment of the House. The Standing Order goes on to state just how it will be dealt with the next sitting day as follows:

> —when it will be taken up at the same stage where its progress was interrupted.

It seems to me that is where we are at now, and we should be taking up discussion of the Bill at the same stage at which we were yesterday. In effect, we were frozen, zap, at the time when the Minister rose. That is where he should have been recognized under Government Notices, in my submission.

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, last evening when the House adjourned you had recognized the Minister of Agriculture (Mr. Whelan). You made the comment at that time that you had recognized him for the purposes of giving him precedence when the Government Orders of the Day would be called under Standing Order 45(2).

Standing Order 7 must be read with Standing Order 45(2), and Standing Order 45(2) must take precedence. It is very explicit that when a matter is dealt with prior to the Orders of the Day on the first day, once it is reached and the debate has been called upon that particular motion, if that motion is not completed and the vote has not been reached on it, then that motion has to be transferred under Standing Order 45(2) to Government Orders. That is a standing practice. For the hon. gentleman from the Yukon to advance any contrary argument indicates that either he is not serious or he is still using dilatory tactics.

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, to re-emphasize the point which the Hon. Minister has just made, if you look at page 21583 of yesterday's *Hansard*, you will see that the Minister moved his motion. His motion is there. It does not say he tried to move it. The motion has been moved. The question has been put. The matter barely got started but it did get started and it has been transferred, quite properly, to Government Orders and will be called as Government business.

Madam Speaker: I have to agree with the Parliamentary Secretary and the Minister that the rule to be applied is Standing Order 45(2). The one quoted by the Hon. Member for Yukon applies to the stage of a Bill in a motion that only has one stage. Therefore, the Standing Order that applies is

Standing Order 45(2). The Minister will have the floor when we reach the Orders of the Day.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,276 and 4,474.

[*Text*]

ECON CONSULTING LIMITED

Question No. 4,276—**Mr. Hovdebo:**

1. Did a company known as Econ Consulting Limited receive a grain dealer's licence on April 26, 1978 or thereabouts from the Canadian Grain Commission?

2. Did the Commission subsequently become aware that the company had been dealing in grain prior to April 26, 1978 and subsequent to its incorporation on May 25, 1973 and, if so, what action did the Commission take?

3. Subsequent to April 26, 1978, on how many occasions did the Commission renew the grain dealing licence of the company and, on each occasion, what financial tests did the Commission apply to ensure that the company complied with Section 38(1) of the Canada Grain Act which requires security "sufficient to ensure that all obligations to holders of documents for the payment of money or delivery of grain issued by the licensee will be met"?

4. (a) Was the company required by the Commission to furnish an audited annual statement of its financial position and, if so, on how many occasions did it do so (b) did the company fail to provide a required audited annual statement and, if so, what action did the Commission take?

5. (a) Was the company required to make monthly statements on its financial position to the Commission (b) did the company fail to do so and, if so (i) on how many occasions (ii) what action did the Commission take?

6. (a) In 1981, did the Commission set a security requirement of $700,000 by letter of credit from the company and, if so, on what date (b) what amount of security requirement had the Commission set for the company previous to this date (c) was the security requirement reduced and, if so, what reasons did the Commission give for reducing it?

7. Did the Commission engage the services of one Clay Blackwell of Winnipeg to investigate certain aspects of the private grain trade in Canada and, if so (a) on what date (b) was the engagement subsequent to the Commission or any of its commissioners learning formally or informally of possible financial difficulties in the private grain trade or of explicit financial difficulties with Econ Consulting?

8. (a) Were actions taken by the Commission explicitly in regulating the private grain trade in Canada after receiving Mr. Blackwell's report and, if so, what were the actions and the date on which they were taken (b) did any action apply to Econ Consulting and, if so, in what way?

9. (a) Did the Canadian Wheat Board formally decide to terminate its business relationship with the company following the 1980-81 crop year and, if so, on what date (b) was the Commision advised, either formally or informally, of the reasons for the actions taken by the Board and, if so, what action did the Commission take?

10. On what date was the Minister of Agriculture advised of the financial difficulties of the company in his capacity as Minister responsible for the Commission and what actions did he take in regard to either the policies or the personnel of the Commission?

11. (a) Has the Minister met with the representatives of the creditors of Econ Consulting (b) has the Minister given any undertaking to reimburse the creditors of the company for proven losses and, if so, what levels of financial compensation has the Minister discussed with the elected representatives of the creditors?

12. Subsequent to the suspension on February 8, 1982 of the grain dealer's licence of Econ Consulting by the Commission, what actions did the Commission take to restore public confidence in the private grain trade in Canada?

13. Is the Commission considering holding public hearings on the subject of the Econ Consulting bankruptcy, as is permitted under Section 80(1)(b) of the Canada Grain Act?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Agriculture and the Canadian Wheat Board as follows: 1. Yes.

2. No, but the Canadian Grain Commission was aware that the President of Econ Consulting Limited had shipped grain produced on his own farm and had also provided advice to other producers on how to ship producer cars.

3. Econ Consulting Limited's licence was renewed four times; i.e., for the 1978-79, 1979-80, 1980-81 and 1981-82 crop years. The Commission considered the proposed operations of the firm, reviewed financial information provided by the firm and available from other sources such as Dun and Bradstreet reports, the liability reports of the firm during previous years, the absence of producer complaints and the ability of the firm to post the required security when determining whether to renew the licence of Econ Consulting Limited.

4. (a) No. Grain dealers are not required to submit audited financial statements. Econ Consulting Limited was required to submit annual financial statements prepared by chartered accountants. (b) Not required as indicated in 4(a) above. However, Econ Consulting Limited did provide monthly grain liability reports as indicated in part 5(b).

5. (a) Econ Consulting Limited was required to submit monthly grain liability reports. (b) (i) (ii) Monthly grain liability reports were received for every month that Econ Consulting Limited held a grain dealer's licence until December, 1981. Thereafter, Commission officials were reviewing Econ Consulting Limited's grain liabilities on a more frequent basis until Econ Consulting Limited's licence was revoked February 8, 1982.

6. (a) The Commission set a security requirement of $700,000 on September 17, 1981. (b) $900,000. (c) The security requirement was reduced on the basis of reduced grain liabilities reported by Econ Consulting Limited and assurances given by the firm that liabilities would not increase beyond $700,000. Econ Consulting Limited reported grain liabilities of $511,000 as of September 30, 1981.

7. (a) Clay Blackwell of Winnipeg was engaged in November, 1980 to review and prepare a report entitled "A Study of Surety Arrangements of Licensees". (b) The engagement of Clay Blackwell was not related explicitly to financial difficulties of Econ Consulting Limited but to general concerns of the Commission about the financial position and surety arrangements of all licensees.

8. (a) For the 1981 crop year, the Commission increased its surety requirements of grain dealers, increased its own inspection program, developed formal liability audits of selected licensees by the Audit Services Bureau, Department of Supply and Services and strengthened its procedures and capabilities for testing the financial liability of licensed grain dealers. (b)

All of the above measures applied to Econ Consulting Limited, and all grain dealers.

9. (a) Econ Consulting Limited was advised by letter from the Canadian Wheat Board on July 15, 1981 that its handling agreement with the Board, which was to expire October 1, 1981, would not be renewed for the 1981-82 crop year. (b) The Commission was informed by the Canadian Wheat Board on September 9, 1981 that Econ Consulting Limited's handling agreement with the Board would expire October 1, 1981. There was no suggestion this termination was based on any concern for the financial soundness of Econ Consulting Limited. The Board and Econ Consulting Limited were involved in a number of administrative and legal disputes which were widely believed to be the reason for this development. Econ Consulting Limited had been the only non-primary elevator licensee to receive a modified Class A handling agreement so it appeared this experiment had not worked.

10. The Minister was informed in December, 1981 of the Commission's concern about Econ Consulting Limited and was advised of the efforts the Commission was making to get the level of surety increased.

11. (a) Yes. (b) No.

12. The Commission has worked with the trustee to clarify the situation for creditors and to establish the identity of those creditors with valid claims under the Canada Grain Act. It continues to monitor the financial position of other licensees.

13. No.

BANKRUPTCIES/RECEIVERSHIPS IN OIL AND GAS INDUSTRY

Question No. 4,474—**Mr. Mazankowski:**

In (a) 1979 (b) 1980 (c) 1981 (d) 1982 to date, how many companies in the oil and gas industry, including drilling firms, rig servicing companies and trucking firms, declared bankruptcy or went into receivership and, in each case (i) what was the name of the firm (ii) what were the declared assets at the time of filing (iii) what were its outstanding debts?

Mr. David Berger (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): The following is the list of bankrupts identified in departmental records as having operated in the oil and gas industry. Please note that the statistical system is such that it is impossible to separate tankers from other trucking firms.

(a)	Number	(i)	(ii)	(iii)
1979	10	Anderson, William Eric	$ 150	$ 750,000
		Kami Management & Consultants Ltd.	not available	not available **
		L.R. Gallant Gas Test Operating Ltd.	not available	not available **
		Larsen Oilfield Services Ltd.	33,000	350,000
		Lucien Mainville Inc.	750	29,000
		Puckett, Jerrold Jean	9,500	23,000
		Rand Resources Ltd.	2,500	190,000
		Smith, Donald Edward	not available	not available **
		Terrdon Oilfield Services Ltd.	43,000	69,000
		Vinegar, Barney	950	135,000
(b)				
1980	4	Begg, A. Robert	270,000	270,000
		Edwards Crystal Ann Montbourquette	63,000	69,000
		Pigeon, Marcel	1,500	29,000
		Robert, Michel Joseph Georges	23,000	31,000
(c)				
1981	10	Bond, Michael James	150	105,000
		Excel Quartz Inc.	250,000	750,000
		Glover, Darrell Roland	1,500	17,500
		Hyde, Robert Joseph	4,500	23,000
		Intercoast Resources Corp.	not available	not available **
		Morrill, Leonard Leo	1,500	17,500
		Pavey, Neil Kenneth	2,500	23,000
		Schneider, Philip David	2,500	25,000
		Spencer, Terrance Robert	85,000	105,000
		Yava Mines Limited	1,500,000	6,000,000
(d)				
1982	14	Big Horn Chemical Processing Ltd.	950,000	6,000,000
		Bridge, Daniel Wyatt	105,000	135,000
		Buchanan, Ronald Alan	not available	not available **
		Cadieux, Leo Clifford	1,000	38,000
		D.A.M. Cat Service Ltd.	270,000	430,000
		Faiber, Stanley Edward	3,000	13,000
		Jones, Floyd Edward	63,000	97,000
		Kenny, James Anthony	4,500	21,000
		Needham, Gordon Robert	63,000	57,000
		Nordell Drilling Ltd.	125,000	410,000
		Primus Resources Ltd.	330,000	350,000
		Source Oil & Gas (Western) Ltd.	not available	not available **
		Wescom Services Ltd.	210,000	290,000
		99932 Canada Inc.	15,500	27,000

** The information is not available due to the bankruptcies having resulted from a petition by creditors.

Information on receiverships is not available from departmental records since receiverships are outside the purview of the present Bankruptcy Act.

Note: It is to be noted also that the assets and liabilities are taken from the initial Statement of Affairs, declared and estimated by the bankrupt and are therefore frequently unreliable.

[*English*]

Mr. Smith: I ask, Madam Speaker, that the remaining questions be allowed to stand.

[*Translation*]

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

[*English*]

Mr. Malone: Madam Speaker, I rise on a point of order. Can the Parliamentary Secretary to the President of the Privy Council (Mr. Smith) tell me why it is that Questions Nos. 4,411 and 4,465 have not yet been answered? I would ask him specifically in terms of Question No. 4,411 whether that one has not been answered because of the sensitivity of the question which asked whether or not the Minister of Finance had used income tax documents in order to secure the favours of a group of business people, to whom he submitted a letter? Is that the reason why that is being held back, that there was a breach of income tax confidentiality?

Order Paper Questions

As far as Question No. 4,465 is concerned which contains some very plain, simple questions dealing with the value of Petro-Canada's assets at the present time, the number of persons working with the company and in particular the amount of dollars which Petro-Canada is spending in advertising. All of these are simple questions, the answers to which could be compiled in a month or two. Question No. 4,465 has been on the Order Paper in excess of half a year. Why has that group of questions not been answered within Question No. 4,465?

Mr. Smith: Madam Speaker, I am not in a position to advise the Hon. Member exactly why they have not been answered. We on this side of the House are not afraid of answering sensitive questions. We have answered over 82.6 per cent of all the questions put on the Order Paper during this session. But based on the representation made by my good friend and colleague, the Hon. Member for Crowfoot (Mr. Malone), I will be delighted to look into the matter and do the best I can on his behalf. It will be a pleasure.

Mr. Taylor: Madam Speaker, I heard the Parliamentary Secretary to the President of the Privy Council (Mr. Smith) say the same thing three times to me. I wonder whether he is still delighted and still trying to find happiness in giving me the answer to Question No. 2,329 which has been on the Order Paper for more than a year and a half. I cannot understand it. The question is not that difficult. It refers to President Reagan's visit to Canada. Surely all of those records are complete now unless defeated Liberal candidates were invited and no other defeated candidates. I do not know why the Government is holding up the answer.

Second, there is Question No. 4,542 which has been on the Order Paper for a month only. That is not very long. A CRTC hearing was held in Edmonton. All the records are available. What is holding up the answer?

Mr. Smith: Madam Speaker, I am very pleased that the Hon. Member has drawn this matter to my attention. I will be very pleased to look into it with holy haste.

Mr. Mazankowski: Madam Speaker, as the Parliamentary Secretary is so receptive and responsive to questions on the Order Paper that have been there for some time, would he look into Question Nos. 4,429, 4,430, 4,431? They have to do with Petro-Canada's activities in looking for oil in foreign countries.

Mr. Smith: Madam Speaker, needless to say, I will be very happy to look into this matter on behalf of my friend, the Hon. Member for Vegreville (Mr. Mazankowski).

• (1750)

Mr. Crouse: Madam Speaker, as the Hon. Member is in such an amiable mood, I would like to ask him why it has not been possible for me to get an answer to Question No. 4515 which deals with an incident which happened in a place called Cherry Hill, Lunenberg County, Nova Scotia. The question spells it all out. The Government went to work and built a skidway on a piece of land without even ge'ting clearance to the title of that land. When the man who owned that land came back from a holiday, he found that the Government of Canada had built a skidway on the land. The Government said to him, "It seems we have made a mistake." If the Parliamentary Secretary is checking, it is question No. 4,515.

The Government then offered this man $2,000 or $3,000 for his land. He then pointed out that he did not only have land to sell. He said that when someone builds something on another person's land without their permission, that person not only has the land to sell but the land upon which the facility has been constructed as well. This man was asking for approximately $50,000 from the federal Government.

For this reason, my constituents are rather anxious to find out whether, when they seek a loan from Canada Mortgage and Housing Corporation, everything has to be cut and dried or else they are refused the loan. This is a case where, without bothering to check to see who owned the land, the Government moved in and built a skidway. My taxpayers work hard for their money. Fishing is not particularly good in Atlantic Canada, especially in Nova Scotia. They are worried when they see tax money spent in this fashion which does nothing to benefit them.

In the long run, the Government said that it would solve the problem by tearing up the skidway. I would like to know what happened. It is a very simple matter to which I would like to have an answer.

While the Parliamentary Secretary is checking into that particular question, I would like to inquire about a question I asked over a year ago of the Minister about the situation that exists in a place called Woods Harbour in Shelburne County. Under Question No. 4,518, I asked what the Government will do about dredging in that area. It is a very important matter because if one were to visit Woods Harbour, one would see a large fleet there of well over 100 ships. When the tide is at the halfway mark, those draggers and long liners are sitting on the bottom. If a fire breaks out in one of the inner draggers, it is impossible to move the fleet out of the harbour. Millions of dollars of valuable inshore draggers and long liners would be completely destroyed. The Government of Canada should dredge that area. When will I get an answer?

Madam Speaker: Order. I do not think there are any specific rules about how long one can take to ask for information on a question on the Order Paper, but common sense says that it should be short.

Mr. Smith: Madam Speaker, I would like to say that it would be a pleasure for me to pursue this matter on behalf of my good friend, the Hon. Member for South Shore (Mr. Crouse). I have held him in esteem for many years. I attended university with his daughter.

Some Hon. Members: Oh, oh!

Mr. Smith: I would be happy to look into the matter for him.

Mr. McKenzie: Madam Speaker, I have two questions, one of which was asked over a year ago. I have raised this on two other occasions. It concerns Question No. 3,441 which was placed on the Order Paper in November of 1981. The question is:

Did the Minister of Supply and Services, Minister of Industry, Trade and Commerce, Minister of Indian Affairs and Northern Development take a JetStar flight to Winnipeg for the official opening of General Aluminum Forgings Incorporated on October 30, 1981, and, if so, in each case, other than the Minister and the aircraft crew, who was on the flight?

This information is readily available. I have raised it on two other occasions. I would like to get a commitment from the Parliamentary Secretary by next week.

Also, Question No. 4,175, which was placed on the Order Paper on March 24 of this year, regarded the Government's hiring teams that are going into universities and schools across Canada. It is quite an important question. I want to know when these hiring teams are going to the University of Winnipeg and the University of Manitoba and just exactly who they will be hiring there. I would appreciate it if the Parliamentary Secretary would make inquiries and come back with some kind of an answer next week.

Mr. Smith: Madam Speaker, I will be happy to look into this matter on behalf of the Hon. Member. Sometimes questions which may appear quite simple and straightforward at first glance turn out to be somewhat complicated because the answer involves several Departments. I will certainly pursue this question with great dispatch and see what I can do to come up with an answer.

Mr. McKnight: Madam Speaker, in the spirit of co-operation shown by the Parliamentary Secretary, I have inquiries regarding Questions 2,107, 2,108 and 2,109. These questions go back to February, 1981, and regard the transportation of grain and some conflict in statements between the Minister of Transport (Mr. Pepin) and his assistant in the other place. In the spirit shown by the Parliamentary Secretary today, I look forward to receiving those answers.

Mr. Smith: Madam Speaker, I would be very happy to look into that matter on behalf of the Hon. Member. So as to expedite the time of the House, I will assure Members opposite that all outstanding questions on the Order Paper will be looked into.

Some Hon. Members: Hear, hear!

Mr. Smith: I say this in the spirit of Christmas and I trust that they will reciprocate in the spirit of Christmas the remaining three or four minutes that we have today.

Mr. Bosley: Madam Speaker, the Parliamentary Secretary, who has indicated his relationship to everyone on this side of the House, is doing an extraordinary job. Since I go back almost as long with him as he does with the daughter of the Hon. Member for South Shore (Mr. Crouse)—

Some Hon. Members: Oh, oh!

Some Hon. Members: Explain.

Mr. Bosley: I would like to ask two specific questions of my old friend, the Parliamentary Secretary. Would he consider answering Question No. 3,340 which is dated November 6, 1981? It concerns the Canadian subsidization of wheat sales to Russia which is still an issue of some concern.

As well, perhaps on behalf of a Member who is no longer able to ask his question since he is in the ministry, it might be appreciated if question No. 2,157, which is in the name of the Hon. Minister of Labour (Mr. Caccia), which still has not been answered and for which he can no longer request an answer, could be answered also.

Mr. Smith: Madam Speaker, I am very pleased that the Hon. Member for Don Valley West (Mr. Bosley), with whom I had the pleasure of working for many years as a fellow alderman on Toronto City Council, has brought these matters to my attention. I will be very happy to look into the first question. It may take me a few hours to do so. As soon as we are able to leave the House in a couple of minutes, I will immediately see what I can do to deal with that.

With regard to the other question which he raised, it is a little more complicated in nature. I believe that inquiries have been made by our office in regard to it. I will have to look into it to see whether or not I can do something to expedite the compilation of that answer.

As I said a few moments ago, sometimes these answers involve several different Departments. When they do involve several different Departments, it can be very frustrating when you have an answer from one Department on your desk and sometimes the answer from a second Department will arrive on your desk, and sometimes the answer from a third Department will arrive on your desk, and sometimes the answer from a fourth Department will arrive on your desk.

Some Hon. Members: Filibuster.

Mr. Smith: Sometimes these answers involve as many as 25 different Departments.

An Hon. Member: Which ones?

Mr. Smith: Sometimes it involves the Department of Defence when the question involves use of aircraft. Sometimes it involves the Department of Transport when the question involves the use of aircraft. When a variety of different Departments are involved in forming an answer, it takes quite a while to do so. I am not quite sure which Department it is in this particular case.

Order Paper Questions

Some Hon. Members: Hear, hear!

Madam Speaker: Order. Perhaps this little interruption will allow the Hon. Parliamentary Secretary to find out which Department it is.

It being six o'clock, I do now leave the chair until 2 p.m. tomorrow.

At 6 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, December 16, 1982

The House met at 2 p.m.

• (1405)

MOTIONS UNDER S.O. 43

[*English*]

TRADE

ADMINISTRATION OF FOOTWEAR IMPORT QUOTAS

Mr. Gus Mitges (Grey-Simcoe): Madam Speaker, in view of the bureaucratic mess which exists in the administration of the global import quotas for footwear, which inadvertently leaves the door wide open to permit importers of one kind of footwear to swamp the market with other kinds, a fact which can easily be rectified by the Minister of Industry, Trade and Commerce, but which has been ignored or misunderstood, I move, seconded by the Hon. Member for Simcoe North (Mr. Lewis):

That the Government take the necessary steps to rectify this situation which has jeopardized the loss of thousands of primary and related jobs in our already hard-pressed footwear industry.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

CANADA POST CORPORATION

REQUEST FOR STAMP TO COMMEMORATE UNITED EMPIRE LOYALISTS' BICENTENNIAL

Mr. Bill Vankoughnet (Hastings-Frontenac-Lennox and Addington): Madam Speaker, I rise under the provisions of Standing Order 43. In view of Canada Post and the Minister responsible for Canada Post refusing to issue a bicentennial stamp to commemorate the bicentennial celebration of the United Empire Loyalists settlement in Lower Canada in 1783 and Upper Canada in 1784, I move, seconded by the Hon. Member for Annapolis Valley-Hants (Mr. Nowlan):

That this House ask Canada Post to issue a bicentennial stamp to recognize the significant contribution this migration has made to Canada's heritage.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

HUMAN RIGHTS

PAKISTAN—REQUESTED RESTORATION OF DEMOCRACY

Mr. Dan Heap (Spadina): Madam Speaker, I rise on an urgent and pressing matter under the provisions of Standing Order 43. As the Prime Minister (Mr. Trudeau) and the Government know, President Mohammad Zia-Ul-Haq has ruled Pakistan for five years by martial law. His Government has been accused by Amnesty International of massive violations of human rights, including arbitrary arrests, floggings and execution of political opponents. I therefore move, seconded by the Hon. Member for Saskatoon East (Mr. Ogle):

That the Prime Minister ask President Mohammad Zia-Ul-Haq during his visit in Canada to end martial law in Pakistan, to release all political prisoners and to restore democratic elections and an independent judiciary as requested in a petition by over 400 Canadians, which I will now send to the Prime Minister.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

METRIC CONVERSION

APPLICATION TO FARM MACHINERY

Hon. Jake Epp (Provencher): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the Minister of Consumer and Corporate Affairs' (Mr. Ouellet) threats to prosecute users of imperial measurement, and in view of the fact that many hydraulic parts for farm purposes are of SAE standards, I move, seconded by the Hon. Member for Simcoe South (Mr. Stewart):

That the Minister of Consumer and Corporate Affairs not engage in threats to prosecute distributors and users of agricultural parts which conform to SAE standards.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

S.O. 43

YUKON TERRITORY

ECONOMIC INITIATIVES PROPOSED BY TERRITORIAL GOVERNMENT

Mr. Jack Murta (Lisgar): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. The economy of the Yukon is on the verge of total collapse. In September of this year the Government of the Yukon issued a series of detailed proposals for recovery which were presented to the Western Committee of Cabinet on September 10. Since then no response has been forthcoming from the federal Government. Therefore I move, seconded by the Hon. Member for Crowfoot (Mr. Malone):

That the federal Government move immediately to support the imaginative initiatives proposed by the Yukon Government before the Territory is reduced to a complete economic disaster area.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

BUSINESS OF THE HOUSE

REACTION TO INTRODUCTION OF CLOSURE

Mr. Arnold Malone (Crowfoot): Madam Speaker, because legislation to enact a bill entitled Canagrex is before the House of Commons with the vice/vise of closure, and since the Bill would create yet another Crown corporation when the Auditor General has just stated that 480 Crown corporations are a subgovernment without accountability, and because Clause 14 of the Canagrex legislation gives the Government extraordinary powers of control over farm management, production, and sales, I move, seconded by the Hon. Member for Wetaskiwin (Mr. Schellenberger):

That this Parliament warn the Government that whenever it introduces closure simultaneously, on two stages of debate, and before any debate on the said stages has taken place, and does so while debate on another issue is taking place, it should continue to understand that there will be a parliamentary price to pay.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

• (1410)

THE HONOURABLE MEMBER FOR YUKON

CONGRATULATIONS ON TWENTY-FIFTH ANNIVERSARY OF ELECTION TO HOUSE

Mr. Girve Fretz (Erie): Madam Speaker, today marks a quarter century of service by a parliamentary pugilist who is loved by the Tories, feared by the Speaker, barely tolerated by the Liberals, and ignored by the NDP. This gentleman is nevertheless universally admired for his knowledge of procedure and his ability to use it to frustrate his opponents. Many the hapless MP has had his verbal breakaway stopped short by our parliamentary Eddie Shack.

Given this auspicious occasion, I would like to take this opportunity to move, seconded by the Hon. Member for Simcoe North (Mr. Lewis):

That the Members of this House extend their unanimous congratulations to the Hon. Member for Yukon on 25 years of distinguished service to his Party and to our nation.

Some Hon. Members: Hear, hear!

Madam Speaker: With this reservation, that the Speaker is not afraid of him.

Some Hon. Members: Oh, oh!

Mr. Nielsen: Thank you for that.

* * *

BANKS AND BANKING

CUT IN SERVICES TO RURAL COMMUNITIES

Mr. W. C. Scott (Victoria-Haliburton): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. Banks across the country are cutting back services to their communities while maintaining the spread between interest rates and loans. Several branches in one-back towns in my constituency have closed. The others have restricted their hours of operation. I move, seconded by the Hon. Member for Fraser Valley East (Mr. Patterson):

That the Government instruct the federally chartered banks to cease their current practice of cutting services to rural communities by closing or restricting branch operations.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

CHARTER OF RIGHTS

APPLICATION TO HOUSE OF COMMONS EMPLOYEES

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, since Canada's new Charter of Rights and Freedoms enshrines freedom of association under Section 2(d), I move, seconded by the Hon. Member for Churchill (Mr. Murphy):

That this House agree that the right of free association for the purpose of discussing terms and conditions of employment applies to all people in Canada, including employees of the House of Commons.

Some Hon. Members: Hear, hear!

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

AIR CANADA

DISCRIMINATION AGAINST EMPLOYEES

Mr. Les Benjamin (Regina West): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that Air Canada is offering management personnel a golden handshake of up to two years' salary for voluntary separation, but refuses to make an offer on similar terms to its other employees, I move, seconded by the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie):

That this House instruct the minister of Transport and the President of Air Canada to remove their discrimination against Air Canada employees who made Air Canada successful.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

EXTERNAL AFFAIRS

EFFECT OF UNITED STATES LEGISLATION ON OIL DRILLING RIG EMPLOYEES

Hon. John C. Crosbie (St. John's West): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the enactment by the U.S. Congress through an abuse of procedure, adding to a commercial fisheries bill enforcing the Pacific Fisheries Agreement by the U.S. with Japan, certain provisions affecting Canadians and other non-U.S. personnel who work on U.S.-owned oil drilling rigs engaged to drill in offshore areas outside the U.S., which provisions remove the right of non-Americans or their survivors to seek compensation in U.S. courts for injury or death caused while working on U.S. rigs outside U.S. waters when there is compensation available by law in the country of the victim, legislative provisions already objected to by Canada and other countries but enacted under lobbying pressure from U.S. oil rig and insurance companies, I move, seconded by the Hon. Member for Simcoe North (Mr. Lewis):

That the Government of Canada protest in most vigorous terms to the President of the U.S. and to the U.S. Congress with respect to the enactment of the said legislation and that the Government request President Reagan to veto the legislation, and that if such a Canadian protest is ineffective and the legislation becomes law, that Canada take the necessary steps to refuse permission for U.S.-owned oil drilling rigs to operate within Canadian territorial waters and the Canadian 200-mile economic zone until such time as the legislation is revoked.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

TRADE

PROPOSED UNITED STATES COUNTERVAILING DUTIES ON CANADIAN LUMBER

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, my question was for the Minister of External Affairs. In his absence, I would like to address it to the Acting Prime Minister. It has to do with the proposed imposition of countervailing duties by the United States on our lumber exports, to the tune of 65 per cent of current market prices. These initiatives by the United States are a clear reflection of this Government's policies of economic nationalism and anti-Americanism.

• (1415)

Has this crucial problem, in light of the importance of our lumber industry in Canada, been discussed in Cabinet? Understanding that the Ministry of Trade is giving every possible assistance to the industry defending itself before the tribunal that has been established in the United States and the International Joint Commission, what other steps is the Government taking directly to protect our industries from this crippling imposition of countervailing duty on our lumber?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Minister responsible for International Trade and myself both made public statements on this when we were in British Columbia about ten days ago. In sum, what we are doing is co-operating with the industry and the Province in presenting our case to the United States tribunal to indicate that this is not a question of hidden subsidy or of dumping, and that the complaints by the United States lumber industry, are unjustified in this particular case.

Oral Questions

GOVERNMENT POSITION

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, recognizing that the administration in the United States does not have direct jurisdiction over the Commerce Committee that has been studying this question and will make its recommendations on March 7, and in light of the importance of the industry, a 65 per cent imposition of countervailing duty would spell the demise of the lumber industry in Canada, an industry on which, not just in British Columbia, but throughout Canada, we rely very heavily in terms of our exchange rate, our foreign earnings, has the hypothesis been considered, in the event that such a duty would be imposed, of the steps the Government could take in terms of taking a shot in what would obviously be a trade war? Has the Government considered any reciprocal action in the event that this duty would be imposed?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, not is only the Hon. Member's question hypothetical, since he asked what would we do if such and so happened, but it seems to me he is taking a very pessimistic view of the rights of the Canadian industry and workers on this particular occasion.

We know that the difficulties in the United States arise from the fact that stumpage fees or payments have been put rather high by the authorities down there at a time when they thought there was going to be a boom in industry. They are stuck now with these high stumpage rates, whereas Canada has lower stumpage rates.

We think that the sound reasoning of this will prevail, as indeed, thanks to Government representations, it has prevailed recently in the case of the trucking industry, in the case of the uranimum limitation of imports to the United States and so on. These are all areas where the Government has been making representations and where the results have been encouraging from the reaction of the United States. We hope it will be the same in the case of the lumber problem.

APPROACH TO UNITED STATES OFFICIALS—REQUEST THAT GATT CONSIDER ISSUE

Mr. F. Oberle (Prince George-Peace River): Madam Speaker, I will direct my final question to the Prime Minister. Have any direct approaches been made to the administration of the United States with regard to this matter, and has any approach been made to GATT? May I ask the Minister of External Affairs has this matter been discussed at the recent GATT talks? Could we ask GATT to consider this matter concurrently with U.S. commerce committees and the International Trade Commission?

Two questions: has an official approach been made to the administration in the United States, and has GATT been asked to concern itself with this question?

• (1420)

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, yes, indeed, we have discussed this question with the American authorities. Secretary of State Shultz is fully informed about the Canadian views. The matter was discussed with him when he was in Ottawa, and last week we discussed the matter further in Brussels. Therefore the United States is fully apprised of our views and fully aware that we do not accept the notion that there is any subsidy involved in the system of stumpage that exists in Canada. If there was a process under way now in the United States and, of course, at a certain point there was a determination that a subsidy did exist which we found unjustified, we would then consider taking the matter to the GATT.

* * *

CITIZENSHIP COURTS

ALLEGATIONS MADE BY MINISTER OF LABOUR

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, now that the Minister of State for Multiculturalism has seen the light and withdrawn that ill-conceived manual, I want to clear up the other matter that I raised yesterday in the House of Commons. Therefore I direct my question to the Secretary of State.

It was revealed yesterday that the Minister of Labour made some very serious allegations about the Court of Canadian Citizenship and its judges. According to a letter written by Judge Alice McKeown, then national co-ordinator of Citizenship Judges, to the then Secretary of State, Toronto judges met on January 8 of this year to discuss the "very serious allegations" made by the Minister of Labour and they unanimously passed four resolutions refuting the Labour Minister's allegations, and stated that the court's credibility had been seriously undermined, especially in view of the widespread circulation of the Minister's letter. Has the Secretary of State followed up on the accusations made by the Minister of Labour? If so, were the findings of the investigation relayed to the Minister, and was Judge McKeown's letter, with the Toronto judges' resolutions attached, as requested by Her Honour, distributed to the METPAC group, the Liberal organization in Toronto, that received the Minister of Labour's original allegations?

[*Translation*]

Hon. Serge Joyal (Secretary of State): Madam Speaker, I am aware of the contents of the letter that was sent to my predecessor at the Department of the Secretary of State. It is correct that the Toronto judges met, that they were advised of the points raised by the Minister of Labour in his letter, that the issues raised by the National Co-ordinator were brought to the attention of the then Secretary of State, and consequently, it did not seem to serve any purpose to pursue the questions

raised, since the judges had answered satisfactorily the questions raised by the Minister of Labour in his letter.

[*English*]

REQUEST FOR MINISTER'S RESIGNATION

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, the Minister has not answered the question. He did not answer whether the findings relayed to the Minister of Labour, and the resolutions from Her Honour, as requested by Her Honour.

I will direct my supplementary question to the Prime Minister. In view of the fact that the Minister of Labour, who was quoted as saying he did not know what happened to his recommendations, that he just let them hang there and did not follow them up, and in view of the answer just received from the Secretary of State, it is obvious that the Minister of Labour has misled us, has seriously undermined the credibility of the Citizenship Courts and has destroyed the morale of the Citizenship Court judges. I would ask the Prime Minister whether he will do the honourable thing for a change and demand the resignation of the Minister of Labour.

Some Hon. Members: Hear, hear!

* * *

GRAIN

REQUEST FOR CANADA-UNITED STATES DISCUSSIONS

Mr. Stan Schellenberger (Wetaskiwin): Madam Speaker, my question is directed to the Minister of Transport. Because many Members on both sides of the House have invested much time in negotiations with our counterparts in the United States Congress, and especially since farm income is projected to drop by 17 per cent this year from last year, is the Minister prepared to help set up a meeting with our U.S. counterparts, on grain sales, giving special attention to the fact that neither of us should sell below our farmers' cost of production as we are now doing, especially since we control about 70 per cent of the world's export grains?

• (1425)

Hon. Jean-Luc Pepin (Minister of Transport): I have looked back at the history of these relationships and I found that, traditionally, separation has existed in negotiations on subjects of this nature between parliamentarians or Congressmen and representatives of Governments. Therefore, what goes on between parliamentarians is their own business. I can only say that continuing that tradition would be a wise thing to do. Discussions of this kind can always be useful, but it has been found wise, I repeat, in the past not to mix the governmental and parliamentary or Congressional representatives.

REQUEST THAT MINISTER FACILITATE PARLIAMENTARY DISCUSSIONS

Mr. Stan Schellenberger (Wetaskiwin): My supplementary question is directed to the Minister of Transport. That is an interesting suggestion, but the Minister knows that Members of this House have a very difficult time arranging for those types of meetings because we simply do not have the tools with which to do that, particularly the financial tools. I wonder if the Minister would at least give us the ability to organize such a meeting through the offices of his Department, or the Department responsible for the Wheat Board, in order that we can have the financial tools to set up such a meeting, which is most important at this time because Government officials are failing to come up with this type of agreement?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I do not want to be rude, but meetings of that kind have been held in the past; consequently, ways and means were found, obviously, in the past to hold them. I can only refer to the past as indicating how it can be done, but I will take the question into further consideration.

* * *

CANADIAN BROADCASTING CORPORATION

TELEVISING OF CHRISTMAS MESSAGES BY QUEBEC LIBERAL MPs

Hon. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Minister of Communications, if I could get the Minister's attention. We have learned that in the past 24 hours the Canadian Broadcasting Corporation has made both broadcasting and producting time available to Liberal Members of Parliament in the Province of Quebec for the dissemination of television messages over the Christmas period. I have subsequently checked and confirmed that this has not happened for Members of the Opposition in Winnipeg, Edmonton, or in any other part of Canada. I see the Liberal Member from the Province of Quebec sees this as a joking matter. He is laughing. I assure him the people of Canada do not like this abuse of the CBC.

Some Hon. Members: Hear, hear!

Mr. Broadbent: I have not finished. Considering that the television producer has said that this kind of partisan decision is not normal for the CBC, or at least until recently, my two questions to the Minister are this: Who made this decision and, second, will the Minister take immediate steps to ensure that this partisan Liberal practice at the CBC stops?

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Francis Fox (Minister of Communications): Madam Speaker, I thank the Hon. Member for his question, which once again shows he has no idea of what the situation is in that particular part of the Province of Quebec. The station in Matane was formerly a private station which traditionally—

and this is done by many other private stations throughout Canada, including the Western provinces mentioned by the Hon. Member—offered air time to Members of Parliament so they could broadcast Christmas and New Year's messages and thus reach their constituents in remote areas, as the Hon. Member may have understood. In any case, this year again, the stations in question decided to invite Members of Parliament to broadcast their messages for the holiday season. The President of the CBC discussed the matter with me this morning, and after this review of the situation, it seems that the President of the CBC will either have to offer the same services to all Members of this House or otherwise give orders to drop a tradition that started in one area of the Province of Quebec.

[*English*]

REQUEST THAT LIBERAL PARTY PAY FOR PROGRAMS

Hon. Edward Broadbent (Oshawa): Madam Speaker, I am sure that the President of the CBC reconsidered the policy as soon as he read newspaper reports and realized that what was going on was revealed to the public. That is what happened. But considering that the decision the Minister talked about is no longer a private decision, considering that other Liberal Members of Parliament—I repeat, other Liberal Members—have used a number of hours of production time, or requested production time already from the CBC, I would like to ask the Minister, in addition to correcting bad judgments in the past, since production of some programs for Liberal Members has already been done, will the Liberal Party, just for once, show a little integrity and pay back the CBC the money that went for those programs.

• (1430)

[*Translation*]

Hon. Francis Fox (Minister of Communications): Madam Speaker, I am sure that the CBC would be delighted to offer the same services to Members of the New Democratic Party, elected in the Province of Quebec. Although it is unfortunate for the Hon. Leader of the New Democratic Party, the people of Quebec are far too intelligent to elect his members. I may add that the service is not only offered to local Liberal members but also, and it is the same service to which the Leader of the New Democratic Party is objecting, to bishops, parish priests and other locally known people. If I understand correctly, he objects to the fact that in this particular area of the Province of Quebec, mayors, bishops and other moral, religious and civil authorities are able to offer their best wishes to their fellow citizens.

[*English*]

Mr. Andre: You would not know right from wrong if it hit you over the head.

Mr. Clark: Go forge an order.

* * *

RAILWAYS

SCHEDULED ABANDONMENT OF LINE FROM FERRLOW JUNCTION TO DINOSAUR, ALTA.

Mr. Arnold Malone (Crowfoot): Madam Speaker, my question is for the Minister of Transport.

Madam Speaker: Order. The Hon. Member for Crowfoot.

Mr. Malone: Madam Speaker, I am sorry you have had so much difficulty with those noisy Liberals.

The Minister of Transport will know that the railway line from Ferrlow Junction to Dinosaur, a distance of 103 miles, has been scheduled for abandonment on August 31, 1983. Is the Minister aware that, in the middle of that 103 miles of line, Gulf Oil has made a large oil strike which some claim is the equivalent of the Pembina Field, and other reports are that it is probably one of the largest oil strikes in western Canada? Would the Minister have his office alerted to that because it may be necessary for the Minister involve himself personally in the saving of that railway line for the moving of equipment to the oil field?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I will get myself further informed on that subject. But it is a traditional event that, when a branch line is about to be abandoned, suddenly there are boundless resources found around it which would seem to justify not abandoning the line. It is a customary pattern in Canadian economic life.

Mr. Malone: Madam Speaker, I am quite aware of the alternative courses of action which are available for defending that railway line, and those actions are already underway. I want the Minister to be ready himself.

REQUEST THAT MINISTER HOLD DISCUSSIONS WITH GULF OIL

Mr. Arnold Malone (Crowfoot): Madam Speaker, with that in mind I am wondering if the Minister would investigate this matter and, having done so, whether he would consider calling to an in-camera discussion representatives of Gulf Oil with respect to the size of that field and its development potential, with a view to having the Commission recommend to the Minister whether or not that rail line ought to be preserved?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I will make sure that this particular circumstance was taken into consideration by the Canadian Transport Commission when the decision was made. There is an appeal procedure to the Minister, and I will do everything I can to make absolutely sure that fairness and justice are carried out in this particular matter.

METRIC CONVERSION

POSSIBLE PROSECUTION OF GOVERNMENT DEPARTMENTS

Mr. J. R. Ellis (Prince Edward-Hastings): Madam Speaker, my question is for the Minister of Consumer and Corporate Affairs who has been very diligent recently in saying that he is going to prosecute those who do not use the metric system. Is he indeed going to prosecute government Departments which do not use the metric system, particularly those Departments that are his responsibility and which are not using the metric system?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, the Hon. Member is aware that legislation was passed, and regulations were approved following its passage to govern certain aspects of the metric system as it applies to the sale of gas, the sale of furniture and the sale of food that is weighed and sold in retail stores. These are the three areas where the legislation is in force, and these are the only areas with respect to which warnings were issued.

[*English*]

WEIGHING OF MAIL IN POST OFFICES

Mr. J. R. Ellis (Prince Edward-Hastings): Madam Speaker, does the Minister intend to use the same diligence with post offices which are not using metric scales in the weighing of mail, since they also come under his responsability, and post offices in Ontario do not have metric scales?

Mr. Baker (Nepean-Carleton): Hang them!

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, I am going to check the allegation made by the Hon. Member, and if the law is not being complied with, steps will certainly be taken to ensure compliance by all those concerned, including the Post Office.

* * *

[*English*]

TRADE

STATUS OF NEGOTIATIONS ON EUROPEAN AIRBUS PROJECT

Mr. Girve Fretz (Erie): Madam Speaker, my question is for the Minister of State for International Trade. Will the Minister give us the status of negotiations with Airbus and the Government's proposal to build a factory in Quebec? Secondly, has he considered the effect of such an enterprise on other airplane manufacturers in Canada and their Canadian parts suppliers?

Hon. Gerald Regan (Minister of State (International Trade)): Madam Speaker, the Hon. Member will be aware of the fact that negotiations for the location of industries in Canada is a subject matter which comes under the jurisdiction of the Minister of Industry, Trade and Commerce. It would be better that the question be directed to him in relation to the negotiations for the establishment of a plant in this country.

REASONS FOR SELECTION OF AIRBUS PROJECT

Mr. Girve Fretz (Erie): Madam Speaker, as the Minister responsible for International Trade, would the Minister tell the House why the Government decided to go with Airbus instead of giving encouragement to manufacturers in North America, such as McDonnell-Douglas, Lockheed and Boeing, to the plants of which Canadian suppliers have already been supplying parts?

Hon. Gerald Regan (Minister of State (International Trade)): The Hon. Member asks a question which again might be better directed to the Minister of Industry. Let me, in a general and brief manner, indicate to him that in any such negotiations involving either the Department of Industry or, in a smaller manner, the Department of Trade, we are concerned with what is the best commercial advantage to Canada in maximizing job opportunities for Canadians. He can be well assured that the Minister of Industry has that goal very much in mind in negotiations on this matter.

* * *

ENERGY

PRICE OF NATURAL GAS EXPORTS

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, my question is directed to the Minister of Energy. I have before me the text of a letter from the Reagan White House, specifically from the assistant to the President, to 75 Congressmen, revealing plans to intensify pressure on Canada to reduce the price of natural gas which we export to the United States. As well, I have a quote from the Minister to the Energy Committee last week where he said, "So should we have a more flexible approach for prices? I say no for the time being because I want to make sure the Canadian producers get the maximum possible price, maximum possible income".

Would the Minister confirm there are United States-Canada energy talks planned for early 1983, and would he give this House his iron-clad assurance that he will take the same position he advanced in committee and not cave in to American pressure to lower our natural gas prices?

• (1440)

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I do not know of any specific plans for meetings with officials in the United States about this problem at this time. Of course we are willing to talk with them, but the statement I made in committee remains, that is, we will try to get the maximum return for producers in Canada. Of course, if some Congressman can make noises in the United States it is his privilege, but the policy will be one that will benefit Canadians first.

Mr. Waddell: Madam Speaker, this is not some Congressman speaking; it is the text of a letter from the office of the President of the United States.

REQUEST THAT MINISTER HOLD DISCUSSIONS WITH REPRESENTATIVES OF BRITISH COLUMBIA INDUSTRY

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, perhaps the Minister is confused in this. Yesterday a Bill was introduced by U.S. Congressman Thomas Corcoran to cut off Canadian gas exports if a new, lower price could not be negotiated. In view of what was said in the letter from the President about negotiations, and in view of what has been said about pending negotiations, would the Minister be prepared to discuss the matter with representatives of the British Columbia industry before any such negotiations take place? In British Columbia, for instance, $200 million is at stake. Would the Minister be prepared to discuss the matter with the industry, which will tell him that if he lowers the price we will not sell any more gas and therefore will not get any more money. In the event of discussions coming up, would the Minister commit himself to discussing this with the industry, especially in British Columbia?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, that is what we are doing all the time. We talk with the industry. I have been meeting with the Association of Producers in Canada and I have received papers from some producers in western Canada. I talked with the Minister from B.C., and on Monday I will meet with the new Minister of Energy for Alberta. There is a lot of consultation.

Of course, Madam Speaker, I do not get scared because a Bill is introduced in the House of Representatives in the United States. I have been around for 20 years and know that many of these Bills never become law in the United States.

Mr. Waddell: Madam Speaker, I would remind the Minister that there is a Bill plus a letter from the President of the United States.

FEDERAL-PROVINCIAL OIL PRICING AGREEMENT

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, let me put this question to the Minister apropos of his discussions with the Provinces. The Minister is aware that our gas prices are tied to our oil prices and that the National Energy Program, which he must administer, was premised on oil prices going up. In fact, under the control of OPEC, world oil prices are going down.

Will the Minister guarantee to the Canadian consumer that in his discussions with the producing Provinces he will not change the provision that the Canadian consumer will not have to pay any more than 75 per cent of world oil price at the pump, no matter what the world oil price goes to?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, that is the policy as voted by the House of Commons, and I will respect the House of Commons. We do not have to introduce a Bill on that subject at this time.

I think the policy is quite clear. We have a Canadian price for old oil, we have the international price for new oil, and we have a blended price for Canadian oil. For the old oil it is 75 per cent of the international price. The policy remains the case.

* * *

CANADIAN TRANSPORT COMMISSION

SETTING OF FREIGHT RATES FOR TRANSPORTATION OF CANOLA PRODUCTS

Hon. Don Mazankowski (Vegreville): Madam Speaker, I should like to direct a question to the Minister of Transport. The Minister will have received a telex from the three prairie Ministers of Agriculture urging him to rescind the very exorbitant 40 per cent increase in the minimum compensatory freight rate as it applies to canola products. They have asked him to use his good offices to rescind this increase until such time as a review of the costing order is conducted, as recommended by the CTC, and until such time as the CTC could hold a full hearing on the whole issue of minimum compensatory rates as they apply to canola products. Is the Minister actively considering taking action as requested by the provincial Ministers of Agriculture?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, as former Minister of Transport, my hon. friend will know that, under an order of Cabinet of 1976, canola crushers are given a rate which is the minimum compensatory rate. He also knows that under the Railway Act, Section 276, the minimum compensatory rate cannot be less than the variable cost incurred by the railways in transporting such goods. I have a legal opinion on the subject. Consequently, there was no way the CTC could prevent the increase of the rate by 40 per cent for a period of two years. There was no way anything other than that could be done under the law.

The reference to a review by the CTC is, I understand, only on procedural matters and will not have a direct effect on the final rate.

REQUEST THAT MINISTER TAKE ACTION

Hon. Don Mazankowski (Vegreville): Since the CTC recognized that there were serious reservations about the costing order and the procedure under which the cost was arrived at, it has included in its decision the recommendation that this review should take place. All the Ministers are asking for, and all that we are asking for, is that the Minister of Transport take cognizance of that fact and use his good offices to ensure that a proper costing order is put in place and that the producers and the Provinces have a fair hearing on this matter.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I can only repeat what I said earlier. The information

I have is that this review on the procedural matter is not of importance in the establishment of the rate itself. I think my hon. friend will have to wait for an announcement, which will come one day, on our own western initiative. It might provide possibilities for making savings on the transportation system as a whole that would be of importance to the crushing industry.

* * *

EXTERNAL AFFAIRS

BRANDT COMMISSION RECOMMENDATIONS

Mr. Douglas Roche (Edmonton South): Madam Speaker, my question is directed to the Prime Minister. This week, when he met members of the Brandt Commission in Ottawa, did he give support or a commitment by the Government concerning the principal proposal emanating from the Ottawa meeting of the Commission, namely, that a world conference on international financial institutions should be held with a view to enlarging the facilities thereof, in order to meet the mounting world crisis of debt?

Did the Prime Minister consider a commitment to the publication of a strategy for international economic co-operation, bearing in mind that the last such strategy of the Canadian Government for 1975-80 has expired and we are left with no published sense of direction of where Canada is going on this issue?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member refers to the meetings that I had with members of the Brandt Commission and several of its special advisers, as well as other guests. I want to tell him that no specific representations were made to me on behalf of the Commission at that luncheon, which was at a very large round table. We had discussions on many subjects relating to North-South but I was not asked to provide, on behalf of the Government, any answers to any specific recommendations which they would presumably be making in a statement some time next week, perhaps, which would eventually be published in six or eight weeks.

At the time I met with them they had not finished drafting their position paper and therefore did not ask me anything specific such as the Hon. Member has mentioned.

APPOINTMENT OF CIDA PRESIDENT

Mr. Douglas Roche (Edmonton South): Madam Speaker, perhaps the Prime Minister could turn to the second part of my question on the need for a published strategy on international development co-operation. The lead agency, namely CIDA, has been without a president for some seven weeks, Mr. Marcel Massé having been moved from that position. Can the Prime Minister indicate the reason for such a lengthy delay? What criteria is he employing in looking for a new president of CIDA, bearing in mind that it is passing through the most crucial period in its entire history, at a time when the human need is greater than ever before, and the resources of Canada are more constrained than ever before?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the criteria would be to find the person best able to deal with the problems which the Hon. Member refers to, although he seems to have put into his question some allegation about Canada's role and participation which are unfounded.

* * *

LABOUR CONDITIONS

REQUEST FOR ACTION TO CREATE EMPLOYMENT

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, my question is directed to the Prime Minister, since it concerns Government priorities. As he will be aware by now, welfare rolls in the country have mushroomed. In British Columbia one in every 13 people will be on welfare before the end of the winter. In Quebec welfare cases are growing at twice the rate of the rest of the country. In cities across Canada welfare cases are increasing. In Winnipeg, there has been an increase in cases of 131 per cent above last year. We now have soup kitchens. The Government's programs to date have had about the impact of a wet noodle.

• (1450)

When will the Prime Minister be prepared to take some action that will put people back to work instead of forcing them onto welfare, in light of the Prime Minister's own acknowledgement at the Liberal Convention of November 5 of the need for a public works program right across the country?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, if the Hon. Member's concern with the question is other than purely rhetorical, he will know that the Minister of Finance is meeting this day with the Ministers of Finance of the Provinces to discuss the very serious unemployment problem that we have.

PUBLIC WORKS PROGRAM

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, I am very much aware that the Minister of Finance is meeting with his counterparts from the provinces. What I want to know is where the federal Government stands. Going into these federal-provincial meetings, top federal officials have acknowledged that the economy can now afford a full scheme of public works. Why will the Prime Minister not implement his promise to the Liberal Convention of a public works program to rebuild the infrastructure in communities right across the country so that people can work rather than live off welfare?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, since the statement made by the Minister of Finance in late October, our Ministers have been meeting with provincial counterparts precisely to discuss ways in which we could

assist job creation in areas which are partly under provincial jurisdiction. These meetings are ongoing; and some successes have already been achieved. I repeat that the Ministers of Finance are meeting today to discuss that very type of subject.

* * *

INCOME TAX

REVIEW OF TAX ASSESSMENTS FOR YOUTH FOR CHRIST WORKERS

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, my question is for the Minister of National Revenue. A well known non-profit national organization, respected for many years for its work among young people with severe social problems, has historically been given tax advantages to help its cash flow problems. This organization is known as Youth for Christ. The Tax Department has now decided to reassess the taxes of the workers of this organization as far back as two years and if necessary will garnishee up to 50 per cent of their wages for outstanding taxes. Why has there been this change in policy within the Tax Department concerning these youth workers?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, unfortunately, I am not aware of the particular case referred to by the Hon. Member. Once I have looked at the facts and obtained further information, I shall be able to give him a more satisfactory answer.

[*English*]

ATTITUDE OF TAX OFFICIALS

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, I would like to ask the Minister would he also give these faceless officers, who telephone these workers, a few lessons in human decency, and tell them not to laugh at these people who are hard-pressed when it comes to their income. They are trying to negotiate their position. Is it a policy of his Department to go after individual workers who have very few resources with which to defend themselves rather than contacting national headquarters? Is it because they fear that national headquarters might have some corporate lawyers who could defend the workers?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, in my previous answer, I indicated to the Hon. Member that I was not aware of the facts of the specific case to which he was referring. The Hon. Member will understand that since I am not aware of what happened, I can hardly make any kind of judgment, either with respect to the conduct of departmental officials or the circumstances mentioned by the Hon. Member.

* * *

[*English*]

CANADIAN DAIRY COMMISSION

LEGALITY OF LEVY ON MILK PRODUCERS

Mr. Gordon Towers (Red Deer): Madam Speaker, my question is for the Minister of Agriculture. A difference of opinion exists between the Canadian Dairy Commission and the Auditor General's Department on the legality of the levy that is taken from milk producers. The Auditor General has sought the advice of two legal firms which claim the procedure is illegal. The Canadian Dairy Commission has the advice of the Department of Justice which thinks the procedure is legal. On whose side is the Minister of Agriculture?

An Hon. Member: All sides.

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I am on the legal side.

Some Hon. Members: Oh, oh!

Mr. Towers: That is a really intelligent comment from a stupid Minister of Agriculture, Madam Speaker.

Some Hon. Members: Oh, oh!

RCMP INVESTIGATION

Mr. Gordon Towers (Red Deer): Madam Speaker, with regard to the investigation that is taking place in the Dairy Commission concerning $30 million misappropriation, in view of the fact that the RCMP are now investigating this matter, can the Minister of Agriculture tell us when the RCMP are going to report?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I will not refer to the kind of a Member I think the Hon. Member is. He made mention of the kind of Minister he thought I was, and that is his right, I guess.

Justice lawyers have advised us properly in many, many instances. I can think of only one or two instances when they have advised us improperly—maybe what they thought was properly but it turned out not to be the right advice. When the Hon. Member talks about what the RCMP are doing, I answered that same question in the House some time ago. It is not my duty to put pressure on the RCMP. They do not come under my Department. They are under a different Department and they report to a different Minister. They do not report to me.

Mr. McDermid: Thank heavens for small mercies.

INDUSTRY

PROPOSED CLOSURE OF CANADA PACKERS' PLANT IN CHARLOTTETOWN, P.E.I.

Mr. Tom McMillan (Hillsborough): Madam Speaker, my question is directed to the Minister responsible for Small Business in the absence of the Minister responsible for Regional Development. Canada Packers in Charlottetown has recently announced that it plans to close its plant next September. The plant is Prince Edward Island's largest private sector employer. Will the Minister tell the House whether the Government of Canada has received any kind of overture from Canada Packers Incorporated for Government assistance with the building or expansion of any facility, similar to the one in Charlottetown, elsewhere in Canada? In the event it has, will the Minister agree that it is utterly senseless for the Government of Canada to be assisting industry, in effect, to transfer jobs from one part of the country to another, rather than creating new employment?

Hon. William Rompkey (Minister of State (Small Businesses and Tourism)): Madam Speaker, I am not aware of the situation. I am not aware that any representation has been made, but I will certainly consult with my colleague and report to the Hon. Member.

QUERY RESPECTING NEGOTIATIONS TO KEEP PLANT OPEN

Mr. Tom McMillan (Hillsborough): Madam Speaker, in the absence of the Minister responsible for Regional Development I will direct my supplementary question to an Acting Minister, probably the Minister of Veterans Affairs who has special Cabinet responsibility for this particular area. Is the Government of Canada pursuing with the Government of Prince Edward Island, and with Canada Packers, options for keeping open Canada Packers' plant in Charlottetown instead of having it close in September as scheduled?

Madam Speaker: I am sorry; I was a little distracted by documents being presented to me. I have the impression that the Hon. Member was asking a question of the Minister of Veterans Affairs because he comes from Charlottetown. It is not his ministerial responsibility. That question should be addressed to another Minister.

Mr. McMillan: Madam Speaker, in the event, may I address the same question to the Minister responsible for Small Business, although the Minister for Veterans Affairs has particular responsibilities for negotiations concerning Canada Packers on Prince Edward Island.

[*Translation*]

Mr. André Maltais (Parliamentary Secretary to Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, the Department knows about the problem of Canada Packers in Prince Edward Island, and as I already pointed out to the Hon. Member two weeks ago, contacts have been made and there are ongoing programs that can help both the company and its employees. Discussions are being held at the present time, and as these evolve, it will be possible to inform the Hon. Member further. The Department is aware of the situation and is taking all possible action to help the people concerned.

* * *

[*English*]

FISHERIES

REQUEST FOR RELEASE OF PACIFIC FLEET RATIONALIZATION PLAN

Mr. Ted Miller (Nanaimo-Alberni): Madam Speaker, my question is for the Minister of Fisheries and Oceans. The Minister has challenged the fishermen in British Columbia to come up with recommendations that are alternatives to Doctor Pearse's commission of inquiry recommendations, particularly those concerning a reduction in the fleet. Would the Minister now be prepared to release to the public the Pacific fleet rationalization plan which might help in that attempt to meet some alternatives? He has had this report for one month now.

[*Translation*]

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Madam Speaker, I shall take the question as notice.

* * *

• (1500)

THE ROYAL ASSENT

Madam Speaker: I have the honour to inform the House that a communication has been received as follows:

Government House
Ottawa

December 16, 1982

Madam:

I have the honour to inform you that the Honourable Brian Dickson, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 16th day of December, 1982, at 5.45 p.m., for the purpose of giving Royal Assent to certain bills.

I have the honour to be
Madam,
Your obedient servant,
Jacques Noiseux
Deputy Secretary
to the Governor General

[*English*]

POINT OF ORDER

MR. NIELSEN—POINT OF ORDER RAISED PRIOR TO ADJOURNMENT OF HOUSE—ANNOUNCEMENT OF VOTE TALLY BY CLERK ASSISTANT—RULING BY MADAM SPEAKER

Madam Speaker: At this time I would like to rule on the two points of order which were raised by the Hon. Member for Yukon (Mr. Nielsen) yesterday concerning events which occurred in the House on Tuesday evening last. In order to proceed in a logical manner, I propose to review and reply to the events in a chronological sequence.

On Tuesday, December 14, 1982, after the motion concerning Standing Order 75C was moved, the Hon. Member for Yukon moved. "That the Hon. Member for Calgary Centre be now heard". Following the taking of the yeas and nays on the recorded division, the Clerk rose, bowed to the Speaker and declared the votes in both official languages, as is the custom, after which I declared that the motion was lost.

Many Members have argued that, because they did not hear the announcement of the tally, they were confused as to whether or not the division was properly concluded. The important aspect here is the declaration by the Speaker concerning the fate of a motion and not really whether or not the announcement of the tally by the Clerk is heard by all Hon. Members. It might be that for technical reasons the announcement is not audible to all.

In the case before us, I can state to the House that the Clerk did announce the result, that I did hear the announcement and that I acted accordingly by declaring that the motion was lost. It was at that time that an Hon. Member could have risen to challenge the procedure. However, no one did so.

As a consequence of the decision of the House I stated, as found at page 21587 of *Hansard*, that:

The Hon. Minister of Agriculture (Mr. Whelan) has the floor—

As I do on other occasions, such as when a Bill is referred to a Committee of the Whole, I then say "Pursuant to Standing Order 54, I do now leave the Chair for the House to go into Committee of the Whole", announcing the consequences of a motion that had just been put to the House. I was not, at that time, recognizing the Minister for the purpose of making a speech. In any event, I continued my statement by declaring:

—and it now being ten o'clock, the House is adjourned until tomorrow at 2 p.m.

I refer Hon. Members to a very similar incident which occurred on March 24, 1981, as reported at page 8568 of *Hansard*.

After I had announced the adjournment of the House, the Hon. Member for Yukon brought to my attention that he had been attempting to rise on a point of order. As I indicated yesterday, I had not seen him rise. I accept the procedural argument that a point of order should be raised at the earliest possible opportunity. However, the fact remains that the House was adjourned before I became aware of the Hon. Member's attempt to raise a point of order. Nevertheless, I asked the House to allow me to recognize the Hon. Member but it refused, and therefore there was nothing more that the Chair could do.

In summary, after a careful review of the events, I am satisfied that all procedures were followed according to our established rules and practices. The question of the validity of a division is of fundamental essence in our proceedings. By bringing this point forward, the Hon. Member has given me the opportunity to elaborate upon it. This, I appreciate. Therefore, I must rule that the Hon. Member has no point of order.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Nielsen: Madam Speaker, I rise on the usual Thursday point of order which concerns House business. May I ask the Government House Leader what we will be doing this afternoon and this evening, and what the business will be for Friday and the remaining three days of next week. May I ask him at the same time to inform us whether he intends to bring forward a motion for the purpose of changing the composition of the striking committee of the House so that it might commence discussions before Christmas as to the committee numbers and composition prior to our departure on December 22, and in anticipation of those committees commencing work under the new experimental rules immediately upon our return in January.

I would also like to say to the Minister that should we divide on the Standing Order 75C process that is now before the House this afternoon in sufficient time, we would be prepared to deal with Bill C-98, the Agricultural Products Standards legislation, and to pass it before the hour of adjournment this evening.

Mr. Pinard: Madam Speaker, with respect to the striking committee, I will take the suggestion made by the Hon. Member for Yukon under serious consideration. As a matter of fact, he knows that we have begun discussions. I intend to continue these discussions during the remainder of the day, if possible, and if not, as soon as possible.

Concerning the Business of the House for today, we will call the motion under Standing Order 75C in the name of the Minister of Agriculture. That will be followed by the third reading stage of Bill C-98. I understand that we were supposed to deal with Bill C-136 but an agreement could not be reached between the Minister and his critics. Therefore, we might call Bill C-136, which is to rebate interest for small business, later this week. Therefore, we will deal with Standing Order 75C on Bill C-85 today, followed by Bill C-98, and I understand that this Bill will go through before the end of the day. I have the same commitment from the NDP as well. Tomorrow we will deal with Bill C-132, which is the capping bill relating to Family Allowances.

[*Translation*]

Next week we will continue the study of Bill C-132. I understand that Bill C-131 is expected to be reported to the House within the next few hours. In that case, and if we can do so, we will continue the study of Bill C-132 and Bill C-131, which concerns Old Age Security. Assuming that those two bills could be referred to committee before the end of the day on Tuesday or Wednesday, we would then consider Bill C-136, if we can reach agreement. Otherwise we will go on with Bill C-139 relating to income tax. All that is, of course, subject to changes, in which case I will give reasonable notice. There is a possibility that Bill C-85 could be called for debate before Christmas, but in light of what I have just said, it is highly unlikely if the debates go on smoothly and if we do get practical results with the other bills.

* * *

[*English*]

POINT OF ORDER

MR. NOWLAN—REMARKS OF MR. TRUDEAU DURING QUESTION PERIOD

Madam Speaker: I have a notice of a question of privilege from the Hon. Member for Annapolis Valley-Hants.

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, I gave you the required letter and I will be very brief. I have checked yesterday's *Hansard*. As Your Honour knows and can see from page 21596, the Prime Minister (Mr. Trudeau), in reply to one of my questions, said:

> I suspect the Hon. Member has made those quotations up as he makes up a lot of his questions.

It submit that it is clear from that reply that the Prime Minister was certainly inferring that I fabricated quotes that I read to him in the question. I believe that under the rules of Beauchesne, that is certainly most unparliamentary. I also gave the Prime Minister a letter earlier this morning indicating that I was going to try to catch your eye and raise this matter today. He may have other business and perhaps that is why he is not here.

However, I do believe that this goes a little too far. If the Prime Minister wants to disown the authorship of the article written by Pierre Elliot Trudeau in April, 1963—

• (1510)

Madam Speaker: Order. I do have to interrupt the Hon. Member because I thought he was rising on a question of privilege, but he gave me notice of a point of order and a question of privilege. He raised the point of order.

On the point of order, I am afraid I must tell him that "made up" are not considered to be unparliamentary words and that if he is assimilating them to "fabricate" or to other words which are considered to be non-parliamentary, that he cannot do. That is stretching it a bit. The Prime Minister (Mr. Trudeau) used the words "made up", which is acceptable, and therefore the Hon. Member does not have a point of order. However, I will hear his question of privilege now.

Mr. Nowlan: Thank you, Madam Speaker, and I will not trespass any further on a point of order because, quite frankly, there are larger things to do in the House today.

Some Hon. Members: Hear, hear!

* * *

PRIVILEGE

MR. NOWLAN—REMOVAL OF MR. GAUTHIER FROM MISCELLANEOUS ESTIMATES COMMITTEE

Mr. Pat Nowlan (Annapolis Valley-Hants): Madam Speaker, I come to my question of privilege in a very serious way. I gave Your Honour a fairly lengthy written explanation and I will try to be almost as short in my verbal explanation of what I consider to be a collective question of privilege from all Hon. Members in this House in view of what happened in the Miscellaneous Estimates Committee when the appearance of the Hon. Member for Ottawa-Vanier (Mr. Gauthier) was terminated, as far as being a member of that Committee was concerned, having been a Member of that Committee, I understand, almost from the day of his election. Obviously, the Hon. Member himself is perhaps the one who should have raised such a question of privilege. I also understand the narrow definition of "privilege". Privilege can only be raised here in a responsible way if a matter affects the discharge of a Member's duty, or the carrying out of his duties.

I was in the House when the Hon. Member for Ottawa-Vanier made one of the most considered, constructive speeches on Bill C-133. Frankly, I think it was one of the best speeches which have been made in this Parliament since we began the session almost two and half years ago. As a result of that speech, my duty to my constituents was affected in a very positive way, frankly, because instead of quoting many times from the article which I used as the basis for a question yesterday, showing how the then writer and philosopher, Mr. Pierre Elliot Trudeau, now the practising politician as the Prime Minister of this land, castigated, in the most penetrating way—

Madam Speaker: Order.

Mr. Nowlan: —the docile sheep of—

Madam Speaker: Order, order.

Mr. Nowlan: I'm almost—

Madam Speaker: Order.

Mr. Nowlan: Madam Speaker, I want to continue.

Madam Speaker: Order. The Hon. Member's question of privilege concerns the fact that a Member has been removed by a Committee. The Hon. Member, I think, gave me some clue as to what the answer to his question of privilege might be

when he said that the Hon. Member for Ottawa-Vanier did not raise it himself, probably because he realizes that the matter of appointing members to committees falls under Standing Order 65(4)(b), which I will read to the Hon. Member so he will know that this question does not fall within the purview of a question of privilege. It states:

Changes in the membership of any standing, joint or special committee may be effected by a notification thereof, signed by the Member acting as the Chief Government Whip, being filed with the Clerk of the House who shall cause the same to be printed—

Therefore, the changes do not concern the Speaker. The changes do not fall under the purview of a question of privilege.

The Hon. Member is capable of performing his duties, at any rate. It would have to be the Hon. Member himself who has been affected by the matter raised in his question of privilege. He just told me that he has been affected positively by a speech, which means that he has been able to perform even better than before because of that particular speech. Therefore, I must unfortunately rule that the Hon. Member—no, the Hon. Member may not reply.

Mr. Nowlan: Madam Speaker—

Madam Speaker: The Hon. Member explained to me his question of privilege. It concerned a Member having been struck out of a committee. That is of no concern to the Chair and certainly is not a question of privilege.

Mr. Nowlan: Madam Speaker, with respect, I have not even mentioned the Standing Order which you referred to because I do not think it is relevant. That is not my point; and as Your Honour well knows from the three-page letter I submitted—

Madam Speaker: Order.

Mr. Nowlan: —I am talking about implied threats. I am talking about implied threats, which matter is not covered in any Standing Order. That is why I want to be heard for two minutes.

Madam Speaker: Order.

Mr. Nowlan: I do not care about the Standing Order that you read. That is not relevant. I agree with you, it is not relevant.

Madam Speaker: Well, the Hon. Member should care, because those are the Standing Orders which have been determined by the Members themselves, and it is quite clear to me that the matter of appointing members to a committee does not concern the Chair. There has been reference to it this afternoon. There is a striking committee which deals with that, and it does not concern the Chair. The Hon. Member might not like what is going on in this committee, but it is not a question of privilege.

Mr. Nowlan: Well, can I ask the Chair—

Madam Speaker: Order.

Mr. Nowlan: There is such a thing in this House as judicial notice of the affairs and activities of this House.

Madam Speaker: Order. I must say to the Hon. Member that he is in the habit of constantly standing up every time—

Mr. Nowlan: Because you cut me off before I start.

Madam Speaker: —I make some kind of remark to him.

Mr. Nowlan: I was almost finished.

Madam Speaker: The Chair cannot function if every occasion will be seized upon as an opportunity to go into debate with the Chair concerning matters that Hon. Members raise. I do my best and I do study the questions beforehand. I am quite sure that in this case the Hon. Member does not have a question of privilege, and I ask him to abide by that ruling.

* * *

POINT OF ORDER

MR. ANDRE—USE OF PART OF PRIVATE MEMBERS' HOUR FOR GIVING OF ROYAL ASSENT

Mr. Harvie Andre (Calgary Centre): Madam Speaker, I rise on a small point of order, to place it on the record. This is now the longest session of Parliament in history, and one of the consequences is that Private Members' Hours on Mondays, Tuesdays and Wednesdays are no longer in place.

Mr. Nielsen: Since March of 1981.

Mr. Andre: Since March of 1981. The only time left for Private Members' Hour is on Thursday and Friday afternoons. That, I think, impinges on the rights of Private Members.

It strikes me as being non-conducive to harmonious relationships in this Chamber for the Government to choose part of the remaining Private Members' Hours for use in Royal Assent. I would simply like to state for the record that it would show far more sympathy for the backbenchers and would be much more conducive to a harmonious atmosphere if that sensitivity were borne in mind the next time His Excellency is asked to give Royal Assent to a Bill.

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, concerning the point of order raised by the Hon. Member, I share, in some small measure, the frustration of the Hon. Member, but probably as a Member who is charged with the specific responsibility of dealing with such legislation as the Income Tax Act. The Hon. Member has indicated that this is the longest sitting of this Parliament—

An Hon. Member: Whose fault is that?

Mr. Cosgrove: —and indeed, it is the longest. There is legislation waiting; for example, legislation flowing from two budgets introduced in the House. I know that all Hon. Members are probably anxious to deal with the matter so that when they return to their constituents during the break over the

Christmas period they will have some answers to give those people who are asking for refunds under the income tax provisions.

ROUTINE PROCEEDINGS

[*English*]

LAW REFORM COMMISSION

TABLING OF EIGHTEENTH REPORT

Mr. Al MacBain (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Madam Speaker, I have the honour of tabling, in both official languages, the eighteenth report of the Law Reform Commission of Canada entitled, "Obtaining Reasons Before Applying for Judicial Scrutiny—Immigration Appeal Board".

* * *

[*Translation*]

METRIC COMMISSION

TABLING OF COPY OF ORDER IN COUNCIL NO. 1979-3093 AND EXCERPT FROM "CANADA GAZETTE"

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madame Speaker, in reply to the motion the Hon. Member for Red Deer (Mr. Towers) moved on December 14 under the provisions of Standing Order 43, I wish to table a copy of the Order in Council No. 1979-3093 dated November 15, as well as copies of pages 4315 and 4316 of the *Canada Gazette*, Part II, dated November 28, 1979.

TABLING OF ANNUAL REPORT

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, under the provisions of Standing Order 41(2), I have the honour of tabling, in both official languages, the annual report of Metric Commission Canada for the financial year ending March 31, 1982.

* * *

• (1520)

[*English*]

CRIMINAL CODE

AMENDMENTS RESPECTING COMPUTER CRIME

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe) moved for leave to introduce Bill C-667, to amend the Criminal Code and the Canada Evidence Act in respect of computer crime.

He said: Madam Speaker, the purpose of this Bill is to address those issues related to computer use and abuse which have traditionally prevented the courts from adequately coming to grips with the growing problem of computer crime.

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

* * *

BANK ACT

AMENDMENT RESPECTING CONSUMER PROTECTION FROM FRAUD

Mr. Benno Friesen (Surrey-White Rock-North Delta) moved for leave to introduce Bill C-668, to amend the Bank Act (power of Inspector).

He said: Madam Speaker, for many years I know Members have been concerned about the fact that the Inspector General of Banks has no real power to initiate a prosecution if there is internal fraud within a bank. That is, the consumer is not protected against internal fraud. The passage of this Bill would empower the Inspector General of Banks to inspect within the banks for fraud so that the consumer would be protected.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,178 as amended; 4,488; 4,501 and 4,548.

[*Text*]

RCMP—PAYMENT TO WITNESSES

Question No. 4,178 (amended)—**Mr. MacKay:**

1. Is there a general RCMP policy concerning payments to witnesses in criminal trials and, if so (a) what are the details (b) does the policy involve payments beyond expenses incurred in connection with court appearances?

2. Is there a general RCMP policy concerning payments to informers and, if so, what are the details?

3. Is it the policy of the RCMP to withhold from the criminal courts the fact that the accused persons are paid informers of the RCMP?

Hon. Bob Kaplan (Solicitor General of Canada): 1. (a) Witnesses called by the Crown in criminal cases are entitled to fees and expenses in accordance with the tariffs set by provincial laws or regulations. See also payments to informers in part 2 below. RCMP policy provides for compliance with the schedules and tariffs including Section 772 of the Criminal Code to facilitate these payments.

(b) No, the general policy does not involve payments beyond expenses incurred in connection with court appearances. There is, however, additional policy which deals specifically with the Force's Witness Protection Program and is separate from those

witness entitlements provided for by provincial laws or regulations. Payments made in this program pertain only to relocation and cost of living expenses for a witness and family should the life of the witness of his/her family become endangered as a result of co-operation with the Crown or agreement to testify. The payment of moneys or benefits are not authorized to any person simply in return for their testimony.

2. Yes, there is RCMP policy concerning payments to informers. This policy deals with the following: (a) the amount of payments: These payments are authorized at varying levels of authority within the RCMP in accordance with Treasury Board directives. (b) the criteria for payments: In each case the criteria for payment is established by the levels of authority responsible for authorizing payment. They must be satisfied that the expenses are fair and just in relation to the assistance rendered or information received. (c) the selection of recipients: Not all informants or witnesses receive payments. Payments occur only in those circumstances which dictate the need.

Force practice requires, without exception, that where a person was paid for information germane to proceedings at which he will be a witness, full disclosure of all details will be made to the Court.

In Security Service matters, it is not in the interests of maintaining internal security to make public policy concerning payments to informers.

3. No.

CNR—ADVERTISING BUDGET

Question No. 4,488—**Mr. Siddon:**

1. What amount did the Canadian National Railways spend for advertising in the fiscal year (a) 1980-81 (b) 1981-82?

2. What amount did CNR budget for advertising in the fiscal year 1982-83?

3. What percentage of CNR's fiscal year 1982-83 advertising will be devoted to (a) newspapers and magazines (b) radio (c) television (d) trade show or convention exhibits (e) any other?

4. Did CNR declare a deficit in the fiscal year (a) 1980-81 (b) 1981-82 and, if so, what was the extent of that deficit?

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): The management of Canadian National Railways advises as follows: As Canadian National's fiscal year coincides with the calendar year, references to years 1980-81, 1981-82, and 1982-83 have been altered in the relies to read 1980, 1981, and 1982 respectively.

1. (a) $9,601,000, (b) $11,351,000.

2. $10,170,000.

3. (a) 36 per cent, (b) 10 per cent, (c) 37 per cent, (d) 2.3 per cent, (e) 14.7 per cent.

4. (a) No, (b) no.

RESTAURANT AT VICTORIA INTERNATIONAL AIRPORT

Question No. 4,501—**Mr. Munro (Esquimalt-Saanich):**

1. On what date was the tender let to improve the restaurant facilities at the Victoria International Airport?

2. How many entered bids and which company was the successful bidder?

3. (a) What dates were given in the tender for the beginning and the completion of the work (b) was this undertaking honoured?

4. (a) For what amount was the contract (b) what provisions were made for cost or time over-runs (c) were there cost or time over-runs?

5. On what date will the restaurant be completed and fully operational?

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): 1. Tender advertising commenced January 22, 1982 with tender close on February 10, 1982.

2. Six companies entered bids and the contract was awarded to the low bidder, Wakefield Construction Ltd. of Victoria on February 17, 1982.

3. (a) The tender documents stipulated the work was to commence within seven days of award of contract (i.e., by February 24, 1982) and that work was to be completed within 130 calendar days from award of contract (i.e., by June 29, 1982). (b) Contractor was on site February 22, 1982 but work was not completed by June 29, 1982 because of delays in delivery of material and rescheduling of construction work to minimize interference with ongoing restaurant operations. This delay was compounded by the construction industry lockout during the month of August.

4. (a) $215,500. (b) No special provisions other than the principles contained in the General Conditions of Contract were applied to this project. The General Conditions of Contract provided for and outlined procedures for assessing, granting and penalizing cost and time over-runs on contract work. (c) There was an over-run of $21,200 on the cost of the contract resulting from designer/site supervisor requested design changes required to rectify conditions encountered during the excavation and construction phases. There was a time over-run because the contractor incurred delays in excess of contract expectations while accommodating the smooth ongoing operation of the restaurant facility during the construction period.

5. Except for minor deficiencies, the above-referenced contract work on the Victoria Restaurant Facilities is complete and the restaurant is and always has been in full operation. The outstanding work still to be done to complete the contract is related to the installation of an electrical transformer. Manufacture and delivery of this transformer is taking longer than anticipated and the completion of the outstanding work is now expected by mid-December, 1982.

PERCENTAGE ANGLOPHONE/FRANCOPHONE MILITARY PERSONNEL

Question No. 4,548—**Mr. McKinnon:**

At present, what proportion in each rank of (a) the Canadian Armed Forces (b) Maritime Command (c) Mobile Command (d) Air Command (e) personnel not allocated to Maritime Command, Mobile Command or Air Command is (i) Anglophone (ii) Francophone?

Hon. J. Gilles Lamontagne (Minister of National Defence):

Percentage Anglophone/Francophone by Select Groups

Rank	Maritime Command		Mobile Command		Air Command		All Other Personnel		Canadian Armed Forces Total Strength	
	Anglo Per cent	Franco Per cent	Anglo Per cent	Franco Per cent	Anglo Per cent	Franco Per cent	Anglo Per cent	Franco Per cent	Anglo Per cent	Franco Per cent
General							100.0		100.0	
Lieutenant General	100.0			100.0	100.0		60.0	40.0	60.0	40.0
Major General	100.0		100.0		100.0		88.0	12.0	90.0	10.0
Brigadier General	100.0		50.0	50.0	100.0		84.8	15.2	84.3	15.7
Colonel	97.2	2.8	50.0	50.0	97.3	2.7	85.3	14.7	84.4	15.6
Lieutenant Colonel	97.0	3.0	62.5	37.5	87.0	13.0	86.0	14.0	85.4	14.6
Major	92.7	7.3	70.0	30.0	87.6	12.4	85.7	14.3	85.2	14.8
Captain	89.7	10.3	72.7	27.3	85.6	14.8	78.7	21.2	81.1	18.9
Lieutenant	86.4	13.6	64.9	35.1	76.0	14.0	69.0	31.0	74.0	26.0
Second Lieutenant	85.9	14.1	68.5	31.5	80.7	19.3	69.4	30.6	75.6	24.4
Officer Cadet	70.1	29.9	36.3	63.7	74.2	25.8	64.4	35.6	64.3	35.7
Chief Warrant Officer	93.4	6.6	59.5	40.5	86.4	13.6	79.8	20.2	80.8	19.2
Master Warrant Officer	92.2	7.8	67.1	32.9	84.6	13.4	79.7	20.3	81.4	18.6
Warrant Officer	91.3	8.7	65.3	34.7	83.7	16.3	78.6	21.4	79.4	20.6
Sergeant	88.0	12.0	65.2	34.8	83.8	16.2	75.4	24.6	77.5	22.5
Master Corporal	86.3	13.7	67.0	33.0	78.6	21.4	72.0	28.0	74.8	25.2
Corporal	84.5	15.5	57.1	42.9	71.2	28.8	68.5	31.5	68.8	31.2
Private Trained	84.1	15.9	62.4	37.6	70.5	29.5	67.2	32.8	69.4	30.6
Private Basic	76.3	23.7	65.4	34.7	71.2	28.8	57.5	42.5	66.1	33.9
Private Recruit	100.0		95.9	4.1	60.0	40.0	61.6	38.4	66.9	38.1

[*English*]

Mr. Smith: I ask that the remaining questions be allowed to stand.

[*Translation*]

Madam Speaker: The questions enumerated by the Hon. Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

[*English*]

Mr. Friesen: Madam Speaker, I would like to point out to the Parliamentary Secretary that I have had a question on the Order Paper since December 2, 1981. It is a long question but a very simple one to answer. It has to do with the number of employees working in the Solicitor General's Department across Canada. I do not know why it has not been answered. It might be the fact that the Solicitor General does not want us to know that there are possibly more employees in the Department than there are guarding the inmates. At any rate, it has not been answered, it is important for me to know and I hope that the fact that my daughter did not attend school with the Parliamentary Secretary will not inhibit his desire to answer the question.

Secondly, on December 14 I placed a question that relates to a dish being bought by the Department and installed at Elbow Lake Detention Centre. As Members know, the Minister of Communications is somewhat in the glue over his policy regarding satellite dishes, one has been purchased for a minimum security facility. I would like to have that particular question answered.

Mr. Smith: Madam Speaker, I would be very happy to look into this matter on behalf of my hon. friend, who is a co-Member of the Parliamentary Prayer Group with myself. I might say to him that we are not afraid to answer a comprehensive question on that matter, as we answered one for the Hon. Member for Saskatoon West which must have weighed ten pounds when it was tabled.

Mr. Reid (St. Catharines): Madam Speaker, while the Parliamentary Secretary is still with us I would like to refer a question to him, No. 4,502. While this has been on the Order Paper for a much less period of time than that of my colleague's, it is one that relates to a Bill which is before us for consideration now, Bill C-95, and to the amount of moneys received by the federal Government under a 1979 federal-provincial agreement with respect to lotteries.

I wonder if the Parliamentary Secretary would give attention to that item and have it answered so that it can be part of our deliberations now. There is a related question, No. 4,531, and we would appreciate the answer to that one as well.

Mr. Smith: I would be happy to look into both of these matters.

Mr. Greenaway: Madam Speaker, I thought the Parliamentary Secretary to the President of the Privy Council used the term "ten pounds", and I was worried that he might find himself in serious trouble with the Minister of Consumer and Corporate Affairs! I wonder if he could correct that statement and put it in metric measurement for us, so we can understand what he was talking about.

Mr. Smith: Madam Speaker, it should read 4.37120 kilos!

Mr. Hnatyshyn: Madam Speaker, being a recipient of this package, I weighed it and the Parliamentary Secretary is wrong on all counts.

Madam Speaker: The remaining questions will stand.

Time Allocation

GOVERNMENT ORDERS

[*English*]

BUSINESS OF THE HOUSE

ALLOCATION OF TIME TO CONSIDER REPORT STAGE AND THIRD READING OF BILL C-85

The House resumed, from Tuesday, December 14, consideration of the motion of Mr. Whelan:

That, in relation to Bill C-85, an Act to establish a corporation called Canagrex to promote, facilitate and engage in the export of agricultural and food products from Canada, one sitting day shall be allotted to the consideration of each of the report stage and the third reading stage of the Bill; and

That fifteen minutes before the expiry of the time provided for Government business on those days, any proceedings before the House shall be interrupted, if required, for the purpose of this Order and, in turn, every question then necessary in order to dispose of the stage of the Bill then under consideration shall be put forthwith and successively without further debate or amendment.

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, up until this time I have witnessed the clear intent on the other side—

Mr. Hnatyshyn: Where are your friends? Have you no friends? There is nobody sitting near you.

Mr. Whelan: —that they have no intention of letting Bill C-85 move through a speedy reading.

An Hon. Member: You threatened to resign. That really frightened us.

Mr. Whelan: It has been said publicly in some quarters of this House that they will even present, if at all possible, a vote on third reading. For this reason, Madam Speaker, and because this legislation is so vital to the continued growth of agricultural export development in Canada, I neither apologize nor regret moving time allocation. I repeat Madam Speaker, time allocation. So many people have used the terminoloy "closure"—

An Hon. Member: It is the same thing.

Mr. Whelan: This is not closure. Time allocation in the Mother of Parliament is automatic with practically all Bills. There is an order put through in this form if they cannot agree, but 99 per cent of the time they agree on time allocation for second reading, committee stage, and so on, and then for bringing the legislation back into the House. It is all agreed before a Bill even moves into the House for second reading. One would think that the Government was creating something different, some kind of a monster, but time limitation is used in the Mother of Parliament practically all the time.

In Canada, one would almost think when we suggest moving into the twentieth century with parliamentary procedure that we are doing something that is undemocratic. It would be hard to convince anyone in the Mother of Parliament at Westminster that that was undemocratic.

Mr. Andre: Their Ministers resign when they transgress.

Mr. Whelan: They do this, as a matter of fact, every day, and when we suggest doing something like that here, it is looked upon as being something so different. Time allocation functions in Britain and they have used the rule that they abide by about 99 times. What is regrettable is the frustration caused by the attempt to pass this important legislation which will assist agriculture export extension.

In recent weeks we have seen the Conservative Government of Ontario set time allocation on legislation vital to the public good. As I have said, in the British parliamentary system time allocation is a correct and needed mechanism, and we should use it here more often.

Someone accused me the other day—I heard the things they were saying while I was sitting here—of knowing nothing about democracy. I have been elected ever since I was 21 years of age. I used to run an election campaign every year. For someone to tell me that I know nothing about democracy is a little bit much; in fact, it is more than much. I have served on different boards. I have been re-elected to this House several times since 1962, in fact in every election up until 1980. To say that I know nothing of democracy, after seeing some of the things which are done in this House which leave something to be desired, is unjust.

• (1530)

I wonder if some Members understand how democracy works when we see what is attempted here. With regard to Canagrex, efforts to get agreement on this Bill have been stymied, mainly by the Official Opposition who made statements concerning the legislation that in most instances were completely unfounded. I am utterly appalled with regard to what they have said about Canagrex and what it is intended to do.

Some provincial Ministers of Agriculture have been quoted as to what they believe Canagrex is going to do. I suggest that they check the laws, rules and regulations in their provincial legislative assemblies governing their Crown corporations. Over half of them have the power to buy and sell. That is true in every Province in Canada.

In the letter which the Leader of the Opposition (Mr. Clark) wrote to the Prime Minister (Mr. Trudeau), he quoted the Auditor General. However, he did not quote him as far as he should have. The Auditor General is quite happy with what we are going to do about Canagrex. The Members of the Committee are aware of that. In fact, it was said several times in Committee.

In Committee, there were 14 amendments made to the 41 Clauses of the Bill. It has been said that this Minister of Agriculture is uncompromising, that he will not bend, he is inflexible, he is stubborn, he is bull-headed. How often have those kinds of concessions been made? If Hon. Members want to quote the Auditor General, let us hear what he had to say about the Department. Talking about the Department of Agriculture he said:

We found no serious deficiencies in the Department's planning and management activities.

That is what the Auditor General told Parliament in his Annual Report tabled in the Commons last Tuesday. Also, at a press conference he had praise for Canagrex because it is the first time the Government is willing to allow the Auditor General to conduct a full audit of a Crown corporation when he considers it necessary.

I talked to the Auditor General about that. That amendment was brought in by an Opposition Member on the agricultural Committee, the NDP member for Prince Albert (Mr. Hovdebo). It was accepted by myself as something that would put aside any suspicion of the administration of the Crown corporation Canagrex.

I do not understand why members opposite do not say that the Auditor General has approved it. The Auditor General told me that not only will it be the first time in Canada for any federal or provincial Crown corporation, but the first time for any Crown corporation in the free world that that will be allowed in legislation.

We hear a lot of talk about how badly run the Crown corporations are. One would think that we thought up all the Crown corporations. It was the Conservatives who thought up Canadian National Railways, the Canadian Broadcasting Corporation and many others. They are not suggesting that these be abolished.

The Tory opposition to the amended legislation really counfounds me—

Mr. Lewis: Everything does.

Mr. Whelan: —particularly when the Conservative agriculture critic, the Hon. Member for Elgin (Mr. Wise), indicated to the Committee that he felt the amendments we had made were reasonable. At that time the former Minister of Agriculture endorsed the proposal which included the buy-and-sell philosophy which has recently been at the centre of controversy surrounding Bill C-85. After four gruelling months before the Standing Committee and after the Government accepted the 14 amendments to the original 42 Clauses, the Hon. Member for Elgin said:

> Madam Chairperson, obviously these amendments appear to be quite acceptable to us . . . Hopefully, I am extremely optimistic that we can make considerable progress and that we can accept the very reasonable option that I think you have put forth. I am going to ask you to understand my position at the moment, and perhaps we might have some further discussion.
>
> I think really we have dealt with the contentious issues of the Bill and that is a very reasonable offer that you have put forth, but one that I would like to move forward on at the moment and accept and move forward with the clause-by-clause study. I am telling you that once we get a decision from caucus and if that is a positive decision, then I do not think we have to worry about the time frame.

Lo and behold, the Hon. Member for Elgin was not successful when he want to caucus. He may have been more successful yesterday. All that changed quite dramatically when some of his colleagues, who unfortunately seem to lack faith in the current agriculture critic of the Official Opposition, kicked and screamed against the amended legislation, adding to what Mr. Kirk referred to as "paranoia" about the Bill.

Mr. Mazankowski: What did he say?

Mr. Whelan: Kirk, David Kirk—

Mr. Nielsen: What did he say?

Mr. Whelan: The secretary manager of—

Mr. Deputy Speaker: Order. All remarks should be addressed to the Chair.

Mr. Whelan: This is a sound piece of legislation, legislation that has been asked for by the farm organizations—

Mr. Mazankowski: Twenty-five farm organizations oppose it.

Mr. Whelan: What the Hon. Member is scoffing at is the Canadian Federation of Agriculture—

Mr. Mazankowski: They are split on it.

Mr. Whelan: There may be some disagreement within the Canadian Federation of Agriculture.

Some Hon. Members: Oh, oh!

Mr. Whelan: There may be some disagreement in the Opposition Party. There may not be unanimous consent on our side. In a democracy you cannot always expect unanimous consent.

Mr. Taylor: Half of the nation is opposed to it.

Mr. Deputy Speaker: Order. I regret to interrupt the Minister but the time allotted to him has expired.

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, the Minister of Agriculture (Mr. Whelan) began his remarks by talking about the Mother of Parliament and how we should learn from procedures in the Mother of Parliament. Oh, how I wish that could happen! Oh, how I wish in this country we had a Government of Ministers with the same sense of responsibility as exists in the Mother of Parliament! There there is ministerial responsibility in a real way. When a Minister gets caught misinforming, mismanaging or somehow failing to fulfil his responsibilities, he resigns, as Lord Carrington most recently demonstrated. When have we seen any such behaviour from this sleazy crew? For him to stand up and suggest that the Mother of Parliament is a lesson for us only to the extent of the use of closure shows abysmal ignorance of what Parliaments are supposed to be about.

A respect for conventions and practices is very much at the root of what parliamentary democracy is all about. From that Minister, his Prime Minister (Mr. Trudeau) and his Government House Leader (Mr. Pinard), you have respect for no traditions or practices. The letter of the law in its precision is the only thing that counts, and that is not always followed. Reliance on that does not create the kind of atmosphere that allows the proper conduct of a parliamentary democracy.

How can the Minister have such gall, after the way he introduced the motion under 75C in the middle of an income tax debate, a debate on a subject having nothing to do with

this Bill, and after his House Leader had informed our House Leader and the House Leader of the NDP that their legislative priorities consisted of a whole string of legislation and C-85 was not on any of the lists, except well, well down? After clear indications from the Government that Bill C-85 was not something they hoped to get through before Christmas, the Minister of Agriculture in the middle of an income tax debate stands up and gives notice under Standing Order 75C, in our opinion, totally wrongfully.

• (1540)

Admittedly, the Chair has made judgment on that and said it can be done, but I humbly suggest that it should be examined by the Procedure and Organization Committee of this House. Because if this, what only can be described as "sneaky behaviour" is allowed to become the practice and the norm and is accepted in this House, then the kind of day we had yesterday and the day before are going to become part of the norm as well. I am sure no one wants that.

What was especially sleazy about that notice was that it came within days of the Government House Leader indicating that the Government was certainly interested in parliamentary reform. They were going to co-operate with the spirit of reform, with the spirit of working together to make this institution more meaningful, efficient and effective. But within days of what we thought was a sincere statement of Government policy, we have the behaviour I have referred to from the Minister of Agriculture.

Frankly, Mr. Speaker, I am not prepared at this point to suggest that the Government House Leader was misinforming the House. I strongly suspect the Minister of Agriculture was freelancing and for that reason we have not seen the Government House Leader in the House during any of these last few days of rather interesting procedural discussions, which one would think the House Leader of the Government would be very much a part of. I suspect that the Minister of Agriculture, having crawled out of that limb all by himself, was left there on the limb all by himself, and at this moment I do not see a single Minister in the House except for the Minister of Agriculture, which indicates that the rest of his cabinet colleagues do not really want a whole lot to do with him.

This issue of closure which we are debating now on this particular Bill is an affront to the House in the manner in which it was introduced by the Minister of Agriculture. It is an affront to the spirit of parliamentary reform which had been so enthusiastically endorsed a few days earlier by Members on all sides. It is an affront to very, very significant sectors of the agricultural community of this country who find this Bill, in its present form, offensive. It is an affront, Mr. Speaker, to listen to Members of the Government speak about the need for us to be unified, for Canada to work together, to co-operate to overcome the economic problems of this country on the one hand, and on the other hand for the Minister of Agriculture basically to thumb his nose at the major portion of the agricultural industry and say: "I do not care what you think. I want this Crown corporation and I am going to force it through even though I have to trick my own House Leader. I want this Crown corporation."

One wonders if he wants it for the benefit of a little red star on his report card, or for the prospect of there being another high-priced position within a Crown corporation which can perhaps be occupied by himself or his friends at some future date, beyond, as we know, the reach of any parliamentary scrutiny, as evidenced by the Auditor General.

And it is also an affront, Mr. Speaker, to do this just one week after the introduction of the Auditor General's Report on just how out of controls things are in regard to Crown corporations. The Auditor General described it as a hole in the taxpayers' pockets. Money is being spilled to the tune of who knows how much—we are not allowed to find out. No one can find out, not even the Auditor General. But within one week after that condemnation of the way in which Crown corporations are managed in this country, we have this Minister coming forward with closure to force through yet another Crown corporation, and who knows how many more subsidiaries of that Crown corporation are going to be created.

The socialists say a Crown corporation is a good thing and Parliament has no right to know what the Crown corporations are doing, how much they are going to be paid, that we have no right to say whether they can create subsidiaries or how many subsidiaries could be created. The socialists love Crown corporations. The more the merrier. And heaven forbid that the people of Canada should ever be allowed to find out how much these corporations are spending, how much the senior executives are getting, whether they are doing a proper job in fulfilling their mandate. Heaven forbid that Parliament should ever be allowed to investigate and find out. That is what the New Democratic Party are agreeing with. They agree wholeheartedly with that philosophy.

Well, we do not, Mr. Speaker. We accept and believe, and, indeed, have demonstrated that the Auditor General is exactly right, as his predecessor six years ago was exactly right, when he said there is a need for parliamentary oversight. There is a need for the public to know, through their elected representatives, just what Crown corporations are doing, because they are now, in terms of staff, larger than the Government, larger than the official Civil Service. They spend $30 billion-plus per year. For the Minister of Agriculture to say we should respect parliamentary democracy and look to the Mother of Parliament, for example, and on the other hand continue to turn a blind eye, or, indeed, condone the kind of abuse which the Auditor General talks about, is an affront to this House and to this country.

These last two days, Mr. Speaker, were not the way in which I, or my colleagues, would in fact like to see this place operate. We would like to have Parliament be a Parliament in the traditional, classic sense, with some ability to find out what Government is doing, with the authority to control Government spending and to oversee Government operations in a real sense. We have been successfully denied that for years and years and years. The introduction of Standing Order 75C is an affront to this House which we simply cannot tolerate. If The

Government tries it again, it is going to have a lot more days like the last few days. I see you are standing, Mr. Speaker; thank you.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I am delighted to rise and speak today on this attempt by the Government to limit the debate on Canagrex. I want to begin by saying that it is true that we favour Canagrex. We favour it because we believe it will better serve the vast majority of farmers in this country who have been unable up to now to gain access to markets outside the country for their produce. We believe that Canagrex will serve that kind of purpose.

It was for that reason that I thought the Conservatives were supporting Canagrex when the Bill was first brought forward, because they also spoke on much the same lines—the value of trying to increase the opportunity for Canadian farmers to find markets for their produce outside the country. In fact, if I recall correctly, there was even the hint of a suggestion that this was indeed a Tory Bill reincarnated, that the Conservatives had been intending to bring forth just such a Bill had they lasted longer than the nine months they were in office in 1979.

That is my recollection of what was said and I stand by it. I believe it to be true. I want, however, to deal with one aspect of what was said by the Member who preceded me. One of my colleagues asked me how you call someone a liar in the House of Commons. I told him you cannot. I then tried to think of a way of explaining what was said that was wrong, and I want to put it this way. We have steadfastly demanded accountability from Crown corporations. We in this Party, recognizing the key and crucial role which Crown corporations can and must play in the future development of Canada, on every single occasion where we have been present and voting, on every single occasion where debate has taken place, have insisted that there be measures of accountability included in the legislation which set up the Crown corporation. We did not always have control, but on this particular Bill the Auditor General has said in his own Report, the Annual Report just tabled, that in singling out Canagrex he did so as a model of accountability.

• (1550)

He pointed out that there were two particular aspects of it that he found most acceptable. One was that there is a sunset Clause calling for a full review of Canagrex by Parliament in five years' time, and I think the majority of people believe that is not a bad thing to have happen. More importantly, there is a Clause in the amended Bill, which we will be dealing with in the next few days when it comes from the Committee, requiring a mandatory audit by the Auditor General whenever he deems it necessary. Do you know where that amendment came from, Mr. Speaker? It was moved by my colleague, the Hon. Member for Prince Albert (Mr. Hovdebo). That amendment was accepted by the Government because it believed that accountability was important. That amendment came from the NDP, and for any Tory to stand in his place in the House and attempt to leave a false impression that somehow or other we are responsible for the non-accountability of Crown corporations is absolute nonsense.

Some Hon. Members: Hear, hear!

Mr. Deans: I say to you, Mr. Speaker, that my concern with this Bill is not with its substance. I believe the Bill will provide an opportunity for Canadian farmers who are currently unable to reach world markets. They will be able to improve their productivity, their sales and cash flow, and thereby improve their standard of living. That is what we favour in this country.

I want to say, however, to the Minister with regard to 75C, that I sincerely regret it has been brought in. I believe that if there are Conservative Members in this House who still believe that there are important things to be said about Canagrex, that there are still important points to be made, that we could have and should have negotiated a sufficient amount of time to allow those points to be made. My position has always been that where there are Members of Parliament who feel strongly enough about a topic, who feel that there is need for further discussion, who think that the public's view has not yet been adequately expressed, then it behooves the House of Commons to try and find that time. For that reason and that reason alone, I find myself unable to support the move by the Minister of Agriculture (Mr. Whelan) to close off the debate.

I say that we will indeed support the Bill. We will do so because it is a good Bill and it is supported by any number of farm organizations from coast to coast. It will indeed provide all the things I have said. It is so accountable as to be a model in the eyes of the Auditor General, and I believe that with another two or three, perhaps four, days of debate, passage of the Bill could have been achieved without the use of 75C. If that could have been accomplished, then we could have had a House much more supportive of the measure, we could have had a community much more supportive of the measure, and with that we would have had a measure which undoubtedly would have had much more success in the future. That is what my worry is and for that reason alone we will not support 75C. But we say to the Minister that the Bill will provide a very necessary vehicle and one that we are happy to see in place.

[*Translation*]

Mr. Marcel Dionne (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, it is with great pleasure that I take part in this short debate on time allocation for Bill C-85. Mr. Speaker, it is very important for the House to realize how vital Bill C-85 is to an entire sector of our agriculture.

Mr. Speaker, I hear Members saying that this is closure, that we want to prevent people from having their say, and agricultural groups from pressuring the Government and discussing the alternatives proposed in this bill.

The fact of the matter is that we have worked in committee for at least eighty six hours during which thirty groups were heard and had an opportunity to express their views, and no one prevented them from doing so. Mr. Speaker, you will agree that after eighty-six hours and after hearing thirty different

groups, everything has been said about this bill that had to be said. I think it is high time we all realized that this legislation is so important that it should be passed as quickly as possible. Time allocation will, in fact, help all Members to reach agreement on certain terms.

There is a lot of talk about provincial legislation. Here again, there is a tendency to ignore what is happening elsewhere, except for the Federal Government, and in time, this will create a serious imbalance in our country unless the Federal Government takes appropriate action.

I listened earlier to the Member for Calgary who said that the Auditor General tended to criticize all corporations because they were ineffective, and so on. However, the Auditor General happens to have congratulated the Minister of Agriculture (Mr. Whelan), who had the courage to ask for a full audit of the future Canagrex Corporation. The Auditor General congratulated the Minister for having done so and invited other Departments to do the same.

Mr. Speaker, as far as this legislation is concerned, I think we should realize that in this country we have an agro-food sector that is extremely effective and is exporting more and more. Now, if we want to compensate for the deficit on our trade balance, we are going to ask our farmers to increase their exports even more. Today, however, farmers lack the necessary tools to break into new export markets. When we see what is happening in the United States, Mr. Speaker, I, for one, am worried. I am worried that soon we will no longer be able to compete on world markets, because the United States is being very agressive. It is taking an increasingly large share of the market and is trying to sell its agricultural products all over the world, not without a great deal of difficulty, however.

Hon. Members are aware, Mr. Speaker, that Eastern Canada has a number of farming operations for which marketing is a real problem. It is a fact that in Ontario, Quebec and the Maritimes, we could be more agressive in seeking out these markets. We could then ask farmers to produce more, which would reduce production costs. By producing more, we can keep average production costs down. Some Hon. Members were saying: This is one more corporation that is going to cost the Canadian people $13 million. Mr. Speaker, if we ask our farmers to export several billion dollars worth more than they are exporting at the present time, the entire agricultural sector is going to benefit. The private sector seems to be afraid that it will now have to compete with a Crown corporation for its markets.

If we take a careful look at the objectives of the Canagrex corporation, it is clear that the purpose is not to eliminate but to co-operate with the private sector. Personally, if I were in the private sector, I would use the corporation to get rid of some of the problems we have to cope with in the export sector, because procedures are very complicated and it is a very difficult area to deal with. That is my perspective on the matter. It is therefore to be hoped that the private sector will take a closer look at this legislation and use it for its own benefit and that of Canadian agriculture.

Mr. Speaker, of course this legislation is not totally unopposed. But when we consider those who met with us those who made representations, it is obvious that a great majority of the people who deal with farmers who defend the rights of farmers, namely the Canadian Federation of Agriculture, the Ontario Federation of Agriculture, the Quebec UPA, and both the New Brunswick and Nova Scotia Federations of Agriculture, have all received this bill enthusiastically and want the government and the other legislators to come to an agreement on this legislation to give it further study and speedy passage. Everyone will certainly agree that the farming community, as with the case of the potato growers, is having serious problems. The same situation prevails throughout the country this year and we could perhaps be more competitive on the export market. However, many producers are left to cope for themselves and have neither the capacity, the resources nor the knowledge to tackle the export market. Once again, we have to realize that Canagrex is not just another bureaucracy. It will not be useless. It will not harm our dealings with other countries. The United States, France and Mexico have now come up with a legislation of this type because many governments are trying increasingly to deal with each other, as governments.

Once more, Mr. Speaker, I congratulate all the members of the Committee on Agriculture on both sides of the House who for months worked on this legislation. We are satisfied with many clauses of this bill, and we hope that further consideration will be given to those contentious clauses and that to the satisfaction of our farm producers all concerned will agree to give passage to this legislation which will put their productivity once more to the test. Later on, we could also ask Agriculture Canada to do a bit more research on this because of the increased productivity of our farmers with a view to developing more profitable varieties, better suited to the climate of our various regions, and I believe that when this legislation has been implemented, we shall realize that all our fears were perhaps not as well-founded as we thought.

• (1600)

[*English*]

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, the Minister of Agriculture (Mr. Whelan) extolled the merits of the Mother of Parliament at the same time as he proceeded to treat the standards of the Mother of Parliament, and any other Parliament, with contempt. Had he been a Member of the Mother of Parliament, by this time he might have been asked to vacate his portfolio and perhaps even his seat.

Some Hon. Members: Oh, oh!

Mr. McCain: Just a moment, my good friend from New Brunswick. As I understood it, he stated that the agriculture

critic of the Opposition Party had agreed that all the amendments that were necessary had been introduced and that the buy-and-sell provision was correct as it stood. Let me quote from the proceedings of the agriculture Committee on June 29, 1982 when our agricultural critic stated as follows:

> However, we are adamantly opposed to the buy-and-sell provisions of the legislation contained in Bill C-85. These powers are too broad and too ill defined. They could be used to supersede or usurp the powers of our agricultural marketing boards.

He went on to say unequivocally that we do not support the breadth of this Act as it applies to marketing.

I was interested to listen to the remarks of the Member who spoke for the NDP. While supporting all those instruments which would put us in a totally regulated society, I suppose he or one of his colleagues will speak in this House in support of Lech Walesa who is suffering a total loss of personal freedom by virtue of Government control.

This Bill represents incorrigible Government control of agriculture.

Mr. Blaikie: Why don't you tell the truth for a change?

Mr. McCain: When this Bill was introduced, no one was in any hurry. It was introduced on December 8, 1981 but did not come before the House until January 25, 1982 and second reading was completed by February 5. The meetings to which Members of the Government have referred were held and were necessary because of the outpouring of objection to the legislative fashion in which proper principles were being put in place.

The Federation of Agriculture supported the Bill but it qualified its support and no attention was paid to that qualification. The Horticultural Council supported it and I challenge Hon. Members to read its report and the qualification that is mentioned. The amendments it proposed are not reflected in the Bill. The Bill was dreamed up and presented as if it were the wish of agriculture as a whole in Canada when in fact it is not.

The last Member who spoke for the Government mentioned the potato industry. It has terrible troubles, Mr. Speaker. Perhaps this is only a sympton of the troubles it would have if the Government were to manage its affairs, as it could under this Bill.

All the time that was spent considering the Bill in Committee was necessary because of the outpouring of agricultural opinion from organizations all across the country. All of them asked for qualifications and amendments to the Bill, which are not now included.

When the Bill was introduced we agreed to it on division. It contained three principles at that time. First, that there should be export credit for agricultural exports; second, that there should be better consular representation in the foreign markets to stimulate better sales; and third, that the Government of Canada should, through the Department of Agriculture, have the authority to intercede and become the agent of Canadian business in the foreign market, where necessary.

We support these three principles and have supported them from the first. Our position of support for the Bill should not be confused with the stipulations our critic made about how it could be made to work better.

We never agreed that there should be joint ventures. This would permit the Government to put up 99.99 per cent of all the money required to establish a processing plant, to buy land, to grow or rear agricultural products, or to participate in the production, processing and marketing of products. That capability is in the Bill at present and we object to it.

We agreed that there should be an agency but we never agreed to a Crown corporation with broad powers. The fact that it will be audited, as the NDP has boasted, is not particularly relevant. An audit is not conducted until after the fact; it is the management before the audit takes place that is important. If it is to be managed as the CDC has been managed, then we do not want any part of it under this or any other Minister.

The CDC was the subject of comment in the Auditor General's report in 1976. It was also the subject of an extensive report of the Public Accounts Committee which made recommendations. None of these was fully implemented under the direction of the Minister. In 1981 the Auditor General found exactly the same faults with CDC as he had found in 1976.

In the Public Accounts Committee we have found that we cannot get information from the Minister that would enable us to issue a report this year. More than six years have passed since the CDC came under criticism by the Auditor General. What possible use are his reports to the farmers of the country if there is a six-year delay in the implementation of his recommendations? I support the amendment, Mr. Speaker. However, it is ridiculous to think that it will give Canagrex the management which Agriculture Canada deserves, desires and needs.

• (1610)

The Minister of Agriculture misled this House in his statement with respect to what our critic has said. I prove that by a quotation. If the Minister respects the Mother of Parliament, upon his return to this House he will apologize and retract an unmitigated error in his statement to this House. The Minister has tried to mislead this House, which knows better; but if he is quoted abroad or if he makes that statement on the hustings, he certainly does not respect the Mother of Parliament, any other Parliament, or the methods under which Parliament conducts itself.

There is a second misleading statement. Farmers think, as the Hon. Member from Quebec just said, that this is the end of their difficulties. Do not forget that this Bill stipulates that Canagrex must not and cannot lose money. Let me repeat that: Canagrex must not and cannot lose money. Canagrex has a budget of some uncertain terms, but somewhere between $5 million and $10 million, and it is to engage in all the business of the world on that budget. It can scarcely manage its own affairs, let alone salvage the farmers in this situation. And Canagrex cannot lose money?

Time Allocation

May I ask the Member from New Brunswick who just chirped up a few moments ago, how can Canagrex pay to the farmers of New Brunswick under the terms of this Bill a profitable price for potatoes which are selling at a horrible loss? Yes, Canagrex might help siphon potatoes out of this country and into another market, but not at a profit, Mr. Speaker. I say do not mislead the potato farmers either of New Brunswick or Prince Edward Island into thinking that this is the crutch of profitability for them or for any other aspect of agriculture. That is a deceptive part of the Minister's statements as he has talked to farmers and of the propaganda of the Government as a whole.

I charge that this Minister has, by virtue of the power of the purse and the authority of the Ministry, frightened many people into outward support for this program. The PEI Potato Marketing Board unequivocally opposed the buy-sell clause in this structure when its representatives came to Ottawa. When they were questioned on their way out of Ottawa after having had meetings with departmental officials, they left very timidly and had no further comment. Why does the Minister exercise such power over agriculture in such a deceptive way?

[*Translation*]

Mrs. Éva Côté (Rimouski-Témiscouata): First of all, Mr. Speaker, I must say that I deeply regret that a bill as important as this, which the House should have adopted a long time ago, must be dealt with under such difficult circumstances, and that the special procedure of time allocation should be used so that Hon. Members will take a stand on this particular bill.

Mr. Speaker, Canada must give itself this export mechanism if it is to compete successfully with other world countries that are taking positive measures to develop their export markets for farm produce. In this respect, I should like to refer to part of a statement made last year by Mr. William Tenkins, a former dean of the Nova Scotia College of Agriculture, last year:

> In the Atlantic provinces, the export of farm produce is like a war. It is every man for himself, a most elementary and almost chaotic marketing approach.

Mr. Speaker, I was amazed to hear an Hon. Member from the Maritimes speak the way he did following 86 hours of debate both in the House and in committee, after the Committee on Agriculture that I have the honour to chair sat for nearly four months, heard over thirty witnesses on this issue, including some noted representatives of the farming community. I could not believe my ears when I heard the Hon. Member question the credibility of the Canadian Federation of Agriculture. Also as recently as November 1982 the Canadian Federation of Agriculture submitted to us a document from which I quote:

> The Canagrex issue is of serious concern to CFA. In our view, such an export corporation should have all the flexibility needed to promote Canadian exports, take the risks of joint partnership, provide specialized advice when required, carry out desirable or essential interstate negotiations, share in the risks and support of long-term expansion work, meet advertizing needs, give guarantees and allow its employees to assume the responsability, when need be, of actively exploring marketing prospects.

Mr. Speaker, looking back on what we have been going through here over the last three days, today everything is fine, we can at last deal with the issue at hand but yesterday and the day before every attempt was made to hinder discussion on the Canagrex legislation now before us. We wasted time, it is outrageous to have to admit that $2 million were squandered that way. And I ask you in all honesty, Mr. Speaker, is it not your contention that Canadian farm producers would have preferred that the Canadian government spend those $2 million on crop diversification, advertising promotion, as proposed by the Canadian Federation of Agriculture, support to research and international trade missions to sell our Canadian farm products? As I see it, our image would have been better had we made better use of those tax dollars, instead of wasting two afternoons on questions of privilege on other matters totally irrelevant to the sad economic situation we are now facing. Life may be somewhat less difficult in Canada than elsewhere in this world.

We enjoy freedom here, thank God, and I hope this endures. But if we go on trampling freedom as we did for two days, preventing members of Parliament from speaking to the subject of interest to them and to our Canadian constituents, we are making a mockery of the democratic work of Parliament as accepted in a responsible society. I wonder how our people will judge us today. Freedom has been abused, and abusing freedom leads to anarchy. I have a feeling that for some time we have been going through a situation verging on anarchy, Mr. Speaker. I would like to refer again to the submission of the Canadian Federation of Agriculture, and I quote:

> There is increasing co-operation and help between industry and governments throughout the world, as they strive for a larger share of the international market. Canada must follow suit.

Mr. Speaker, when the Federation makes such important statements, I have a feeling it is blaming us for lagging behind international realities. It is true that in Canada some groups with government assistance are better organized than others. Of course, big export corporations get all the services they need, but there is a group of agro-food products that are not sold or are undersold because perhaps they are not as well advertised or potential buyers are not as well informed of what we could offer them. The legislation we are now trying to discuss sensibly, and logically, will in no way hinder the work of organized export groups but would provide other groups with the opportunity to organize themselves better, and receive such services they are entitled to and which have been available to the others for quite some time. I see no reason why there should be a kind of emergency debate situation now, considering there has been such filibustering and not much rationality or Christmas spirit in our approach to this bill.

Mr. Speaker, it seems to me that farmers have always worked the land, long before the advent of radio, television and electronics. Have we reached a point where we must support

agriculture despite the opposition? Because the Government may very well be more enlightened than the opposition and because good decisions ought to be taken, we have to put up with a filibuster which is tantamount to an abuse of power on the part of members opposite. That is why I am upset because, if we look at cold facts, the export of food products does represent one of the most important markets for Canada. If we examine the economic situation of some other countries where the social and economic climate is worsening, we find that the first link which breaks up is the badly or insufficiently exploited agricultural sector.

So I am wondering why we are debating this emergency motion designed to limit debate on this vital and essential sector of agriculture which feeds the world. We should keep that in mind. As we are having this irrational debate when the situation is so urgent, I am wondering where we are going. Here is a piece of legislation to promote the sale of agricultural products throughout the world, therefore a measure from which, individually and collectively, Canadians stand to benefit, so I wonder why there should be any question about it. A parallel can be drawn between this bill to establish a corporation called Canagrex and the criticism levelled at other existing Crown corporations.

I find it almost mean that the Opposition should not at least have had the courage to experiment with a Crown corporation which would be all set to promote Canada's agricultural products on international markets, to help our farmers grow a wider variety of better quality products, and to sell on international markets the products which are already of very good quality and which we can make even better still. Mr. Speaker, I thank you and I hope that Hon. Members will show less partisanship and less aggressiveness in a debate on such an important issue as agriculture.

• (1620)

[*English*]

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, I do not know where to begin. Parliament has been affronted by the Minister of Agriculture (Mr. Whelan) who stood in his place to speak on an income tax Bill which is of such importance to the farmers of this nation who are having extreme difficulties making ends meet this year. We came to the House to hear what the Minister was going to do for farmers who are in an industry which is on the brink of destruction. But what did we see? The Minister snuck in a motion of closure in a speech which I would be embarrassed to send out to the farmers in my constituency. He has moved closure on a Bill called Canagrex. The introduction of closure should only be used in exceptional circumstances.

Mr. Whelan: It is time allocation. That is different from closure. Use the right terminology.

Mr. Schellenberger: It should only be invoked when it is of grave importance for the Government to have a Bill that will assist in its program to aid farmers and the agricultural industry. Instead, the Minister has moved closure because he could not negotiate not only with the parties in this House but with farmers in all parts of the country to get approval for his Bill.

The Conservative Party has been consistent in its views on this Bill from the outset. We have stated consistently that we are in favour of export credits and of facilitating and promoting agricultural products. We in this Party, as well as some 23 agricultural organizations across the country, are opposed to the Minister forcing his will upon the nation by means of closure without the opportunity for debate on second reading or the chance to dicuss the many amendments to remove "buy-and-sell" from this Bill. One of those agricultural organizations is the Canadian Cattlemen's Association which represents farmers in every region of this country. It has demanded to be excluded from the provisions of the Bill. I wonder if the Hon. Member who just spoke, who is the Chairman of the Agriculture Committee, understands what she heard in that Committee from the many groups who appeared to say they wanted those changes.

The Minister has been unable to get agreement. If we review his record over the past ten years, we see that he has passed ten Bills in the House, only one of which is different from what has been previously passed in Parliament. The remainder have only been changes to Bills that have been brought in by previous Ministers. The only substantive Bill introduced by the Minister was the beef import law which he was forced to introduce by the cattlemen across this nation.

We have seen a Minister who has been unable to deal with the significant problems faced by agriculture in this country. His function has been to cross the country putting out fires for the Government because he is incapable of bringing forward consistent legislation that farmers agree with. The Minister has brought forward his pet peeve. While the Minister talks about obsessions, he has an obsession regarding Canagrex.

Let us talk about the agreement which the Minister is unable to achieve. On July 13 and 14, 1982, there was a federal-provincial conference at which all Ministers of Agriculture in the country were present. As a result of that conference, eight out of the ten provincial Ministers indicated their opposition to the majority of this legislation.

Mr. Whelan: That is not true.

Mr. Schellenberger: The other two Ministers said there were certain parts of the Bill which they did not approve of. The Minister is running roughshod over the provincial Ministers of Agriculture in Canada because he cannot get an agreement. As well, he is running roughshod over 23 agricultural organizations who want changes to this legislation. He is using his big club of closure.

Mr. Whelan: Time allocation.

Mr. Schellenberger: Closure. That is what it is.

When it came time for the Standing Committee, which spent a considerable length of time on this legislation, to discuss it with provincial Ministers, Members of the Liberal

Party opposite said no and voted down my motion to hear from the Ministers of Agriculture from Saskatchewan, Alberta and other Provinces who wanted to appear. When the Saskatchewan Stock Growers wanted to appear, the Liberal Members said no again and they were supported by the NDP Member from Saskatchewan who was there. Once again, the NDP has tied itself to the Liberals on this question. It is poor treatment for their farmers as well as for our farmers.

Let us consider what is happening in the agricultural industry in the rest of the world. If we consider which countries are successful in trading their goods, we will see that it is always those countries which have private trading corporations which are successful. The most successful country is Japan, which has private trading houses consisting of some 80,000 people who are in different parts of the world selling their products. In our country we are lucky if we have ten people doing this job. If the Minister wishes to spend money in a more beneficial way, he could send people around the world selling our agricultural products and get importers and exporters together so as to get contracts for our farmers to sell their goods. Instead, we see a Bill called Canagrex, which is an organization similar to what exists in two other parts of the world. Canagrex is similar to what exists in the Communist countries and to Agrexco in Israel, which is a totally socialist country that produces most of its agricultural products on collective farms.

• (1630)

Farmers of many groups, particularly on the Prairies, are saying that the Minister of Agriculture, who is supposed to represent all Provinces in all regions of this country, should allow this motion to be debated. It was only debated for one and a half hours on report stage. He should seriously consider the amendments which were put forward by this Party to eliminate the "buy and sell" provisions. We will not have adequate time under closure fully to debate those.

We are receiving telephone calls in our offices, and the phones are literally ringing off the hooks, from people saying; "Stop this Minister until we have time to get to him and try to drill some sense into his head with regard to the Bill". That is what people in the regions are saying and they have had tremendous patience with this Minister. Many agricultural commodity groups and farm groups in this nation have had tremendous patience with this Minister. They really felt that he would do something for them. As I have pointed out, in the last ten years he has done very little other than go out and speak to them in an attempt to put out the fires instead of bringing forward constructive legislation to deal with the very serious problems facing the agricultural industry.

A Government is judged not only by the things that it does, but also by the way in which it uses its power. Agricultural groups and farmers across this nation will judge this Minister of Agriculture and the Government by their actions. It will be judged on its actions on a substantive agricultural Bill which will have tremendous implications if closure is used to push it through.

We in western Canada know about a Bill which has substantial powers. The Minister has said: "We will never use all of the powers in Section 14; no, no, we will not use them". Let us consider what happened to a very aggressive industry in western Canada as a result of a Bill which had much power which was never to be used. The former Minister of Energy, Mines and Resources, now the Minister of Finance (Mr. Lalonde), got control of that Bill and destroyed a very excellent energy industry in western Canada. Many farmers and exporters in this nation now look at this Bill and they see the same kinds of powers in it, whereby a Minister can run rampant over the many organizations, small exporters and the private sector in this nation if he wants to. The powers are there. We are asking this Minister to remove those powers. If he can prove to us and to the farmers of this nation that they are necessary, then he can have them back. That is a reasonable request.

Mr. Ralph Ferguson (Lambton-Middlesex): Mr. Speaker, I rise to speak on this motion today because the time has come to bring the debate to a close. I must refer to the meeting with the Canadian Federation of Agriculture in the month of November when it said: "We are informed that estimates totalling $500 million worth of export opportunities, to be effectively exploited, require the kind of facility and capability that Canagrex provides on concrete information and industry assessment". I suggest to Your Honour that the Canadian Federation of Agriculture, the major farm organization in Canada, is making a very serious request of Parliament to get on with the business and, as the Ontario Federation of Agriculture said not long ago to the Official Opposition, pass the Bill and stop passing the buck.

I must take issue with the Hon. Member for Wetaskiwin (Mr. Schellenberger) and also the Hon. Member for Calgary Centre (Mr. Andre) when they stated that the Minister of Finance (Mr. Lalonde) had destroyed the oil industry in Canada. I am sorry if they have not been kept abreast of what is happening in the oil industry in Canada because in 1982 the number of oil wells drilled and completed amounted to the second highest on record in the last six years.

Mr. Deputy Speaker: With respect to the Parliamentary Secretary, what he is saying does not appear to be relevant to the motion that is before us.

Some Hon. Members: Hear, hear!

Mr. Ferguson: Mr. Speaker, I am simply correcting an impression left by the Hon. Member for Wetaskiwin.

I would also like to point out that the requests of the Opposition Parties in Committee, as indicated by the first Hon. Member to speak for the NDP, for amendments with regard to accountability to the Auditor General had been met. As a matter of fact, the Auditor General points out in his Report involving the Canadian Dairy Commission that "a comprehensive audit was conducted at the request of the responsible Minister". Here was a Minister who acted responsibly when he sensed that there could be a possibility that something was wrong. He immediately requested a comprehensive audit. We

accepted the amendment proposed by the NDP to ensure that Canagrex would be operated as a businesslike organization and that it would be held accountable not only to the public, but also to Parliament itself. The Auditor General went on to commend us for including that amendment so that we could be assured that the operation would function well.

One thing has disturbed me from the time this Bill passed second reading stage. I believe the Hon. Member who raised this matter yesterday under the provisions of Standing Order 43 was quite correct when he said; "All of a sudden, there is a change of heart in the Official Opposition". In order to meet those fears, we amended the Bill so that Canagrex could not in any way enter into agricultural production except in the case of a joint venture or at the request of Governments, Canadian companies, co-operatives, marketing boards or associations of other Canadian enterprises. We met that request to ensure that this could not possibly happen.

Another story which is being circulated is that Canagrex will take over land through the provision to own property. We have plugged that loophole. There is no possibility of that happening.

Some Hon. Members: Oh, oh!

Mr. Ferguson: The only way it can possibly own property is for its headquarters or warehouses.

Mr. Mazankowski: Macdonald said you'd never buy a service station, either.

Mr. Ferguson: We have met the objections of the various Members of the Opposition but they still want to stall because they realize the potential of this Bill. It could provide more markets for our export products and bring back our previous level of prosperity.

The "Food Market Commentary" for September, 1981, stated:

> In fruit and vegetable canning and flour and breakfast cereals, foreign-owned plants control over 60 per cent of the shipments. That extent of foreign ownership raises the concern that such firms might not compete aggressively against their parent firms in third markets.

Another reason that we must proceed with this Bill and get it into effect is that our own producers, in the downturn of the economies of countries of the western world, may be left out in the cold by some of these foreign-owned parent companies.

I would also like to take issue with some of the points raised by some people with regard to what has been happening in the area of trade. The Annual Report of the Canadian Export Development Corporation, just tabled a few weeks ago, stated:

> Those who lost market share. This applies to Canada, the United States, the United Kingdom, Italy and Sweden.
>
> Canada appears to have undergone the largest relative decline; and this happened at a time when the world market for these products had grown approximately five-fold.

If the existing system was doing so well and the market had increased by approximately five-fold, why did Canada's exports decline?

Mr. Lewis: Because of the Minister.

Mr. Ferguson: A statement released by the executive director of the Canadian Cattlemen's Association states:

> —our export performance as an industry is impressive and, if not fully satisfactory, would not be improved by Canagrex.

However, I cannot understand for the life of me why the Association would make such a statement, because we are in a deficit position as far as the production of dressed beef is concerned. We imported $178 million worth of dressed beef while we exported $142 million worth in 1981. We are also in a deficit position concerning our exports of live beef. We imported $133 million worth and exported $110 million worth. However, in comparison, consider what the horse meat people have done. They have a net export figure in the amount of $41 million. What in the world is wrong with the Canadian Cattlemen's Association which would allow this to happen?

Consider the hog producers. We have exports of dressed pork amounting to $349 million and imports amounting to $42 million. There is something desperately wrong when this type of thing can go on.

Mr. Taylor: The Liberal Government is wrong.

Mr. Ferguson: The Liberal Government has nothing to do with it. We must go on and consider what is happening. People are waiting for this legislation. The Minister has been criticized for bringing in time allocation with regard to this particular Bill, not by closure but, rather, by Standing Order 75C.

Mr. Lewis: They snuck it in.

• (1640)

Mr. Taylor: It was snuck in.

Mr. Ferguson: They call it sneaking it in. I don't. I have a telegram from the Ontario Flue-Cured Tobacco Growers Marketing Board. It reads:

> —an 11 million pound export sale . . . hinges on the passage of this Bill plus the possibility of a further ten million pounds export sale.

Surely when we see opportunities like this in front of us, we should be taking action as the Parliament of Canada to make sure that we exploit the potential we have as Canadians. We should work together to improve not only the economic position of the Canadian farmer but the spin-off effects which are going to resound through our whole economy. The increased sale of agricultural equipment will put workers back to work in the farm machinery industry, and help the farm machinery dealers in the tight squeeze they find themselves in at the present time. I believe we have the potential here in Canada. We are respected as an exporting nation.

Producers from western Canada have the Canadian Wheat Board. In his book "The Merchants of Grain", the author, Dan Morgan, describes the Canadian Wheat Board as "the most sophisticated marketing system of any country in the world". We do not have the advantage of that in eastern

Canada so we need a mechanism that we can use, as eastern Canadians, to gain our share of world markets for the products we produce. Surely the Members of the Opposition would not begrudge us that opportunity.

I want to point out again that under this legislation there is no way Canagrex can get involved with any product that comes under the jurisdiction of the Canadian Wheat Board or the Canadian Dairy Commission. I cannot understand what all the fuss is about. Let us get on, pass the motion, debate the Bill and finally pass it.

Mr. Friesen: On a point of Order, Mr. Speaker, I would just like to point out that if it was not for the attendance of the Opposition, we could call for a quorum.

Mr. Mazankowski: That shows how much interest they have.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen)—Emergency Measures—Government plans. (b) Role of Provinces; the Hon. Member for Halifax West (Mr. Crosby)—Energy—Cost compensation requested for home owners in Nova Scotia. (b) Equalization of Energy Costs; the Hon. Member for Bow River (Mr. Taylor—National Parks—Banff land exchange—role of Chamber of Commerce. (b) Reason for requesting delay in development project. (c) Request that bulldozers be removed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF THE HOUSE

ALLOCATION OF TIME TO CONSIDER REPORT STAGE AND THIRD READING OF BILL C-85

The House resumed consideration of the motion of Mr. Whelan that:

That, in relation to Bill C-85, an Act to establish a corporation called Canagrex to promote, facilitate and engage in the export of agricultural and food products from Canada, one sitting day shall be allotted to the consideration of each of the report stage and the third reading stage of the Bill; and

That fifteen minutes before the expiry of the time provided for Government business on those days, any proceedings before the House shall be interrupted, if required, for the purpose of this Order and, in turn, every question then necessary in order to dispose of the stage of the Bill then under consideration shall be put forthwith and successively without further debate or amendment.

Mr. Len Gustafson (Assiniboia): Mr. Speaker, I appreciate this privilege of being able to speak on this Bill which was brought in by the Minister of Agriculture (Mr. Whelan) to move closure on one of the most important issues—

Mr. Whelan: Time Allocation.

Mr. Gustafson: —ever facing this House of Commons. That is because now a move to control the food industry in Canada follows the precedent set in this House during the national energy policy debate.

The urgency of bringing in closure, and the methods that have been used by the Minister of Agriculture, I am sure he will live to regret some day.

If you follow closely the parallel that has been used, first under the national energy policy where the Minister of Energy moved to control energy, not only in Canada but particularly in western Canada, which is so important to the farmers—

Mr. Whelan: He is talking about oil.

Mr. Deputy Speaker: Again I must call the attention of the Hon. Member to the subject matter.

Mr. Gustafson: Mr. Speaker, I was trying to show the relevance of the closure that was used in this case to the methods used under the national energy policy. As we all know, energy and food are of the utmost importance, and closure used in this case will assist in the control of a very, very important industry in the farming community.

The Minister knows that many of the farm groups are opposed to this. I have a list of some 25 groups that I would like to put on record as opposing this move of the Minister on Canagrex. They are the Consumers' Association of Canada; the Alberta-Canada All Breeds Association; Alberta Cattle Commission; British Columbia Cattlemen's Association; Canadian Cattlemen's Association; Canadian Export Association; Canadian Meat Council; Canadian Seed Trade Association; Flax Growers Western Canada; Manitoba Canola Growers Association; Manitoba Cattle Producers' Association; Palliser Wheat Growers Association; Saskatchewan Canola Growers' Association; Saskatchewan Stockgrowers' Association; Western Barley Growers' Association; Western Stockgrowers' Association; The Shipper and Exporters Association. This list points out:

The latter group includes the three Prairie wheat pools and United Grain Growers who, combined, represent hundreds of thousands of Canadian producers.

And the Minister of Agriculture rises in the House and brings in closure to force upon the farmers of Canada and the groups of people represented here, in a non-democratic way, control of food products in Canada.

Mr. Whelan: Time allocation.

Mr. Gustafson: Probably nothing has ever happened in this House that could have more impact on the control of food in Canada. This is a country where we have taken food for granted because it has been abundant, and we should be thankful for it. But one way to assure that we will not have that abundance is to give the Government control of our food industry in Canada, a state-controlled Crown corporation—

Mr. Whelan: You are talking about Alberta now.

Mr. Gustafson: This is what the Auditor General of Canada warns against; more Crown corporations that will bring in Government control and lose control for the producers of this country.

I want to go on record as being a Member of Parliament who stood in this House and said to this House and the Members on the other side, the Liberal Members, and to the people of Canada, that I am a Member who stands up for producer control, not Government control, not state control.

Some Hon. Members: Hear, hear!

Mr. Gustafson: I have numbers of letters whose names are not mentioned in this previous list. Here I have the letter from Landis Seed Canada Limited. The letter was addressed to myself, "Mr. Gustafson, Member of Parliament, House of Commons":

> We are writing to you to express our serious concern with Government's intention to form Canagrex. We see this as an unwarranted intrusion upon the private sector by Government.

Another letter is protesting this direction. I also have an article from the Toronto *Sun:*

> —Bill C-85. This Bill is a monstrous equivalent to the National Energy Program—which gave us higher gasoline prices, more taxes and a bigger national debt—only this time it is the nation's food resources that Trudeau wishes to nationalize.

Some Hon. Members: Oh, oh.

Mr. Gustafson: I hear the NDP groaning. It was very interesting to note, as with the national energy policy, that the NDP were the first to rise and support this Government-state Crown corporation that will be invented here to take control of the food industry. The Canadian people should note this carefully. In the Province of Saskatchewan there is a great deal of concern about Crown corporations and the effect they are having upon that Province.

• (1650)

I can see why the NDP are so concerned. They like Crown corporations control. They like state control, Government takeovers and these types of moves. The Conservative Party wants to go on record as opposing the direction being taken by the Minister of Agriculture (Mr. Whelan) and his tactic of using closure to accomplish this.

In yet another letter condemning the type of action being taken, the Canadian Seed Association at its meeting in Pointe au Pic, Quebec, on July 7, 1982 passed the following resolution:

> That the general assembly of Canadian Seed Association express its opposition to the creation of yet another state trading corporation.

They expressed their indignation. They are opposed to the Minister of Agriculture forming, under closure in this House, another state trading corporation or Crown corporation.

The more important factor to be addressed is food. The farmers of Canada have a good record of production. That record of production is recognized world-wide. However, the minute a Government moves to take control of the production with directions that come from the Government halls, there is a decline. The Minister knows of other areas in the world that are equivalent to North America, but they cannot even feed themselves.

The record shows that as Governments get involved in the affairs of producers, the producers lose control; the production is moved to the point where they cannot produce the requirements for their own country. That has been proven time and again. The Minister sits and shakes his head, after bringing in closure on the Canagrex Bill that will harness the producers of Canada, making them non-productive.

I see that my time is up. I am sorry because much more could be said on this subject. I again warn the Minister of Agriculture against this move of bringing in closure on a Bill that the farmers of Canada do not accept and I put that on the record here today.

Mr. Maurice Bossy (Parliamentary Secretary to Secretary of State): Mr. Speaker, it gives me great pleasure to address this motion. I want to mention a few justifications for bringing in closure—

Some Hon. Members: Hear, hear!

Mr. Mazankowski: Finally the truth comes out.

Mr. Bossy: —or time allocation. The Opposition call it closure. I must say that it is actually time allocation. I will clear that up.

The final passage of this important piece of legislation is long overdue. Long overdue is the creation of an organization to assist and expand the Canadian agri-food market. Long overdue is the passage of Bill C-84 through this House and into the other House. Long overdue is Canagrex becoming a reality.

I remember first hearing of a federal corporation such as Canagrex in the early 1970s. I was a cash crop farmer at that time. I wish to bring to the attention of the House a few words of the former Minister of Agriculture for whom I have tremendous respect. When he first became Minister of Agriculture in 1979, one of his first statements to the press was:

> The Progressive Conservative Party campaigned on a pledge to concentrate on expanding markets for Canadian agricultural products.

The Hon. Member said that he, and I quote:

> —wants to act quickly to complete efforts started by former minister Eugene Whelan to establish an export marketing body for agriculture.

Time Allocation

He further made the statement that he will, and I quote:

—implement, with possible changes, the Agricultural Export Corporation announced by the Liberal Cabinet during the election campaign as a tool to sell Canadian food abroad.

Underline the word "sell". He further stated concerning the agriculture export corporation, which would have powers similar to the Canadian Wheat Board, that he would refer it to that part of his ministry, but after talking with ministry officials, he thinks that may be impossible. He said that, because of the business nature of that structure, it may be necessary to have a Crown corporation. He further said:

I won't quibble over that.

On November 9 we were again briefed by the Canadian Federation of Agriculture, which I respect as a very strong spokesgroup for the farmers of Canada. They were very emphatic about their support for the establishment of a Canadian agriculture corporation known as Canagrex. We have had representations from another national body, the National Farmers' Union, in which they very much supported the establishment of that corporation.

Another very strong body of representatives for the Quebec agriculture group, the UPA, very much supports this Crown corporation being formed. The Flue-Cured Tobacco Growers Association, which represents the entire tobacco area, totally supports the establishment of a Crown corporation, as does the White Bean Growers Association. I could go on and on listing such respected organizations who speak on behalf of the farmers.

● (1700)

I question very much what has happened in this House to deprive us as Members of being able to speak on a very important subject which the farmers want, and that is the formation of their own Canadian agriculture export corporation. The Conservative Party has now questioned the credibility of the Canadian Federation of Agriculture and the Ontario Federation of Agriculture. They are questioning the credibility of these people in speaking for the farmers, but it seems strange that the only time we hear about agriculture in this House is on behalf of those people who are not farmers themselves.

Time is very limited to speak on this, but I hope that on final reading I would have a chance to bring forward further proof that the Canadian farmer wants this corporation. It is time now to speak for the farmer.

The Acting Speaker (Mr. Blaker): I am sorry to have put some pressure on the Hon. Member, but it is past five o'clock and we should be entering into Private Member's Hour.

It being five o'clock, the House will now proceed to the consideration of Private Member's business as listed on today's Order Paper, namely, Private Bills, Notices of Motions and Public Bills.

There being no items on the Order Paper under the heading of Private Bills, the House will now proceed to Notices of Motions, Papers.

PRIVATE MEMBERS' MOTIONS FOR PAPERS

[*English*]

All items preceding No. 88 allowed to stand by unanimous consent.

FOREIGN INVESTMENT REVIEW AGENCY

Mr. Hal Herbert (Vaudreuil) moved:

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all agreements, correspondence, notes and other communications relating to the requirement by the Foreign Investment Review Agency that Tate and Lyall Limited reduce its shareholdings in Redpath Sugar Limited.

He said: Mr. Speaker, as I rise on what will probably be the last opportunity to discuss a motion for the production of papers, I do not discern any noticeable period of mourning for the end of this antiquated procedure. And I would hasten to say that when I call it an antiquated procedure it is because of its ineffectiveness and not because of its intent. The intent when originally conceived was that it would be a means by which a Member would be able to pressure the Government to produce documents, and the reason for the production of documents is to give information. The Member, in effect, is seeking information.

As a Member of the Committee which has introduced the new regulations which come into effect after the New Year, and which will see all Private Members' business discussed on Wednesday afternon, it is abundantly apparent to me that the probability is that the Members will choose as their subject their Bills and motions, and it is unlikely that motions for the production of papers will be discussed in the coming year.

I should at this point distinguish or record the essential difference between the Bills or motions of Members and motions for the production of documents. A Bill or a motion is a representation. The Bill is an attempt either to introduce legislation or to change legislation; the motion itself is an attempt to put pressure on the Government to take some course of action. The motion for the production of papers, of course, is a desire of Members to obtain information.

As I have said in committee discussions, we can then proceed via a question on the Order Paper to obtain the information which we seek. However, I am sure that the Members of the Opposition particularly will immediately say it is sometimes not as productive as it should be, that questions are not answered, information is not forthcoming, and I cannot help but agree, because reviewing the Order Paper I see that I have questions going back over a year. These questions are important to me particularly, and I believe probably to other Members.

I have complained many times that one of our problems at the present time with the Public Service is that we have been unable to introduce Public Service legislation. Over a year ago I did ask for information pertaining to the Public Service Employment Act and that question still remains on the Order

Paper unanswered. And I am repeating, I suppose, some of the complaints of the Opposition, almost on a daily basis now, concerning questions. But may I emphasize that whenever I rise at this time on Thursday afternoon, it is to seek information, and as such I do not believe that it is putting too much pressure on the Government. Thus it is disappointing to me sometimes that we do not get a more positive reaction.

As I look over some of the subjects we have had an opportunity to discuss in this period, I find that the range of subjects has been quite considerable and, of course, I am referring only to my own motions. I will let others speak about their own motions, but just on motions for the production of papers I note, for example, we discussed at some length the Department of Public Works and its restructuring. That is something which has been discussed, to my knowledge, for the last 15 years or so and many of us feel that it is time to come to some conclusion on that particular issue.

We discussed the Automotive Agreement in a motion for production of papers. We were looking for information for the parts dealers. They were complaining they did not have ready access to information which should be in the public domain. We sought papers in connection with trade, tourism and cultural exchanges between Canada and the Caribbean area. On my part, because of my interest in trade with the Caribbean area, I felt we should have a lot more information on what we were doing, the moneys we were spending, and the efforts we were making to encourage trade and tourism in that area. On another occasion we discussed construction and health standards for day-care centres, particularly as applied to provincial responsibilities. Once again, we were seeking information from the Government on what they considered to be their federal involvement, their federal responsibility.

An Hon. Member: Is that the Confederation Building?

Mr. Herbert: No. I will come to the Confederation Building a little later. On another occasion, Mr. Speaker, we discussed the Canada Assistance Plan at some length. We were looking for the standards for the programs and the conditions for federal participation in a revised Canada Assistance Plan. On yet another occasion, one of my motions dealt with the Canada Mortgage and Housing Corporation, residential mortgages and home foreclosures, a subject of common interest, and again we were seeking information.

We discussed day-care centres in the Public Service—and we can now bring in the Confederation Building day-care centre, if you wish. We mentioned it on this particular occasion. But here we were looking for information on Treasury Board involvement, the number of day-care centres which were being proposed and the kind of money which was likely to be spent. There was no question we were opposing the principle; we were just looking for information on how far the Government intended to go and what kinds of moneys they were likely to spend.

We discussed on one Thursday afternoon the popular subject in Quebec of the Dorval and Mirabel Airports. I do suggest here that although some of the information we were seeking might not have been forthcoming, that particular discussion had some bearing on the eventual decision not to destroy Dorval Airport which, Mr. Speaker, is of particular interest to you in your constituency. As a result of this, I felt there was some success achieved on that occasion.

• (1710)

Another one of particular interest in my own riding which we discussed one Thursday afternoon is that of generic drugs. This is of particular interest today in light of the fact that Ayerst is leaving Quebec, going south of the border. We know that Hoffmann-La Roche is closing its doors in Quebec and giving up its pharmaceutical operation. Therefore, the subject of generic drug production is very much an issue today, and once again we ask the Government for information in order to be better aware of the Government's position and also to have more information for our own use.

Going back to the Canada Assistance Plan, on another occasion we discussed the benefits to the Province of Quebec where, as everyone knows, the federal Government pays 50 per cent of the benefits paid under that Plan.

On another occasion we discussed post office regulations and delivery to residences. We know that the post office is always a topical subject for discussion.

Another occasion on which we discussed the Canada Assistance Plan in a motion for the production of papers dealt with New Brunswick. We used that Province as an example of one of the less wealthy Provinces where there is difficulty in providing even the 50 per cent of the costs of this Plan. It was on that occasion that I continued my representation that we think sincerely about dividing that Plan that is two-thirds social assistance portion and one-third social service portion, and give greater emphasis to social assistance since the federal Government has a considerable impact on the cost of social assistance.

Another topical subject for discussion was the Canadian Broadcasting Corporation where we were requesting information because we were dissatisfied with what were getting from the CBC. This was brought to the fore recently by a little anger which I expressed over the fact that the President of the CBC would come before the Committee asking for an additional $7 million in Supplementary Estimates and presented neither a written nor a verbal explanation to the Committee as to why he needed the additional money. I will use this particular moment to express my disappointment at the attitude of the Crown corporations referred to in the Auditor General's report towards providing information willingly to Members of Parliament. It is my belief that we should not have to ask; the information should be provided.

I was looking at the Supplementary Estimates to which I just referred, and if one looks at the page under "Privy Council" we see four items; and if you read the details given under "Explanation of Requirements", one can judge that the Members are getting something of a con job. I do not mind if that is all that is left in the Supplementary Estimates, but I

feel that subsequently we should be given more detailed information.

More recently we discussed the Enterprise Development Board. That is topical at this time because of our particular need to improve and support the industrial sector and the export drive.

Today we are discussing the Foreign Investment Review Agency. Why do I bring this up again when I have discussed it over many years? In fact, the same motion has appeared in previous Parliaments. Once again, it is because I am seeking information I am unable to get from the Government.

Now, I will be fair and put on the record, in case the Parliamentary Secretary does not have the time, that this information is not disclosed under the provisions of the Act. Now, Mr. Speaker, what worries me is that an agreement has been signed between Tate and Lyle and FIRA. The intent was that Tate and Lyle would divest itself on its interest in Redpath Sugar. It so happens that the conditions of that agreement have not yet been triggered. That is a perfectly logical explanation, but it brings into question the way FIRA operates and whether agreements such as this should be put in the public domain so we can have a better knowledge of the original intent. I suggest, as I have previously, that it certainly brings into question whether the original intent was not to ensure that the share price would be such that the parent company would get back a certain sum of money with the end result that whoever buys those shares will have to pay a higher price. But the point is, Mr. Speaker, that in all these representations, in looking for papers we are looking for information.

I do not want to be unreasonable. If the Government was to say it cannot answer this question because it is far too costly or because it will mean releasing secret information or something of that sort, I would not mind. But too often it is just a silent approach. We are not told, yet I do not believe we should even have to ask. I suggest that it would be a lot easier, particularly for Government backbenchers, to support Government policy if we were provided with the information which makes it easier for us to support Government policy.

In the Committee of which I am a member presently discussing Bill C-133, changes to the Superannuation Act, it would have been a lot easier for many of us on that Committee as Government Members to have produced arguments if we had all the information at the start which we now have finally obtained.

So in conclusion, on this last occasion to discuss documents, I plead with the Government, whether it be the present Government or succeeding governments, to try to help Members by producing information freely rather than making it necessary for us to point out the difficulties under which we operate when so little information is made readily available to us. I regret that this procedure will be terminated and I am using this last opportunity to plead with the Government to help the Members to do their job.

The Acting Speaker (Mr. Kilgour): The Hon. Member for Vancouver-Kingsway (Mr. Waddell) is not here. Is the Hon. Member for Yorkton-Melville (Mr. Nystrom) speaking in his place?

Mr. Lorne Nystrom (Yorkton-Melville): Thank you very much, Mr. Acting Speaker. I might congratulate you on your elevation to the Chair. Since you are such a non-partisan member I am sure the decorum of the House will be very much improved, as the Hon. Member for Mission-Port Moody (Mr. Rose) says.

Mr. Blaikie: Tongue in cheek.

Mr. Nystrom: Mr. Speaker, I want to support motion No. 88 proposed by the Hon. Member for Vaudreuil (Mr. Herbert). It is a motion to produce papers regarding a transaction undertaken by the Foreign Investment Review Agency. I do so in the spirit of trying to encourage the Government to make available more information on what goes on in this country. I believe this Government is far too secretive about the transactions of its departments, agencies and many of its Crown corporations.

I cannot help but agree with the Liberal backbencher who has just spoken when he says there is no reason for this kind of secrecy. All too often we see memos stamped "strictly confidential", and it is information that is not that sensitive, information which could be very useful, not just for Members of this House but for many citizens in many organizations in our country.

I also want to say a word or two at this time as to why it is important to have information about FIRA made public.

[*Translation*]

That is also important, Mr. Speaker, because we now have very high levels of unemployment in Canada. About one and one-half million Canadians are out of work. Our rate of inflation is also very high, and we may be one of the industrialized countries most severy affected by the recession. I realize, Mr. Speaker, that many problems are the same the world over, and that all European countries, and even Japan and the United States and other countries, are having a great many problems, but here in Canada, the recession is more severe because our situation is quite different. In fact, it is unique.

• (1720)

[*English*]

Of all the industrialized countries, we are the only one that has such a high incidence of foreign investment and foreign ownership.

I have read about the debates that took place at the end of the Second World War when Japan, France and Germany were virtually destroyed. The people in those countries decided that they were going to rebuild so that their own people would control the economy and make the important decisions. They are all strong countries today. They control the principal parts of their economy, they do a great deal of processing and manufacturing and they control their financial institutions. We

do not accomplish all those things in Canada. There is a higher incidence of foreign investment in resource manufacturing and other sectors of our economy than there is in any other industrialized country.

I think that was one of the problems, Mr. Speaker. Many studies show that because we have so much foreign investment we do not have as much control as we should have and we have more unemployment than we should have.

Just a year ago Statistics Canada published a report which showed that foreign firms import about four times as much as Canadian firms. In other words, a foreign firm has more of a tendency to import from its parent company in Japan, the United States or elsewhere, than has a Canadian company. If we had Canadianized our industry as other countries have done in the last 50 or 100 years, we would not import as many manufactured goods today.

Research and development is another problem, Mr. Speaker. We spend less on this than almost any other industrialized country because so much research is done by parent companies. We spend about the same proportion of our GNP on R and D as does India, Egypt or Ireland. We spend a lot less than the European countries, Japan and the United States. It can easily be seen that those countries are making greater strides in modernizing their industries and in being competitive than we are. We must Canadianize if we are to have more R and D in this country.

A good example is the case in Montreal of the Ayerst Laboratories which moved to the United States because that is where their parent company is located. The Montreal facility is being closed although it is the major pharmaceutical research facility and laboratory in Canada. Unless the Government acts, it will be lost.

That is why it is so important that motions such as the one before us today are approved by the House. We must have more information about what FIRA does and does not do. I maintain that it does not have as many teeth as it should have. It is not as strong as similar agencies in other parts of the world. If we had more information about it, perhaps it would be easier for us to stand up for Canada, as other countries stand up for themselves.

Another example is the Bowater plant in Newfoundland. In the last couple of years Bowater made about $40 million-odd profit in this country and sent over $30 million of it to the parent firm in Britain. Canadian workers are efficient and productive so the company made a good profit, but because it is owned by foreigners the profits are invested elsewhere. Then, all of a sudden the plant in Corner Brook is closed down through no fault of the people there.

Another example that has been used by many Conservatives is the Iron Company of Canada in Schefferville, Quebec. They have spoken of Brian Mulroney as the man who closed down a town. Despite the fact that the company has made a lot of money in Canada, it decided to close down the Schefferville operation and invest its money elsewhere.

There are many other examples that show why we must become more Canadianized, Mr. Speaker. The United States firm of Price-Waterhouse conducted a study of 73 countries which concluded that Canada has fewer barriers to international investment and fewer regulations governing international investment than almost any other country that was studied. We should take notice of that, Mr. Speaker, and be as nationalist in a positive sense as other countries are.

In the United States there are all kinds of regulations and rules that screen foreign investment. A foreigner cannot buy a radio or television station in the United States because of the regulations. There are many other areas in which Canadians cannot invest in the United States.

These are some of the areas that should concern Members of all political stripes, Mr. Speaker. In Japan, France and Germany, governments of different stripes have decided that their own nationals will control their economies.

The motion asks that certain papers concerning FIRA be made available for a particular case study. I should like to remind the House of a promise made by the Prime Minister (Mr. Trudeau) in 1980 when he was Leader of the Opposition and Leader of the Liberal Party. Just before the election campaign he said: "We want to expand and strengthen FIRA, not weaken it". In April of the same year in the Speech from the Throne he said:

> My ministers believe that the stake of Canadians in their own economic destiny must be strenghened . . . the Foreign Investment Review Act will be amended to provide for performance reviews of how large foreign firms are meeting the test of bringing substantial benefits to Canada.

The Prime Minister made two other promises about FIRA, but when I questioned him in the House ten days ago, he admitted that he had not kept them. I would encourage Members of the Liberal Party to put pressure on their Leader, who was elected in part because of the promises he made, to keep those promises and to do in this country what has been done in most other countries.

I fear that we are backing down on FIRA because of threats made by the Reagan administration. The matter has been taken up at meetings of GATT in Geneva. The United States claims that FIRA is too restrictive and instead of standing up and fighting for it, trying to explain and strengthen it, the Government has crumbled to the pressure and has started to pull the teeth from FIRA.

Canadians want more control over their economy and over their destiny. I think many people wish that we had Canadianized a lot sooner and a lot faster—that we had done what the United States, Japan or western Europe has been doing for the last 20 or 30 years, and that is control our own destiny. Canadians have the ability and the confidence to do this. They have a vision of what Canada can be like.

I encourage the Government to produce these papers and make more and more information available. I encourage them to end some of the cynicism that exists in Canadian politics by making sure that election promises are implemented. In February, 1980 the Prime Minister, as Leader of the Liberal Party of the day, said that he would strengthen FIRA by doing three specific things. Two weeks ago in this House he admitted that he had not kept that promise. I call on Hon. Members opposite to be men and women of their word and for the

Liberal Party to be a Party of its word and to implement its election promises. I think that would improve the attitude of Canadians toward politicians in all three Parties.

• (1730)

[*Translation*]

Mrs. Éva Côté (Rimouski-Témiscouata): Mr. Speaker, the topic we are discussing today has already been the subject of many a debate. It seems this is the fifth time a motion of this kind is being proposed. I must admit that, initially, I would be inclined to agree that perhaps more information should be accessible to Canadians, on a wider variety of subjects—I would almost say on just about everything. I do not think this is feasible. With the previous speakers, I deplore this, but at the same time I understand there are some things that can and others that cannot be said.

When it is said that the information requested cannot be provided because of confidentiality as understood in Section 14 of the Foreign Investment Review Act, and that such information may not be disclosed without the explicit consent of the parties who provided the information to the Government, it seems to me, first of all, that the Government must observe any undertaking it has made. I also think that the confidentiality of transactions that have already been examined and submitted for approval to the Foreign Investment Review Agency, must be preserved, if only to protect the companies themselves, for obvious reasons which include the existence of competitors and the possibility of plagiarism, and so on. This is not to say that in the long run, Section 14 should not be amended in some way to enable Members, and therefore all Canadians, to be better informed. However, as regards relations between private companies who are already being asked to submit very confidential information, to see whether their intended investment in Canada will benefit Canadians when the Agency has made a decision, I feel that any commitments made to these companies must be met, and that if we decide to admit them as entrepreneurs in Canada, we must realize that a commitment has been made not to disclose information they have submitted.

As for certain Crown corporations to which my colleagues referred, I think a clear distinction should be made between the private company which establishe commercial relations and Crown corporations which are subject to certain regulations that could certainly be the subject of discussion or debate. However, I do not want to give the impression that I am particularly well informed as a backbencher. On the other hand, I think that the appropriate time for discussing the matter of being better or more fully informed is certainly not when a motion is being proposed regarding commercial transactions between two private companies which submitted their applications for scrutiny by the Foreign Investment Review Agency. I would have liked to hear a far more extensive debate regarding Crown corporations which operate with funds allocated to them by the Government of Canada.

I am not as sympathetic to the motion before the House, which asks the Government to publish information submitted in good faith to a Government agency that has extensive responsibilities and which, I feel, is acting very responsibly, and towards which the Government was bound not to disclose this information. Where the Member of the New Democratic Party referred to the Foreign Investment Review Agency, saying that during the last election campaign, a commitment was made to amending the regulations in the interest of Canadians, I think it is in the interest of Canadians that not all information should be made public. If we want a company to be interested in getting established in Canada, we should by all means create conditions that are favourable to such a move. If one of those conditions is to respect commitments to these companies that submit documents for consideration, something we have a right to demand, Mr. Speaker, we must not forget that in the final instance, these companies will become new corporate citizens. The Government does not give me the right to demand what the intentions of these companies are in coming to Canada. What we want to know is whether these companies will be good corporate citizens and whether they will operate for the benefit of Canada. I think that is what FIRA is doing. Now, if we feel that the powers vested in FIRA are exaggerated or too extensive, this should be clearly indicated in a motion. It seems to me, however, that in the present case which concerns transactions between Redpath Industries Limited and the other companies mentioned in the motion, these transactions do not warrant a motion of this kind nor an amendment to Section 14. As I said before, I would have preferred to see a debate on areas or companies for which we are responsible and which we ourselves created under an Act of Parliament.

Therefore, Mr. Speaker, till further notice, I shall certainly have to speak out against this motion as it is formulated, but I agree that while certain things should be said, they are not. Unfortunately, this motion is not the proper vehicle for changing this state of affairs.

Mr. André Maltais (Parliamentary Secretary to Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Mr. Speaker, I am pleased to take part in this debate, because I believe it is the fourth time I have had occasion to speak to a motion by the Member for Vaudreuil (Mr. Herbert) for the production of papers according to certain laws, must remain confidential. Today, production of papers is being requested in connection with the Foreign Investment Review Act, and here again, I think we must be extremely circumspect as to the approach used in dealing with such cases. The fact remains that when a corporate citizen asks a government to examine its case, the company is not particularly anxious to have its file become the subject of public debate, and for a very simple reason. At the risk of

repeating myself for the fourth time for the benefit of the Member for Vaudreuil, I would say that there are two basic aspects to this kind of discussion. First of all, there is the matter of completion between private companies. There is not a single company that is anxious to publicize its industrial, development or investment strategies. Therefore, a government cannot publish information provided by a company on the understanding that its confidentiality will be preserved. Furthermore, Mr. Speaker, I would like to point out to the Member for Vaudreuil that Parliament itself passed the Foreign Investment Review Act, and that if the Government were to table such documents, it would be failing to comply with legislation passed by this Parliament. It would therefore be a glaring contradiction within our parliamentary institutions, and I think there is not a single industry or company or citizen who would still trust Parliament if it were to ignore the legal principle of absolute confidentiality, which is the very basis of this institution, and I think this is something that should not be taken lightly. If the element of trust were lost when papers are tabled here in the House, I have the impression that there would no longer be many people or countries that would be anxious to deal with the Parliament of Canada. A second aspect, equally fundamental, is that of competition, as I pointed out earlier.

There are various programs sponsored by Federal departments where a detailed study takes place before a decision is made. The FIRA program is one, and there are others administered by DREE, by the Department of the Secretary of State, and by the Department of Fisheries and Oceans. Until a decision is made, documents may not be made public. There are two more reasons for this. First of all, as I said earlier, the Act prescribes that all documents shall be kept confidential. Second, and this is perhaps the most important part, the company or corporate citizens submitting an application demand that the confidentiality of their files will be preserved. Similarly, personal income tax returns are treated confidentially by the Department of National Revenue.

• (1740)

The same method is applied to industries, that is, the method applied in the case of a private corporation or, as I said earlier, in the case of a private citizen. It is not a case of preferential treatment, since both private citizens and corporations are treated exactly the same. I would like to repeat something that has already been said here in the House by the Minister of International Trade under the Government of the Right Hon. Joe Clark, and I am referring to Mr. Michael Wilson who was the Minister at the time. He clearly indicated that the confidentiality of documents had to be preserved. I would like to quote the Hon. Member to be sure of his exact words, because I think it is important to recall what was said at that time. On November 22, 1979, to be exact, the Minister of State said that he was surprised, and I quote:

—that the Hon. Member would ask that the Government ignore the specific requirements of an act passed by this Parliament.

He went on to comment, and I quote:

> That provision was purposely incorporated in the Foreign Investment Review Act to safeguard the commercial interests of investors who are obliged to submit their investment proposals for review under the act.
>
> When an investor files notice of his intentions, and in any discussions that may occur later, he usually, if not invariably, imparts to the government through the agency a good deal of highly confidential information regarding his plans and intentions relating to the investment he is proposing. Therefore, he has the right to expect that information of that sort will not become known, prematurely at least, to others, notably potential competitors.

I could quote several other passages. I think these quotes are necessary because, as I said earlier, this is the fifth time we are dealing with a formal request for production of papers here in the House. I think that if the Minister were to give way to such pressure or such requests, departments would be unable to properly analyze files while safeguarding the very real interests of a company, the very heart of a company, that is, its balance sheets, investment plans, markets and technology. I think that is elementary, and I hope the Member for Vaudreuil (Mr. Herbert) is listening so that we will not have to deal with such motions again. After all, we would all like to make the time of the House more productive, instead of repeating the same thing over and over again. Of course, I could have read the first four speeches I made on the subject, but I decided against it, out of respect for the House and also because it is useful to discuss other aspects that are perhaps more important to Canadians, instead of always dealing with the same topics arising from motions or requests that, for all practical purposes, always amount to the same thing.

On the other hand, I would like to go back, if the House will allow me, to what was said earlier by the Member for Rimouski-Témiscouata (Mrs. Côté). I know that a great deal was said about FIRA and the Foreign Investment Review Act. Some say it is too hermetic and too confidential, and that the regulations are not sufficiently known. However, only yesterday, someone came to see me at my office in my capacity of Parliamentary Secretary, to tell me that the Act was still too permissive. Clearly, there is more than one way of looking at the matter. I believe the problem is a medium-term one. What I would suggest, along the lines of what was said earlier by the Member for Rimouski-Témiscouata, is to submit certain proposals to parliamentary commissions on industry, trade and commerce. These would concern aspects that should be improved and would be submitted by the people interested in improving them and in establishing the appropriate mechanisms.

That is a very good idea, which would enable us to review past achievements and in the light of our experience of the past few years, to make a truly objective assessment and to take the necessary corrective action. It is a fact that in any organization such as FIRA, there is room for improvement, but I am

practically sure that Hon. Members have interesting suggestions to make in this connection and that a parliamentary committee sitting at the time when the estimates are considered and the votes discussed would probably provide an ideal forum to carry out this study and take into account the suggestions made by the Hon. Member for Rimouski-Témiscouata (Mrs. Côté). I know that FIRA has been criticized from all quarters for some time. I think we should go beyond criticism and try to improve existing mechanisms in order to better meet the need of Hon. Members. I know that it is very difficult to trust an organization blindly, whether it be a government, a department, a corporation, for there are cases such as the Iron Ore and the mining companies which the Hon. Member of the New Democratic Party who spoke before me mentioned and to which I will return later. But it remains nevertheless that a file should be kept confidential, otherwise it would never be possible to deal seriously and responsibly with the moral or physical entity that submitted it.

I have just referred to the previous speaker from the New Democratic Party who referred to mining companies. I too wish some corporations would disclose part of their figures, and I even asked the House permission once to examine their five-year projections, in order to ascertain their intentions over a longer period of time, because it must be realized that in communities such as those in Gaspe or on the North Shore problems are created each time a corporation operates in complete secrecy, changing its structure as it sees fit, because everybody is taken by surprise. I feel that some checking is required to remedy such situations. It is incredible how those people feel insecure because no planning was provided for some developments. In as much as certain papers are asked to be tabled in the House, I would like personally to see the scope of the debate extended for the benefit of some companies which will remain unnamed because I think everyone acted in good faith but I think that the legislator should be well informed in order to make responsible decisions. There are companies which would derive some advantage in publishing their investment plans although not in every detail because what is valid for the government is also valid for companies. However, I do not think it would be wise for companies to make public the whole of their financial operations or of their investment projections, but the government needs a minimum of information to act responsibly on behalf of our citizens. And a recession such as the current one leads us to reflect on those matters.

Moreover I would like, Mr. Speaker, to suggest that in another debate on Private Members' Business, we could deal with the whole issue of confidential public papers not only when the Foreign Investment Review Agency is concerned but also in the case of the private sector and some other government levels. I am referring to the federal and provincial governments because especially in the Far North, Northern Quebec or Northern Ontario, the Department of Energy, Mines and Resources is extremely interested in their development and I think that the Department would find it advisable to meet more often with private businesses and state quite clearly what sort of development is to be expected in those areas.

• (1750)

I am very much amazed at all the work which is being done in certain economic departments here in Ottawa, and in the ten provinces, and invididual private corporations, but the time might be ripe in my view for some kind of pooling, which would allow for better planning and much more responsibility to those regions and everyone across the board. This could be the subject of an interesting debate in this House, because this would enable us to describe the work everyone is doing in his own area but which should be considered in the overall context. Certainly madam Speaker would be quite happy to have a very animated debate on the subject. Certainly we would enjoy the Chair's full cooperation to discuss all that.

To come back to the motion of the Hon. Member for Vaudreuil (Mr. Herbert), I would appreciate his stating in writing what he would like to know from this particular company, because the phrasing of his motion is rather general. It reads, and I quote:

> That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all agreements, correspondence, notes and other communications relating to the requirement by the Foreign Investment Review Agency that Tate and Lyall Limited reduce its share holdings in Redpath Sugar Limited.

Clearly this is a request of a general nature, but I would like written specifics that would be useful to the Hon. Member. Because such a general request amounts to asking for all the documents, and this is why the Agency has turned down his request for the sake of confidentiality as I explained earlier, or of mere competition. But if the Hon. Member requires specific answers or documents to carry out his work in a more enlightened and relevant way, the department and the Agency would be pleased to make them available to him. I would just like to mention for the benefit of all Hon. Members that, as concerns DREE, for instance, a lot of material must be submitted when a company applies for a grant including public interest information and there is no objection to that. However, and I want to emphasize that often the companies are requesting that no part of these papers be made public. In this case, the company might be willing to cooperate with the Member and provide some information, and this was done in the past by various Departments. However, the Hon. Member has made a general request for the tabling of all the records and it is to this that the Department and the company object.

I would like to point out to the Hon. Member for Vaudreuil, who is listening very carefully, that it is the company which requests confidentiality. The Department looked into that because when such an answer has to be given to a Member who obviously is very interested in his motion, the Government takes the trouble to check with the company involved to make sure the answer given by the Department meets the intentions

of the company. In this case, I did what I had already done four times before concerning other motions of this type moved by the same Member and requesting the tabling of documents which are considered privileged by the Department and the company.

Mr. Speaker, since I have very little time left, I would like to take a few minutes to tell the House about the intentions of the Foreign Investment Review Agency for the next few years because recently people have been asking the Department whether the Agency really does allow foreign investment in Canada, in view of some suggstion to the contrary. Many people say that if such were the case, the Agency does nothing to promote the use of foreign capital for the development of our country.

I just want to tell the House that after looking into the matter we have found that most of the foreign companies which agree to abide by the social requirements of Canada and to reinvest in this country are then authorized to locate just about anywhere in the country. The Agency is particularly careful not to let a foreign company settling in Canada undermine existing industries. The Agency is very cautious in this regard. I believe that my time has expired, Madam Speaker.

THE ROYAL ASSENT

[*Translation*]

A message was delivered by the Gentleman Usher of the Black Rod, as follows:

Madam Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the Chamber of the honourable the Senate.

Accordingly, Madam Speaker with the House went up to the Senate Chamber.

And being returned:

Madam Speaker: Order, please. I have the honour to inform the House that when the House went up to the Senate Chamber the Deputy Governor General had been pleased to give in Her Majesty's name the Royal Assent to the following bills:

Bill C-129, An Act to amend the Bretton Woods Agreements Act and the International Development Association Act—Chapter No. 128;

Bill C-90, An Act to amend the Customs Tariff and to repeal certain Acts in consequence thereof—Chapter No. 129;

Bill C-135, An Act to amend the National Housing Act (No. 2)—Chapter No. 130;

Bill C-134, An Act respecting rebates of interest on farm loans made under the Farm Credit Act—Chapter No. 131;

Bill C-140, An Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending the 31st March, 1983—Chapter No. 132.

It being six o'clock, I do now leave the chair until 8 p.m.

At 6.08 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF THE HOUSE

ALLOCATION OF TIME TO CONSIDER REPORT STAGE AND THIRD READING OF BILL C-85

The House resumed consideration of the motion of Mr. Whelan:

That, in relation to Bill C-85, an Act to establish a corporation called Canagrex to promote, facilitate and engage in the export of agricultural and food products from Canada, one sitting day shall be allotted to the consideration of each of the report stage and the third reading stage of the Bill; and

That fifteen minutes before the expiry of the time provided for Government business on those days, any proceedings before the House shall be interrupted, if required, for the purpose of this Order and, in turn, every question then necessary in order to dispose of the stage of the Bill then under consideration shall be put forthwith and successively without further debate or amendment.

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I am pleased to have the opportunity to take part in the debate this evening. I want to say first that I was absolutely shocked the other night when I heard the Minister of Agriculture (Mr. Whelan), while speaking on an income tax Bill, give notice of closure.

The Minister talked about the length of time that we had spent on this Bill. He talked about some 82 hours. However, he did not say that most of that time had been spent in Committee where we were listening to witnesses from across Canada express their views on Canagrex. He did not say that of the 30-odd organizations which appeared before the Committee, well over 20 did not agree with the legislation, either in part or in total. He attempted to give the impression that the farmers and organizations across Canada are completely supportive.

The Minister talked about democracy, the mother of parliaments, and the fact that in Britain there is a time limitation on debates. If one examines the records, one will note that at the report stage of this Bill, the stage we are now at, there has been a total of 90 minute's debate. In the report stage, there are some 14 amendments to the Bill that have to be discussed and examined, yet the Minister talks of the mother of parliaments and time allocation and democracy. Is this democracy that he is talking about?

A short time ago I received a document. It has not received general distribution. The document is entitled "Canagrex:

Responding to a Need". The document was prepared at the taxpayers' expense during the summer when the Minister felt there were problems with the Bill.

This is the propaganda document that was distributed to a limited number of organizations and people to try to convince them to put pressure, I assume, on their Members of Parliament to pass the legislation. I do not know how many thousands of dollars this document cost, but it is pure propaganda. It even contains some news items about Canagrex.

Can you imagine a Minister of the Crown spending the taxpayers' money to try to sell a Bill that he is unable to sell, spending thousands of dollars on this document? He did not give Opposition Members the opportunity to spend taxpayers' money to tell their side of the story. He did not allow us the same privilege that he had. If a Minister of the Crown has to spend thousands of dollars of taxpayers' money on propaganda to promote a Bill that is in the process of being discussed in the House, there must be something wrong with that Bill, but that is what he has done.

After 90 minutes' debate, the Minister comes into the House and says there has been too much debate, time will have to be limited. It is interesting to note that when this Bill was in the Standing Committee on Agriculture, it was pointed out to the Minister and Members on the Governement side that there are two Departments doing exactly the same work that it is proposed Canagrex will do, Industry, Trade and Commerce and External Affairs.

We tried to find out why the Minister was trying to press Canagrex and set up a third organization to sell. In Committee I proposed that we invite representatives from the Department of Industry, Trade and Commerce or perhaps the Minister and that we invite representatives from External Affairs and perhaps the Minister to tell us what they are doing. The Committee could then say that as there are three different organizations that will be involved in selling agricultural products, maybe we should discuss this, maybe we can end up strengthening Industry, Trade and Commerce and there will be no need for Canagrex, or maybe we can strengthen External Affairs and there will be no need for Industry, Trade and Commerce or Canagrex. What happened? Members on the Government side said we could not invite those people, they might give evidence that would indicate that Canagrex is not necessary, so let us set up a third organization at taxpayers' expense, they will all be in competition and then we will do a proper job.

Mr. Gustafson: Triple the cost.

Mr. Neil: As my learned friend says, "triple the cost".

The Minister talks of democracy. He would not allow those witnesses. He would not allow the only two organizations from Saskatchewan that requested to be witnesses. They were turned down. He said that we have already representations from Saskatchewan. The Canadian Federation of Agriculture gave evidence and it represents many organizations in Saskatchewan. It is an umbrella organization. But, Mr. Speaker, there were two organizations from Saskatchewan involved in agriculture which requested permission to attend, and the Minister said no. At least, Members on the Government said no, and, obviously, when they said no, they were acting on instructions from the Government.

• (2010)

I see my time is almost up, Mr. Speaker, so I will simply close by saying that Hon. Members on this side of the House are shocked, and I am sure the people across Canada will be shocked, to learn that the Minister of Agriculture of this country would try to force a Bill of this kind on the people of Canada without adequate debate in this House.

[*Translation*]

Mr. Jean-Guy Dubois (Lotbinière): Mr. Speaker, speaking to the motion before us this evening and which we will be voting on in a few minutes, I am always amazed to hear Hon. Members on the other side of the House, especially those of the Official Opposition, say that they did not have enough time to debate a bill when actually they wasted hours and hours on several occasions before the Committee on Agriculture with their procedural arguments. During some of the meetings which I attended, they kept introducing motion after motion to have this or that witness heard, debating the motions and urging that a group be heard when that group had not even asked to appear before the Committee. I take it with a grain of salt when I hear them complaining that they did not have enough time to debate a bill, or that the Committee should have spent more time on one clause or another. Mr. Speaker, we did spend several hours on second reading of this bill, and so did the Committee on Agriculture. We spent hours listening to witnesses who had asked to give evidence before that Committee, and indeed they were heard. Members opposite say that they were not given the chance to hear certain organizations which wanted to give evidence, as a result of rather shady deals they wanted to make. As I just said, those organizations had not asked to be there, so the Opposition resorted to delaying tactics to bog down the Committee proceedings. They told the Committee that if the Minister of Agriculture (Mr. Whelan) could agree to the presence of a certain individual or group, they would refrain from introducing this or that amendment. I see on the other side of the House some Members who were at that meeting and who, one after the other, did introduce three or four motions and asked that they be debated separately. In the end, we had not made any progress. Mr. Speaker, I have not been a Member here for very long, but there is no way I can describe their approach other than to say that they used delaying tactics to prevent a Bill from being reported to the House. However, what I find interesting about the situation of agriculture, and especially as concerns the Canadian Federation of Agriculture which we met early in November, is that the Federation told us:

The Canagrex issue is of serious concern to the CFA. We believe it desirable for such an export corporation to be fully flexible to promote the development of Canadian exports, to accept the risks of joint endeavours, to provide specialized

advice as need be, to negotiate between states in the many circumstances where it is desirable or essential to do so, to share the risks and support long term development projects, to meet advertising requirements, to provide guarantees and enable its employees to accept upon request the responsibility of looking actively for market opportunities.

We have learned—

These are the words of the Canadian Federation of Agriculture, which asked us to give passage to Bill C-85 concerning Canagrex and which told us:

We have learned that the projections—

On pages 10 and 11 of the brief presented to us in early November 1982, the Federation said:

We have learned that the projection for an export potential of $500 million which, to be fully developed, requires facilities and services such as those Canagrex can offer are based on factual data and an assessment by the industry.

The industry and the governments work together and cooperate increasingly throughout the world as more and more emphasis is placed on attaining an adequate share of the market. Canada must follow suit.

This is what the Canadian Federation of Agriculture told us, Mr. Speaker. The Federation, which represents the farm producers of all Canadian provinces including Quebec and Ontario, recommends that the Government proceed with the Canagrex Bill. This organization says that the Canadian Government must follow the example of other countries and make it possible for Canadians to export their farm products and it believes that Canagrex would provide the means to develop our export potential and that we should proceed with this bill. Following our discussions in committee, where so many amendments were proposed by the Minister, the Official Opposition finally wanted to move another amendment which would have eliminated any possibility of the Canagrex Bill being effective. Mr. Speaker, it is because of the numerous empty speeches made by Members opposite, merely delaying tactics, that the Government must now ask the House to vote on a time allocation motion, which will make it possible for a few Hon. Members to debate the bill, because the Official Opposition is so divided on this bill that it refuses to let farm communities across Canada know how divided it is and how difficult it is for its members to stand as one behind their official critic on the Canagrex issue. That is also the reason why, under the present House procedure, we had to proceed in this manner and make it possible for Canadians involved in agriculture who clamour for Canagrex to have the bill passed as soon as possible, following the numerous discussions and meetings held by the Committee on Agriculture chaired by my colleague the Hon. Member for Rimouski-Témiscouata (Mrs. Côté), a committee which has heard witnesses as well as the representations some Hon. Members were eager to make. And whenever we meet representatives of the Canadian Federation of Agriculture, they say: Let us go ahead, we fully support Canagrex. Quebec farmers, through their Union des producteurs agricoles, have appeared before the Committee on Agriculture and told about their situation, and I know that the Hon. Member for Joliette (Mr. La Salle), the only Progressive Conservative Party Member from Quebec in Ottawa was present at the committee meeting at the time and told us: We endorse the principle of Canagrex, but next to him three of his colleagues were shaking their heads. That is why they refuse to vote on this bill. If they will not debate this Canagrex bill, it is because they are divided, but a federation which represents all farm producers throughout the country is telling us to go ahead. Mr. Speaker, this is why—I see the Hon. Member for Vegreville (Mr. Mazankowski) is smiling. On a few occasions he came to the committee on Agriculture, and put forward a few motions, always with a smile of course, but he also wanted that such or such a group be heard. I know you understand French, my friend! He wanted to move that such or such a group be heard, although he had not been requested to do so.

Mr. Speaker, this is why in my view the situation could not go on, and when the Minister of Agriculture (Mr. Whelan) gave this notice, and I see another Hon. Member opposite is saying the same thing, Mr. Speaker, I think it was necessary to proceed this way. Canadian farmers represented by the Canadian Federation of Agriculture wanted and still want the Canagrex legislation, and this is what the Government and Liberal Members will do to enable Canadian farmers to have a bill they have been demanding for so long.

[*English*]

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, the Democratic Party does not condone in principle the use of closure or of Standing Order 75C, whatever title the Minister might want to give it. He may call it time allocation. We think there has not been adequate time to deal with this Bill. We think 90 minutes was not an adequate amount of time for a debate of this Bill.

Having said that, I think we should also make it quite clear that we do not condone some of the activities which have occurred on this side of the House on the part of the Official Opposition. Such activities as staying behind the curtain when the bell rings, or raising points of procedure for two or three days. We have wasted more time in not dealing with Canagrex than we would have spent had the House Leaders come to an agreement and handled the Bill in the way Bills are ordinarily handled. We think this House has always operated, when it is operating properly, with a spirit of confidence. That is because the House Leaders have confidence that their Parties will back them up. This has not always occurred on this particular Bill. In fact, it has not occurred very much on a lot of Bills. We see time and time again a Party open up debate, present one point of view and then switch half way through. This has been the trade mark of the Official Opposition during this past session.

• (2020)

Mr. Hnatyshyn: That will never happen with the NDP, we can tell you that. Once they are wrong, they are always wrong.

Mr. Althouse: Fine.

Mr. Hnatyshyn: You never change your mind no matter how wrong you are.

Time Allocation

Mr. Althouse: I simply want to remind the House of the enthusiasm with which the Hon. Member for Yukon (Mr. Nielsen) greeted this Bill. He is now portrayed as the man who is going to save the country from Canagrex, this horrible, horrible Bill. Here is what he thought of it when it was first introduced on December 8, 1981. At page 13834 of *Hansard* he said:

> Madam Speaker, we on this side are delighted to give our consent to the introduction of an idea initiated by the Hon. Member for Elgin (Mr. Wise) when he was in office. We in this Party express our gratitude to the Minister for perpetuating the idea of the Hon. Member for Elgin in this legislation.

It was not just the Hon. Member for Yukon who set the tone. The Hon. Member for Elgin (Mr. Wise) was also quite appreciative of the Bill. His main criticism was that it did not provide as much money as the plan he had proposed. He was going to spend some $60 odd million, while the current Minister of Agriculture (Mr. Whelan) is doing a chintzy $14 million spread over three years. That was the chief criticism. When we heard from the spokespeople for agricultural regions from the Official Opposition, they followed the same line. They made it quite clear that they were in favour of an agency which could sell farm products. There was no hesitation about the buying and selling option which is now the cry of the Progressive Conservatives. They were talking about how the agency had to be able to buy and sell, it had to be able to complete the sales, it had to get out and do the job for Canada. How can we continue to have confidence in an Official Opposition and in the function of this House if they continually reverse their position? The only way in which this House can work is when the position of the spokesmen are borne out by the votes and backing of their Members. The Hon. Member for Elgin got jumped on by his Party, and I do not think anyone needs to have any second thoughts about that. He was badly done by, and because of that, this whole operation has gone on. We spent 80 some hours in committee, much of it not doing anything constructive at all.

Mr. Whelan: Hear, hear!

Mr. Mazankowski: Apologists for the Liberals.

Mr. Althouse: I am not an apologist for the Liberals. One of the speakers, I believe the Hon. Member for Chicoutimi (Mr. Dionne), pointed out today that no one prevented anyone from presenting his point of view. I would just remind that Member and Members of the Official Opposition that that was not totally true. There was the Ontario Soybean Board, Peter Epp and his people, who were invited to our Committee twice in order for the Committee to hear what they had to say, but the Official Opposition engaged in procedural debate through both of those periods and that group has yet to present their point of view. They refuse to come back because they are not going to be treated that way again.

Much has been made by some of the Conservatives in particular of this being another Crown Corporation which we are not going to be able to control. I would like to point out to those Members that this is Bill C-85 and they should read it. If they did, they would have noticed that Clause 29(4) gives the Auditor General the ability to conduct a comprehensive audit.

An Hon. Member: Fourteen.

Mr. Althouse: It provides for a capital budget and it provides for more reporting to the House and Committee than any other Crown corporation.

[*Translation*]

Mr. Deputy Speaker: Order. It being 8.26 o'clock p.m., the two hours provided for the consideration of the motion now before the House under the provisions of Standing Order 75c have expired. Accordingly, under the terms of the Standing Order, it is my duty to interrupt the proceedings and put every question necessary to dispose of the motion.

The question is on the motion of Mr. Whelan.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

Mr. Deputy Speaker: In my opinion, the yeas have it.

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

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

● (2030)

(*Division No. 277*)

YEAS

Messrs.

Appolloni (Mrs.)	Bockstael	Campbell (Cardigan)
Bachand	Bossy	Chénier
Baker (Gander-Twillingate)	Breau	Chrétien
Beauchamp-Niquet (Mrs.)	Bujold	Collenette
Bégin (Miss)	Burghardt	Comtois
Berger	Bussières	Corbin
Blais	Caccia	Corriveau
Blaker	Campbell (Miss) (South West Nova)	Cosgrove
Bloomfield	Campbell (LaSalle)	Côté (Mrs.)
		Cousineau

Messrs.

Cullen
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne
(Chicoutimi)
Dionne
(Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Flis
Foster
Fox
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd
(Argenteuil-Papineau)
Gourde
(Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette
(Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe
(Charlevoix)
Lapointe
(Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro
(Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Roberts
Robinson
(Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tardif
Tessier
Tobin
Tousignant
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—133.

NAYS

Messrs.

Althouse
Andre
Anguish
Baker
(Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blaikie
Blenkarn
Broadbent
Cardiff
Carney (Miss)
Clark
(Yellowhead)
Clarke
(Vancouver Quadra)
Cooper
Cossitt (Mrs.)
Crosbie
(St. John's West)
Crosby
(Halifax West)
Crouse
Dantzer
Darling
Deans
de Jong
Domm
Ellis
Epp
Fennell
Forrestall
Fraser
Fretz
Friesen
Fulton
Gamble
Gass
Greenaway
Gurbin
Gustafson
Halliday
Hargrave
Hawkes
Heap
Hnatyshyn
Hovdebo
Howie
Jarvis
Jelinek
Jewett (Miss)
Keeper
Kempling
Kilgour
King
Knowles
Korchinski
Kristiansen
Kushner
Lambert
La Salle
Lawrence
Lewis
Lewycky
MacDonald (Miss)
(Kingston and the Islands)
MacKay
Manly
Mayer
Mazankowski
McCain
McCuish
McDermid
McDonald (Ms.)
(Broadview-Greenwood)
McKenzie
McKinnon
McKnight
McLean
McMillan
Miller
Mitchell (Mrs.)
Mitges
Murphy
Murta
Neil
Nickerson
Nielsen
Nystrom
Oberle
Ogle
Paproski
Parker
Patterson
Reid
(St. Catharines)
Riis
Robinson
(Burnaby)
Roche
Rose
Sargeant
Schellenberger
Scott
(Hamilton-Wentworth)
Scott
(Victoria-Haliburton)
Siddon
Skelly
Stewart
Taylor
Thacker
Towers
Waddell
Wenman
Wilson
Wise
Young—108.

● (2110)

[*English*]

Madam Speaker: The motion is carried.

Motion agreed to.

* * *

CANADA AGRICULTURAL PRODUCTS STANDARDS ACT

MEASURE TO AMEND

Hon. E. F. Whelan (Minister of Agriculture) moved that Bill C-98, to amend the Canada Agricultural Products Standards Act, as reported (with an amendment) from the Standing Committee on Agriculture be concurred in.

Motion agreed to.

Madam Speaker: When shall the Bill be read the third time?

Some Hon. Members: Now.

Some Hon. Members: Never.

Madam Speaker: The Minister of Agriculture (Mr. Whelan) moves that the Bill be read—

Mr. Nielsen: Madam Speaker—

Some Hon. Members: Oh, oh!

Mr. Nielsen: You would like us to shut up over here, I know.

Mr. Clark: Jackboot democracy, Liberal style.

Some Hon. Members: Oh, oh!

Madam Speaker: Order, please.

Mr. Nielsen: Madam Speaker, your eyes were diverted to what you were reading when the Minister of Agriculture (Mr. Whelan) rose to debate the first order that you read.

Some Hon. Members: Oh, oh!

Mr. Nielsen: Yes, he rose. He was up, I saw him and so did we all here.

Some Hon. Members: Oh, oh!

Mr. Nielsen: We would like to start at that stage of the measure, with the assurance that I gave the Government House Leader today that that measure will pass by ten o'clock tonight, before the hour of normal adjournment, but we want the Minister to open the debate as usual, and for participation on this side.

[*Translation*]

Mr. Pinard: Madam Speaker, it was the intention of the Minister of Agriculture (Mr. Whelan) to make a speech on

third reading. That is what he intends to do once you have put the motion, as you were about to do, we are therefore respectfully prepared to listen to you.

[*English*]

Mr. Nielsen: She read it.

Madam Speaker: For the benefit of the Hon. Member for Yukon, the debate is to take place only when the third reading is proposed, and I was reading the second formula in order to introduce the third reading.

Mr. Whelan moved that the Bill be read the third time and do pass.

Madam Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Whelan: Madam Speaker, it is with concern for consumers—

Mr. Fulton: Mr. Speaker, I rise on a point of order. After two days of high-jacking by the Tories on this closure motion, 24 of their Members are missing. That is just for the record.

The Acting Speaker (Mr. Corbin): That of course is not a point of order. The Hon. Minister of Agriculture has the floor.

Mr. Whelan: Mr. Speaker, when I am talking about the industry I am referring to everyone who produces, transports, trades or sells perishable fruits or vegetables. That includes in Canada—

The Acting Speaker (Mr. Corbin): Order, please. I wonder if the Hon. Members would want the House to revert to its usual calm, so that we could all hear the Minister of Agriculture.

Mr. Whelan: That includes something like 200,000 people across this country.

These people are responsible for providing Canadians with a wide variety of fresh fruit and vegetables year round. It is a big job when you consider that most of the produce they handle is highly perishable. Last year they imported and distributed $1.1 billion worth of fruits and nuts, and some $600 million worth of vegetables.

Their job has been made easier in recent years by advances in refrigeration and cold-storage methods, and by improvement in the transportation system. Unfortunately, the legislation that regulates the industry has not advanced as quickly as the industry itself has.

The fruit and vegetable industry is in need of tighter regulations—regulations that will help ensure that costly delays and interruptions do not occur in the delivery of fresh produce, from the producer to the consumer.

That is why we have before us for third reading, Bill C-98, a Bill to amend the Canadian Agricultural Products Standard Act, commonly known as the CAPS Act.

This Bill has received first and second reading in the past month and passed through the committee stage last week, where the Canadian Fruit Wholesalers Association and the Canadian Horticultural Council spoke in support of the Bill. The speed with which this Bill was passed, Mr. Speaker, is to be noted. It won all Party agreement in just three meetings of the Standing Committee on Agriculture, which speaks for the soundness and the importance of the proposed amendments.

Bill C-98 is an important Bill for the industry. It is important because it would give the CAPS Act the legal power necessary to regulate the terms and conditions under which the fruit and vegetable trade in Canada can operate efficiently for the benefit of producers and consumers.

One of the most significant amendments concerns a board of arbitration to resolve disputes between buyers and sellers of fresh produce. When one Party is unhappy with the arrival condition of a shipment, if they feel that the shipment is not in as good a condition as it should be, and when the buyer rejects the delivered goods the arbitration procedure is recognized by the industry as an effective means of handling such disputes.

The board of arbitration has continued to operate on a voluntary basis in settling disputes since the previous legislation was declared invalid in 1974. But without legal powers, the board has not been able to do its job effectively. There have, for instance, been cases of parties ignoring decisions which the board could not enforce.

You must realize that when you are dealing with highly perishable products that must travel long distances, it is necessary that an arbitration board be able to act quickly and with authority. Otherwise, the products spoil while the squabbling goes on. While they are arguing back and forth trying to negotiate, trying to deal, trying to do all kinds of things, the fresh produce deteriorates until, in some instances, it is not marketable.

The board of arbitration would give dealers an avenue of recourse. It would examine complaints about quality, packaging, storage, transportation and preservation of fruits and vegetables on the basis of standards and regulations made pursuant to the amendment of the CAPS Act. These regulations are currently being drawn up by a committee composed of both industry and Government members. Therefore, we can be sure that any new regulation will be practical enough for the industry to follow.

As you are probably aware, the United States is our major trading partner in fruits and vegetables. We are their largest customer. The United States operates an arbitration system to handle complaints where Canadian shippers are involved. It is only reasonable that Canada should provide a similar service to settle disputes with our biggest trading partner.

Three other amendments to the CAPS Act concern the licensing and bonding of dealers in fresh fruits and vegetables.

Bill C-98 would amend the Act to provide for the licensing of such dealers and, secondly, to establish regulations setting out the terms and conditions surrounding a dealer's licence.

The third amendment to the Bill, approved last week by the Standing Committee on Agriculture, would require that all individuals and firms requiring licences would have to post a bond to cover any order or decision that might be made against them by the board. This amendment, I want to point out, was approved just last week by the Standing Committee after discussion with officials of the Fruit Wholesaler's Association and the Horticultural Council. An amount of $100,000 for the bond has been suggested, but the sum is still being discussed.

• (2120)

Members of the Canadian fruit and vegetable industry import hundreds of millions of dollars worth of perishable produce from all over the world each year. Thanks to them, Canadians can eat fresh spinach, bananas and melons and many other products all year round.

Mr. McCain: Mr. Speaker, I rise on a point of order. If I understood the Minister correctly, he stated that if one were to appeal to the board of arbitration to settle a claim, a bond would have to be posted. Did I understand him correctly? If that is so, I was not aware that that would be—

The Acting Speaker (Mr. Corbin): Order. I am not sure why the Hon. Member is rising. I thought he was rising on a point of order. Obviously the Hon. Member rises to put a question to the Minister. Perhaps we should inquire whether the Minister wishes to receive a question at this time. That would be in order.

Mr. Whelan: I was stating that if anyone wanted to be a licensed dealer, he would have to apply for a bond. The $100,000 was discussed between the traders, the Canadian Horticultural Council, that type of thing. I do not know what the Hon. Member got from what I was saying. I was talking about how the bond was being proposed, that it be $100,000. I suggested no such thing as the Hon. Member has mentioned.

Members of the Canadian fruit and vegetable industry import, as I said, hundreds of millions of dollars' worth of perishable produce from all over the world each year. It is an important industry. However, the Canadian horticultural industry is attempting to replace many of these imported products with fruits and vegetables grown in Canada. My Department strongly supports their efforts. If we really want to encourage import replacement, we must make sure that the domestic goods arrive at the retail store quickly and in top shape. It must be high quality or we will not be able to sell our produce.

In conclusion, I must stress again that we are talking about highly perishable products. Whether these products are grown in Canada or on the other side of the world, they must be moved quickly. Nobody, neither the producer, the dealer nor the consumer, can afford handling delays which could be avoided by tighter regulations. Tighter regulations must guarantee that the produce arrives in a condition that is saleable and the consumer will be satisfied with it.

It is obvious that the proposed amendments regarding licensing, bonding and a board of arbitration would give members of the horticultural industry in Canada greater confidence in shipping perishable products long distances. These amendments to the CAPS Act would held reduce the element of risk involved in the marketing of fresh fruits and vegetables and for export.

I urge the Members of this House to support Bill C-98, a Bill to amend the Canadian Agricultural Products Standards Act.

Mr. Fred King (Okanagan-Similkameen): Mr. Speaker, I have just observed that there are 23 Members on the Government side. In the numerous times I have spoken, never has such a great number of Government Members stayed behind. I am pleased that word got out that I would be speaking tonight. Perhaps it is because you are all waiting breathlessly for the apples that you have ordered.

The Acting Speaker (Mr. Corbin): Order. The Hon. Member should address his remarks to the Chair.

Mr. King: I am sure, Mr. Speaker, they are all waiting with anticipation for their apples. Let me assure them that they do not need an appeal process against the quality of British Columbia apples.

An Hon. Member: Hear, hear!

Mr. King: Yes, please applaud.

Some Hon. Members: Hear, hear!

Mr. King: In his address to the House on November 26 in support of Bill C-98, the Minister of Agriculture (Mr. Whelan) said:

> It is only reasonable that we should try to reduce some of the element or risk through the provision of a good arbitration service so as to make it fair and operate in a very smooth fashion.

We agree fully and, in a display of co-operation and awareness of a situation which has needed to be corrected since 1974, we have undertaken to pass as quickly as the Government of Canada will permit Bill C-98, the amendment to the CAPS Act.

The purpose of the amendment is to give the board of arbitration established under the CAPS Act binding powers when ruling over disputes regarding the condition of a product shipped and received, a dispute between shipper and receiver of fresh fruits and vegetables in national and international trade.

The House and the nation should take note that when legitimate, worthy legislation is advanced by this Government, the Opposition responds in a thoroughly constructive and helpful manner. On the other hand, when the Government puts forward legislation unworthy of support, which goes against the grain of our Canadian experience and tradition, the

Opposition will again respond in an equally thorough, constructive and helpful manner. In this instance we will accept our responsibility to resist, and explain to the electorate the reason for that resistance.

This is why the closure motion on the Canagrex Bill, C-85, brought the response which was demonstrated today. We resent the closing off of debate, limiting the ability of those in opposition to the measure to communicate to the general public the implications of that Bill.

The amendment to the Canadian Agricultural Products Standards Act is long overdue. The original Act, passed in 1934, was called the Fruit, Vegetables and Honey Act. My involvement in agriculture goes back quite a way. I remember when that Act was brought in. My father was active in the fruit industry, both the politics and the practical end of fruit growing in those days. The Fruit, Vegetables and Honey Act brought a degree of stability and value to the industry that had previously been missing.

I grew up on a fruit farm in the Okanagan Valley. As I said, my father was active in the practical side of fruit growing and the politics of the fruit industry. In those days it was a struggle to market a product that we grew in British Columbia and had to ship many miles across the country and to Europe. Presently we ship across the Pacific. The type of regulation brought to bear by the Fruit, Vegetables and Honey Act was an absolute imperative to the progress of that industry in British Columbia.

• (2130)

I can remember as a boy when my father was involved in protests, when fruit was shipped out of the Okanagan on consignment with no way of knowing what the ultimate return would be. There was a battle cry in those days when trains were stopped by the farming community. The battle cry was, "A cent a pound or on the ground." One reason we have upgraded the industry is that we had an act which provided uniform standards for the commodity we grow so well in the Okanagan Valley. We have an industry there now that produces values in the area of $150 million annually, which is a boost not just to the local economy, but to the Canadian economy as well. That is my background. I am a man of the soil.

An Hon. Member: A great Canadian.

Mr. King: That is right, a great Canadian. These are my credentials for speaking on an amendment to an Act which has great implications for agriculture in general, but very specifically for the British Columbia tree fruits industry. The question might be asked, why has it taken so long to get this amendment to this stage? I do not know. You might have to ask the Minister. We have been willing to act judiciously and quickly on this matter, and they are demonstrating this willingness today.

I have in my possession a copy of a letter addressed to the Hon. Yvon Pinard, House Leader, House of Commons—

The Acting Speaker (Mr. Corbin): Order. Again, I caution Hon. Members not to use proper names but to use the name of the riding of the Hon. Member or his portfolio.

Mr. King: Thank you. It is addressed to the House Leader of the House of Commons, and I will not read the salutation. It is dated September 20, 1982, and is under the letterhead of B.C. Tree Fruits Limited, the Sun-Rype Products Ltd. It is over the signature of the Director of Operations, B.C. Tree Fruits Limited, and it reads:

With reference to the introduction of Bill C-98, an Act to amend the Canada-Agricultural Products Standards Act in March, 1982. It is our understanding that the House will not deal with this piece of legislation prior to adjournment and, therefore, the Bill will have to be reintroduced in the next session of Parliament.

B.C. Tree Fruits Ltd./Sun-Rype Products Ltd. would like to express their deep disappointment that this Bill has not been dealt with to date and request that you give positive consideration to dealing with this legislation as soon as possible.

I have also a letter from the Canadian Horticultural Council which expresses the same kind of concern for immediate passage. Therefore, the question can well be asked, if there has been a void in the legislation since 1974, why has the Government not moved more quickly to fill that void?

The Acting Speaker (Mr. Corbin): I apologize to the Hon. Member. The Hon. Parliamentary Secretary is rising on a point of order.

[*Translation*]

Mr. Dionne (Chicoutimi): Mr. Speaker, would the Hon. Member allow a question?

[*English*]

The Acting Speaker (Mr. Corbin): Will the Hon. Member accept a question from the Parliamentary Secretary?

Mr. King: Well, I did not know that we had brought the new ruling into vogue so quickly. I thought that was next year. Next year I will be pleased to.

British Columbia Tree Fruit Growers know from experience the advantages of having an established appeals procedure in the event of quality or condition claims against shipments. We are forced by our circumstances of living in an area remote from markets to ship our cherries, apricots, peaches, pears and apples great distances. Soft fruits are sold from Quebec to the Pacific Ocean. Apples are sold throughout Canada and the United States, and in fact the market is world-wide now, all the Pacific Rim countries and Europe. We have the advantage of a superlative product which withstands the rigors of travel well, but for various reasons claims from time to time do arise. A method of arbitration of these occurrences is a great advantage for both producer, seller and the market. The B.C. Tree Fruits industry will not necessarily make use of this provision of the amended Act because their volume of trade is sufficient so that representatives of the industry at the marketplace are able to assess and adjudicate claims. While this is true, it is deemed by officials of those industry companies that it is a

significant advantage to the stability of the Canadian fruit and vegetable marketing trade to have such a mechanism in place.

We agree with the good faith shown in providing a parallel system of adjudicating complaints to that which applies in our major trading partner, the United States, through their Perishable Agricultural Commodities Act.

While we support fully the legitimate aim to produce more of our own food within Canada, it must be recognized that trade is a two-way affair and that foreign traders in Canada must be afforded equal treatment to that which applies to Canadian producers selling in their country. For this reason, and for others, we are pleased to note that this amendment to Bill C-98 corrects an omission which was produced by a decision of the courts of Canada in 1974. It has been a long time coming and we are pleased to see that it is here at last. Thank you very much, Mr. Speaker.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I would just like to spend a few minutes reiterating the support of my Party for this Bill, which we stated in second reading stage and which carried through in Committee. I was pleased to see that the one shortcoming which had been identified in second reading stage, namely, the lack of a provision for bonding procedures, was included by an amendment in the Committee. I am also pleased with the co-operation and apparent consultation with the various affected Parties on this particular Bill. The Horticultural Council of Canada and the Fruit Wholesalers Association seem to have good contact with the people in the Department responsible for drafting the Bill, and the co-operation shows in the final result.

The Hon. Member for Okanagan-Similkameen (Mr. King) asked a very good question. He asked, since the problem has been known since 1974, why has it taken so long to deal with it? I think Hon. Members should be aware, as all we new Hon. Members are, that things do not move very fast around here. Last year we passed a meat import Bill which had been floating around since 1971. We got that out of the way in only ten years. I should point out that this is a problem which has been around since 1974. It has taken us only eight years. We are catching up. I hope we make such progress in the next part of this session of Parliament. The procedure which we are putting into law is a procedure which was carried out unofficially by the trade and was tested in the courts in 1974. They did not stop carrying out those same voluntary procedures after 1974, but what we will have now when this Bill is completed will be a reinforcing of the procedures which were carried forward. It ratifies the arbitration committee and sets up another board of review for those cases which might be challenged by that committee. Also, it will leave a situation where buyers and sellers will be operating under bonds, and if one party or the other is perceived by the arbitration board or the review board to have done something wrong, the bond will cover the expenses and will ensure that the party who received the shoddy goods will be reimbursed for them.

• (2140)

So I think it is a very fair, very brief Bill, something which is just a bit of housekeeping that the House has looked after. We picked up the only shortcoming immediately visible. We think it will work and we are prepared to let it go through very quickly this evening.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, the Minister's remarks tonight give rise to some concern following the good natured fellowship which was experienced in Committee meetings. There were some suggestions made there, among which was that the bond for the dealer was expected to be in proportion to the need of the dealer to protect his customer, the receiver or shipper, whichever the case may be. I think we have to recognize that a minimum $100,000 bond is going to impose some very serious hardship in the community in which you and I, Mr. Speaker, live. If that is to be the minimum, then I have to submit to you that we have not been dealt with in good faith in that Committee. When it was proposed that the size of the bond should be proportional to the need, and when it was pointed out that many of the big guys in the business today, both shippers and receivers, started with a small cart on a corner and the need was not for $100,000, there was absolutely no objection raised by the Minister, his Department representatives or from any member of the Committee. A $100,000 bond as a minimum is too much. Let us go back and act in good faith in this. I am very, very disappointed that, having dealt with this Bill as we have, we would be confronted with that kind of a statement at this stage of the debate.

I would love to sit down and have the Minister explain what he said. He said the bond would be $100,000, without qualification. If he would care to explain it, I would be happy to let him rise on a point of order, or in whatever way you would allow him to clear that up, without my losing my right to speak, Mr. Speaker.

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Corbin): I suppose the Minister would be allowed to respond at this time by unanimous consent. I draw to the attention of the House that we are not following procedures under the Committee of the Whole, and it is a very unusual request. By unanimous consent, the Minister of Agriculture (Mr. Whelan) has the floor.

Mr. Whelan: Well, Mr. Speaker, how the bonding system would work was clearly explained in Committee. There is no hardship on anyone. You have to be a licenced dealer to buy and ship produce. They are going to be bonded, and we said the maximum would be $100,000. That is what they are still looking at. I used that terminology in the Committee and I have not changed it one iota here in the House tonight.

As I have already stated, there would not be a need to have a bond posted in order to have a complaint heard by the board of arbitration. You do not have to have a bond posted to have that complaint heard. Any ordinary citizen can have a complaint heard, and he does not need to have a bond. Only as a condition of obtaining a licence would applicants be required

to post a bond. If they are going to be a licenced dealer, they would have to post a bond.

Mr. McCain: If I have misunderstood the Minister I apologize to him, Mr. Speaker. But may I suggest that he take a look at the "blues", because my understanding was that the size of that bond was to be a minimum of $100,000. If that is the case, my objection stands. If it is the maximum, that is a different situation altogether and I accept that.

We also suggested, Mr. Speaker, that the Committee should have the right to have a look at the regulations as submitted for the control and performance of this Act in the hands of the Government. I hope the Minister will accede to that request in view of the harmony with which this Bill has been considered in all stages.

I think once again, Mr. Speaker, we must draw to the attention of the House and the industry that this Bill has been some eight and a half years in the process of development and presentation to this House. I submit to you that that does not do anything good for the record of either the Minister or the Government in whose Cabinet he sits. However, I think it does point out one thing. There has been a great deal of complaint about the amount of time consumed on the Canagrex Bill. That Bill, unlike this one, was in conflict with public opinion. Like all other Papers and all other Bills presented by a Government which conflicts with public opinion, that public opinion must be heard, as it was heard. That was not needed in this Bill. I cite this Bill, Mr. Speaker, as an example of what a Government should do. It should not delay for eight years—that is taboo and irresponsible—but it should react to public opinion as expressed to it by letter, by wire or by personal conversation in presentation to it. None of that can be attributed to the Canagrex Bill. But this Bill, in contrast, did respond to representations made across the board by the fruit and vegetable industry. Therefore, it became very simple for this House as a whole to consider this Bill. I guess I would have to say, and I believe I would be permitted to do so in response to remarks already made on this Bill tonight—I will not deviate from the subject matter any further than those who preceded me—that on our left once again they are stating that we changed our position on Canagrex from day one.

Mr. Deans: You did.

Mr. McCain: They cited the Hon. Member for Yukon (Mr. Nielsen), they cited the agricultural critic of this Party. The principles attributed to this Bill, Mr. Speaker, in its announcement, were totally supported by this Party.

Mr. Deans: Methinks thou doth protest too much.

Mr. McCain: But the vehicle or the method of implementation of these principles was objected to from day one and never espoused in any way, in any direct statement by any Member on this side of the House. The principles, yes, and on those principles we still stand firm in our support. They are necessary. But when anyone from any Party can pick up the words which were quoted this afternoon by the agricultural critic of this Party and say what was said tonight in this House—

Mr. Deans: You cannot stand the truth, that is your trouble.

An Hon. Member: Well, you do not know the truth when you see it.

The Acting Speaker (Mr. Corbin): Order, please. I have been following the Hon. Member for Carleton-Charlotte (Mr. McCain) attentively. I cannot presume, of course, to know the future course of his remarks, but as I understand it, the Hon. Member was referring to another Bill before the House previously. If I may suggest, perhaps we should return to the matter at hand.

Mr. McCain: Mr. Speaker, I was responding to remarks made by the previous speaker from the NDP Party. If his remarks were tolerable, I plead with you: please let me respond.

The Acting Speaker (Mr. Corbin): Order, please. The Hon. Member may feel obliged to respond to remarks which may have escaped the attention of the House earlier, but that does not legitimize any right to respond to them at this time. The Chair has brought to the attention of the Hon. Member that he should, as much as possible, relate his remarks to the Bill now before the House.

Mr. McCain: Well, there is a very distinct relationship. This is a Bill which in principle is totally supported, but one whose principle is implemented in an unacceptable way. No Member of this Party has said anything else with respect to Canagrex. What was stated here this afternoon absolutely and totally denies the remarks which have been made by several speakers from both your left, the NDP, and your right, Mr. Speaker.

• (2150)

Mr. Deans: Oh, oh!

Mr. McCain: Mr. Speaker, I challenge that gentleman to read the "blues". If he reads the "blues" for today's remarks, if he reads the comments in the press release of the Hon. Member who is our agricultural critic, and if he reads the publicity which this Party has sent out, he will retract that statement tomorrow or he will live with the guilt which has to be his. Read it. Read it and then repeat it if you can.

Mr. Deans: I read it and I repeat it.

Mr. McCain: Read today's "blues".

Mr. Deans: You cannot weasel out of this one!

Mr. McCain: Read the "blues" of today and the comments of the agricultural critic of the Conservative Party—

The Acting Speaker (Mr. Corbin): Order, please.

Mr. McCain: At no time—

The Acting Speaker (Mr. Corbin): Order, please.

Mrs. Beauchamp-Niquet: Sit down and respect the Chair.

The Acting Speaker (Mr. Corbin): Order, please. I am not suggesting that the words of the Chair are pregnant with wisdom, but certainly Members should heed the caution expressed earlier by the Chair that there is some wisdom in attempting to adhere to the matter before the House so as to avoid controversy which may go beyond the scope of the Bill now before the House.

Mr. McCain: In closing, Mr. Speaker, let me simply say that I do want to see the regulations. I trust that the Minister will continue to act with the good faith he has used—after eight and a half years, mind you—and that the Committee will be able to see the regulations before they are made public. The Committee should have an opportunity to give this some consideration. I believe this would be in the best interests of the industry. The Hon. Member for Okanagan-Similkameen (Mr. King) has clearly put forward the need for this. It is a need which should be considered. This should not be applied with a heavy hand.

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, I have just a couple of comments on Bill C-98. It is an important Bill. Perhaps it is not important to a large number of people but it is important to the people in the industry, as the Hon. Member for Okanagan-Similkameen has so ably pointed out.

We have here an example of how the Opposition co-operates with the Government when it brings forward good legislation. Time and time again we hear that the Opposiiton wants to obstruct matters in this House, but when the Government brings forward good legislation, we do co-operate.

The only sad thing about this legislation is that it has taken eight and a half years to come before the House. If the Government had demonstrated any wisdom we would have been happy to pass such legislation a long time ago.

We do not hear the Minister of Agriculture (Mr. Whelan) saying that he is happy to see the Opposition co-operating on legislation, but we do it all the time. The press does not pay any attention when legislation is passed that is good for the industry.

The Acting Speaker (Mr. Corbin): Order, please. I apologize to the Hon. Member but the Parliamentary Secretary is rising on a point of order.

[*Translation*]

Mr. Dionne (Chicoutimi): Mr. Speaker, I should like to point out to my friend opposite that they indicated that the Canadian Horticultural Council had strongly supported Bill C-98 as well as Bill C-85.

The Acting Speaker (Mr. Corbin): Order. In my opinion, this is surely not a point of order but a matter for discussion.

[*English*]

Mr. Mayer: Mr. Speaker, that is an example of how the Government does not respect the Chair. That was obviously not a point of order and the Hon. Member knew that before he rose to his feet. I would suggest to the Parliamentary Secretary that he should be careful or he will filibuster the Minister's Bill and not see it passed by ten o'clock, if he does not watch out. That would be an example of the Government filibustering its own good legislation.

Let me close my remarks as a demonstration of good faith and common sense on this side so that the Bill may be passed before ten o'clock this evening.

We in the Opposition would have been more than happy to pass this legislation a long time ago. We feel that it is too bad there has been a loophole in the law that has had to be filled on an ad hoc and, some might say, on an illegal basis for many years.

As soon as the Bill is passed we look forward to it being used by—

Mr. Whelan: You never had a vehicle to do it with before.

Mr. Mayer: I hear the Minister of Agriculture blustering away there as usual, trying to filibuster. He says we never had a vehicle. That may be true. It is unfortunate that we have not had a Minister for the last ten years. That is the main vehicle that we should have had that could do something for Canadian agriculture.

We hope that the Bill will meet the needs of the people who appeared before the Committee and who spoke to us privately. I hope the Minister will see fit to bring forward legislation in the future that is of genuine benefit to the industry. If he does, let me assure him that we on this side will certainly recognize good legislation and will be more than willing to co-operate with him to see that it is passed so that we do not have to wait another eight and a half years to put through legislation like this.

The Acting Speaker (Mr. Corbin): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Corbin): The House has heard the terms of the motion. Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Motion agreed to and Bill read the third time and passed.

Mr. Nielsen: Mr. Speaker, may I suggest we see the clock at ten o'clock.

The Acting Speaker (Mr. Corbin): Is it agreed that we call it ten o'clock?

Some Hon. Members: Agreed.

Adjournment Debate

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

EMERGENCY MEASURES—GOVERNMENT PLANS. (B) ROLE OF PROVINCES

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, for the past 15 months or so I have been asking various Government Ministers questions dealing with the emergency planning orders that were passed by order in council in May of 1981. At first the Government denied the existence of these orders. Once they were found to be there, it said, "We have to do our planning". I think all Canadians will recognize that when it comes to emergencies, an orderly Government will plan for them.

Things became a little more ominous when the President of the Privy Council (Mr. Pinard) met with some of the provincial Ministers in June 1981 and told them in a speech that if the emergency plans were not completed, the Government might have to act extra-legally. That in itself was ominous enough but in the intervening 15 months we have found out, more and more, what the Government meant by acting extra-legally.

Setting aside the order itself, which empowers a Solicitor General in wartime to depopulate prisons in order to make room for political hostages or political prisoners, and setting aside the fact that the Prime Minister (Mr. Trudeau) has total control of all the information agencies in the country—setting all those things aside—the President of the Privy Council only talked about acting extra-legally when it came to an emergency. We now find that the Government has made plans to act extra-legally if need be in order to design the order itself.

I want to bring to the attention of Members of the House the fact that about a month or six weeks ago a package came to my office. It contained the confidential memo sent to the President of the Privy Council from Mr. Snarr, the gentleman he appointed to head up the emergency planning agency. That memo outlined some pitfalls in federal-provincial relations that came to Mr. Snarr's attention through letters he received from some of the provincial Governments. Strategy was outlined as to how they might circumvent some of the problems. For the record I want to read some of the concerns which some of the Provinces have voiced.

• (2200)

First, I have a letter dated August 19 which came from an official of the Province of Alberta. It reads, in part:

> The most obvious examples of such emergencies are situations of war or situations of transition from war to peace. Alberta is seriously concerned however, that the proposed federal legislation will not necessarily be confined to emergencies of an overriding national concern but that it also contemplates federal authority in what may be very localized situations.

On page 2, the letter continues:

> It is my recommendation that a clear statement be made as to the temporary nature of the proposed legislation and that the legislation be confined to dealing explicitly with national emergencies that threaten the safety of Canada as a whole. Moreover, because of the extraordinary and constitutional features of the contemplated legislation, I would propose that full and complete consultation be undertaken with the provinces before the legislation is introduced to Parliament.

I have a copy of a letter sent to the President of the Privy Council, from a Minister in the former NDP Government of Saskatchewan. In part, this letter reads:

> It has come to my attention that certain agencies and departments of this and other provincial Governments have been directly approached by federal officials with the intention of initiating joint planning processes. In the case of Saskatchewan and other provinces, this was done without the knowledge or consent of the Minister or officials responsible for emergency response and planning.

The letter continues:

> Indeed, the discussion paper which we agreed to (No. 1—Joint Emergency Planning) specified that each province would "determine the form and nature of the planning mechanism best suited to its individual requirements", and that the "Provincial Emergency Measures Directors and the Regional Directors of Emergency Planning Canada will jointly facilitate and co-ordinate the planning of the joint emergency response arrangements."
>
> This proposed arrangement seems to have been overlooked in the recent actions of numerous federal departments.
>
> As you are aware, I and other provincial ministers attending the June 5th meeting in Ottawa had serious reservations about the form and possible scope of Planning Order PC 1305.

And the letter continues:

> It now appears that federal emergency officials have seen no need to consult with their provincial counterparts, or to act in manner consistent with the agreement of Ministers, in initiating joint emergency planning processes. Numerous contacts have been made in Saskatchewan by federal emergency officials, and by line department officials, in reference to joint planning exercises or activities under P. O. 1305. In none of these instances has the provincial emergency staff been contacted by federal staffs in accordance with our understandings.

Finally, I have a letter from a Minister in the Government of Ontario in which it is stated that that Government is concerned and suggests that:

> —the effect of suspending rights and freedoms guaranteed by the Charter of Rights ought to be brought into effect only in the clearest case of an emergency.

Further on in this letter we find:

> The examples under which a state of emergency could be declared, as outlined in your statement, are far too broad and vague for Ontario to consent to federal pre-emption of its constitutional authority in such circumstances. I realize, of course, that further discussions could make our joint and individual interests much clearer than unilateral statements of our intent.

Mr. Snarr writes on page 3, paragraph (b) of his memo to the President of the Privy council that he proposes that the strategy regarding relations with the provinces should proceed and that they should:

> —continue within the federal Government, our planning for NEAs, but in dealing with the provinces we would "soft-pedal", peacetime activation and for the time being concentrate on wartime interfaces between NEAs and provincial government facilities—

• (2205)

In paragraphs (d) and (e) he says they would continue the Joint Emergency Planning Program and the funding as long as the Provinces would co-operate. If they would refuse to co-operate, however, they would withdraw that funding, take it

over by the Government departments themselves and initiate those programs under the federal aegis; all that in the name of federal-provincial co-operation.

Mr. Dave Dingwall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I am not here tonight to deny the authenticity of this particular document, or to dwell on the questionable ethics of making free use of classified material in the House. What I propose to do is to remind Hon. Members why the Access to Information Act we recently passed specifically removes such forms of privileged, communications from its general thrust.

In the intense and sometimes difficult world of federal-provincial relations, Ministers frequently receive advice from their officials in memoranda, such as the one in question, in which various options were outlined. Ministers are, of course, free to make use of this advice or to disregard it as they see fit.

In the case at hand, we are dealing with a document that is now some 14 months old. Despite what the Hon. Member has intimated, the memo has not seen the collapse of federal-provincial understanding in emergency planning. On the contrary, a number of events have taken place since October of 1981.

First, a federal-provincial conference of officials in January, 1982, began the drafting of a intergovernmental Memorandum of Understanding on Emergency Planning covering both general principles and specific tasks.

In October of 1982, the federal Government and the Province of New Brunswick signed the first such memorandum, and discussions are continuing toward this end with eight other Provinces and with the two Territories.

Third, senior federal officials have held bilateral consultations on emergency planning with both Territories and with the Provinces of British Columbia, Alberta, Manitoba, Ontario and New Brunswick.

Fourth, applications for cost-shared projects under the Joint Emergency Planning Program have been received from both Territories and nine Provinces.

There have been 31 joint projects approvals under this particular program since October of 1981, including at least one from each Territory and every Province except Alberta.

Federal and Territorial officials will meet again in Winnipeg in February of 1983 to continue this important work.

I believe that these demonstrate that whatever options may have been outlined in the document under discussion, the course which has actually been followed has been one of free and open co-operation with the Provinces.

The practical reason why tactical advice prepared for Ministers is privileged in our Act is that it is all too easily misunderstood and misinterpreted. I believe that the present case is a classic example and I have to question whether the Hon. Member in raising this matter at the present hour is helping or hindering progress toward a more constructive working relationship between the federal and provincial Governments in the area of emergency planning.

Adjournment Debate

ENERGY—COST COMPENSATION REQUESTED FOR HOME OWNERS IN NOVA SCOTIA. (B) EQUALIZATION OF ENERGY COSTS

Mr. Howard Crosby (Halifax West): Mr. Speaker, on November 26, 1982, I addressed a question in the House of Commons to the Minister of Energy, Mines and Resources (Mr. Chrétien) concerning the cost of energy in the Maritime Provinces, particularly in the Province of Nova Scotia.

My purpose in questioning the Minister of Energy, Mines and Resources on this point was to present to him the problem that exists in the Province of Nova Scotia, and particularly in the Province of Prince Edward Island with respect to the tremendous burden on the consumers of home heating oil and other forms of energy which are utilized to heat homes. I was attempting to make the case for federal Government assistance to people in the Maritime Provinces, particularly the Province of Nova Scotia; for special aid to assist the residents of Nova Scotia in bearing these tremendous costs which have increased dramatically over the past few years. I welcome the opportunity now to make the case for special federal assistance to residents of Nova Scotia with respect to energy costs. I can only hope—perhaps forlornly—that my colleague from Nova Scotia, the Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. Dingwall) will carry that message back to the Minister in the hope that some action may be taken before this winter passes.

• (2210)

In October of 1980, when the Government introduced its National Energy Program, it was stated that the Government would involve itself in the construction of a pipeline extension so that natural gas would be available in the Maritimes, particularly in Nova Scotia, by 1983. The importance of that promise made in the National Energy Program was that that natural gas was to be made available to Nova Scotians and other residents of the Maritimes at the Toronto city price, which would have amounted to substantially less than the cost of heating a home in Nova Scotia with oil or electricity, the basic methods of home heating in that Province.

That premise was reaffirmed several times in this House of Commons. This very year, 1982, in the National Energy Program update issued by the Minister of Energy, Mines and Resources the promise was repeated. The Government again said that it had a commitment to the extension of reasonably priced natural gas service to the Maritimes. Therefore, the Government did not forget the promise it made in 1980, even though it did nothing to implement the gas pipeline extension; it repeated the promise in 1982.

What we are concerned with now is the implementation of that promise because the Government has not succeeded in extending the gas pipeline. It can only fulfil its promise by providing financial aid to make up for the harm incurred by Nova Scotians and other Maritimers because of the failure to extend the pipeline.

In specific terms, that harm amounts to this. Home heating oil in Halifax at the present time, by way of example, is $1.46

a gallon. It is known that the price for natural gas available in places like Toronto is approximately 67 per cent of the price of petroleum products, particularly home heating oil. Consequently, if that kind of price regime applied to consumers of home heating oil in Nova Scotia, the effective price would be 99 cents a gallon; that is to say, equating natural gas to home heating oil in relation to price, we would find that Nova Scotians would be paying a price of 99 cents instead of the current price of $1.46 a gallon for oil.

This means, in general terms, and I hope Your Honour follows my point, that instead of paying $1,168 a year over the winter months to heat the average home in Nova Scotia, a Nova Scotian family would be paying something like $792 if they had available a price equivalent to the natural gas price. That would mean a savings per family of $376 per year. If one multiplies that by the number of homes in Nova Scotia, over 200,000, one is talking about $80 million.

The point is that because the Government did not fulfil its promise to extend the natural gas pipeline to the Maritimes, particularly Nova Scotia, this very winter Nova Scotians will be paying $80 million more to heat their homes, and that is a conservative estimate because it includes only those people using home heating oil.

Therefore, what I want the Government to do is to consider this situation, consider the promise it made to Nova Scotians, consider the fact that that promise has been broken, and remedy the situation by providing equivalent financial aid.

In these days of cutbacks in Government expenditures, one might ask, where will the Government get the funds to provide this assistance? The fact is that, through the Petroleum Compensation Program, which the Government introduced, allegedly to help Nova Scotians and people on the East Coast to cushion the effects of increases in the cost of oil and home heating oil, as Your Honour knows, the Government provides a compensation program. That compensation paid in respect of oil imported to the East Coast of Canada cost over $3 billion in the last two fiscal years. Of course the price of foreign oil and the price of Canadian oil have come closer together. The price difference has now narrowed. The Government will spend substantially less this year and in the following years than it has in the past two years. This expenditure of approximately $3 billion will be reduced to something in the order of $1.5 billion.

• (2215)

So, Mr. Speaker, the $1.5 billion that the Government is saving in the payments it has been making through the Petroleum Compensation Board in respect of imports of oil should now be available to assist consumers with this increase in cost they are incurring, to heat their homes and for other energy purposes.

That is my request to the Minister, and I hope his Parliamentary Secretary will convey the message to him. Since the Government is saving $1.5 billion and since it has broken its promise to deliver natural gas to Nova Scotia, causing consumers there an expenditure of over $80 million a year, some of this money should be used to offset that expenditure.

Mr. Dave Dingwall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, the Hon. Member for Halifax West (Mr. Crosby) has raised the particular question, what assistance is the federal Government giving or going to give to the consumers in the Province of Nova Scotia?

I suggest at the outset that the Hon. Member for Halifax West must be running scared to be raising issues of this nature. He knows very well the reasons the pipeline is not proceeding as quickly as we would like. He knows that the Premier of the Province of Nova Scotia has indicated, in agreement with the Government of Canada, that if there is a delay in construction of that pipeline, so be it, because they are now finding natural gas in commercial quantities off the coast of Nova Scotia. Hopefully it will be possible to bring this on-stream in the construction of the pipeline, and I am surprised that a Consservative Member of Parliament from Nova Scotia would be in disagreement with the Conservative Government of that Province.

The Hon. Member referred very briefly to the Oil Import Compensation Program. I suggest to the Hon. Member that he ought to take note of the facts. It should be noted that from January 1, 1974 to December 1, 1982, the Oil Import Compensation Program made payments to Nova Scotia totalling over $2.6 billion, yet he has the audacity to ask us what the Government of Canada is doing for Nova Scotia!

I suggest to the Hon. Member that, in addition to the Oil Import Compensation Program, we should look at the Cape Breton Development Corporation which is being subsidized by the Government of Canada. That Crown corporation and the coal miners who work for it are getting substantially less for the product, which they sell primarily to the Nova Scotia Government, thereby keeping heating costs down. So it is the coal miners in Cape Breton who are subsidizing, to a large extent with the assistance of the Government of Canada, the Nova Scotia Power Corporation.

I suggest, with all due respect, that the Hon. Member for Halifax West, who is running scared obviously because of the political boundary changes which may occur in that Province, ought to embrace his Tory Premier and look at the facts. What he ought to do is to say to the Premier of Nova Scotia that the coal miners of Cape Breton ought to receive a better price for their coal. That is what he ought to be saying. But The Hon. Member refuses to acknowledge those facts. I can only say that I will take his representations under advisement.

NATIONAL PARKS—BANFF LAND EXCHANGE—ROLE OF CHAMBER OF COMMERCE. (B) REASON FOR REQUESTING DELAY IN DEVELOPMENT PROJECT. (C) REQUEST THAT BULLDOZERS BE REMOVED

Mr. Gordon Taylor (Bow River): Mr. Speaker, this part of the Late Show tonight depicts a tragedy. A beautiful park, developed with taxpayers' money over a period of ten years by

Parks Canada, with benches for people to rest, with bridges over the stream, with paths for quiet walks so that all could enjoy nature, the birds, the 100 year-old trees and the animals, was destroyed, desecrated by the Minister of the Environment (Mr. Roberts) in charge of national parks. The Minister allowed men with chainsaws to cut down the trees, bulldozers to tear up the paths so his friend, the Hon. Judd Buchanan, could build an apartment building on the site.

The Minister, knowing he had done wrong, steadfastly refused to investigate. When the Deputy Prime Minister (Mr. MacEachen) was asked to freeze the project until a full inquiry was held, the Minister shook his head violently when the Deputy Prime Minister looked at him before answering the question in the House of Commons. He then meekly replied that he could see no reason to investigate. The head of any responsible Government would at least have looked into the matter before condoning it.

What were the Minister's excuses? First, he alleged he had telegrams from the Chamber of Commerce supporting his decision. In fact, he received one telegram over the name of the Banff-Lake Louise Chamber of Commerce which was sent by one or two men without the knowledge of the membership of the Chamber of Commerce, and one telegram, with the knowledge of the Chamber of Commerce, rescinding the first telegram. The Minister calls that support!

• (2220)

Second, the Minister alleged he had the support of the Banff Community Society when in fact that society on at least two occasions told the Minister it supported affordable housing, but asked that any decision to build in the park be held back until at least there was full public disclosure. The Minister conveniently forgot to mention that.

Third, the Minister misled the House by stating that the area had been zoned for multi purposes back in 1970 and that the people knew about it. The fact is it was so zoned and Parks Canada started the development of the park, but the Minister well knows that the people were not told in 1970 that a 76-unit apartment building was going to replace the park. It was only in late 1982 when a leak was published in *The Crag and Canyon* that the people found out about the under-the-table deal. Yes, it is true that near the end of 1981 it was discovered what was afoot, but the Deputy Minister in a letter stated emphatically that Parks Canada and Treasury Board had not approved the project. This again is a Government misleading the people.

Fourth, the Minister did not refer the case to Treasury Board, alleging that departmental officials did not consider it necessary. The people of Canada have been led to believe that Treasury Board decides whether a project should or should not be approved, which is a check on departmental expenditures. The Minister's action in this regard is hypocrisy of the worst kind.

Fifth, the Minister likewise deliberately avoided referring the matter to the Federal Environmental Assessment Review Office (FEARO). The Minister justifies his actions because affordable accommodation is needed in Banff. Everyone agrees that affordable accommodation is needed, but no one wants it in the only treed park in the townsite. No one wants it in the park. The Minister admitted in committee that he had no guarantees from the developers that the accommodation will be affordable. They said it will be as affordable as possible, but $600 and $800 per month is not affordable accommodation.

In summary, this matter was carried out without letting the people know what was going on. It was done under the table and a park was destroyed. It is a tragedy that will forever stand to the dishonour of a man who dares to continue to be the Minister of the Environment in charge of National Parks.

Mr. Denis Ethier (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, as the Hon. Member well knows, the Minister of the Environment (Mr. Roberts) has appeared in this House on numerous occasions to answer questions on the issue of the Banff land exchange. In addition, the Minister appeared before the Standing Committee on Fisheries and Forestry on the afternoon of December 2 to respond to the Hon. Member's questions. On all occasions he provided forthright, complete answers to all questions directed to him. Yet the Hon. Member for Bow River (Mr. Taylor) continues to repeat the same questions as though he had not heard the answers at all. If the Hon. Member were truly interested in finding out the true facts of this case, he would have listened to the answers which are already part of the public record. Despite having repeatedly received full and complete answers to the very questions he poses tonight, he continues with his repetition of worn out, unsubstantiated accusations.

I can see no useful purpose in repeating once again answers to questions the Hon. Member has asked. I would therefore refer him to the pages of *Hansard* and the minutes of the Standing Committee on Fisheries and Forestry meeting of December 2 where he will find all the answers to his questions.

[*Translation*]

And as always, the Hon. Member would seem to use his parliamentary privileges to lay false charges. If he has further questions to ask or if he has any valid allegation to make, the Minister will be pleased to reply and give him all the information he requests as the Minister has always done in the past. The Hon. Member, in my opinion does not want to understand and he goes on asking the same question. Considering that he has been given all those replies, I do not feel it necessary to carry on with this discussion.

The Acting Speaker (Mr. Corbin): Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 o'clock.

At 10.25 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, December 17, 1982

The House met at 11 a.m.

• (1105)

MOTIONS UNDER S.O. 43

[*English*]

DISASTERS

BREACHING OF DYKES IN DELTA, B.C.

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, in view of the widespread and costly damage to agricultural crops and private property at Westham Island and East Delta, British Columbia, which has occurred in the past 48 hours due to a series of breaches to the Delta dykes, due to high winds and tides more than two feet above normal, and whereas the federal Government has consistently failed to meet its obligations to upgrade these dykes, in spite of repeated warnings of flood danger, I move, seconded by the Hon. Member for Fraser Valley East (Mr. Patterson):

That the federal Government now recognize the seriously deteriorated state of certain dykes in Delta, British Columbia, by undertaking to meet its obligations to help the farmers in that particular area.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

AIR CANADA

SUGGESTED EXAMINATION OF MANAGEMENT AND EARLY RETIREMENT ARRANGEMENTS

Mr. Don Blenkarn (Mississauga South): Madam Speaker, Air Canada is apparently so overstaffed in its executive suites that it is making sweetheart, voluntary separation arrangements with 500 of its management personnel at a cost to the company of at least $21 million, together with untold costs to its presently unfunded pension plan. At the same time those people in the machinists' union who do aircraft maintenance and repair are being laid off and dumped on the unemployment lines. I therefore move, seconded by the Hon. Member for Brampton-Georgetown (Mr. McDermid):

That this House direct the Government to appoint immediately a special committee of this House, first, to examine the management of Air Canada to find out why Air Canada has 500 surplus management people in the first place, second, to determine the extent to which the sweetheart deals with its boardroom types affect the quality of Air Canada pensions and the company's profitability and, third, to determine why Air Canada is not prepared to make realistic early retirement arrangements for all its work force, particularly its machinists.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

INDIAN AFFAIRS

CALL FOR REGISTRATION OF MICMAC INDIANS AT CONNE RIVER, NFLD.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Madam Speaker, officials of the Department of Indian Affairs have admitted that the Micmac Indians of Conne River are eligible to be registered as Indians under the Indian Act. The Minister admits that only political considerations have prevented him from registering them so that they could receive direct funding from the federal Government. I move, seconded by the Hon. Member for Kootenay East-Revelstoke (Mr. Parker):

That this House instruct the Minister that his top political priority should be to do justice to the Indian people and to proceed immediately with the registration of the Conne River Indians.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

FISHERIES

NEGOTIATORS OF CANADA—EUROPEAN ECONOMIC COMMUNITY TREATY

Hon. John C. Crosbie (St. John's West): Madam Speaker, I rise under the provisions of Standing Order 43. The Minister of Fisheries and Oceans (Mr. De Bané) stated in St. John's, in *The Daily News* of December 7, that "Canada has been burned in the fisheries treaty with the European Economic Community and may break the contract to get out of it", that Canadian officials were under the impression that the tariff reductions negotiated in return for allotting EEC member countries the right to take 15,000 tonnes of fish from Canadian waters would be applied in Great Britain, where Canada

exports fish products, but instead the EEC allocated the rights to West Germany which buys almost no fish, so that Canada got the raw end of this deal. He also said that the treaty was "a great disappointment", so that "one of the remedies is to terminate the treaty". I move, seconded by the Hon. Member for Bruce-Grey (Mr. Gurbin):

That this savage indictment by the present Minister of Fisheries and Oceans, of the former minister, now the Minister of Public Works, and of the officials responsible for the negotiation of this fisheries treaty signed in January, 1982, over the objections of the Government of Newfoundland and the Canadian fishing industry, be followed up by disciplinary action, including the dismissal of the Minister of Public Works and the officials whose negligence and incompetence caused this great disappointment and caused Canada to be burned at the same time Canada suffered a snow job from the negotiators for the European Economic Community.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

TRADE

ADMINISTRATION OF QUOTAS ON FOOTWEAR IMPORTS

Mr. Bill Clarke (Vancouver Quadra): Madam Speaker, I rise under the provisions of Standing Order 43. In view of the fact that the Minister of State for International Trade (Mr. Regan) has succeeded in angering all sectors of the footwear industry in Canada, namely, manufacturers, importers and retailers, by the inefficient and incompetent way in which quotas were reimposed on imports, and by failing to realize that Canadian jobs are as much at stake in the retail as in the manufacturing end, and by failing to advise what the new quotas were prior to the expiry of the appeal period, I move, seconded by the Hon. Member for Vancouver Centre (Miss Carney):

That this House direct the Minister of State for International Trade to meet again with representatives of all sectors of the footwear industry in order to resolve the serious problems which will bring disaster to all sectors of the industry, failing which this House direct that the Minister should get the boot.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

PUBLIC SERVICE

SUGGESTION LIBERAL MEMBERS DISCUSS BILL C-133 WITH PENSIONERS

Mr. Sid Parker (Kootenay East-Revelstoke): Madam Speaker, the Miscellaneous Estimates Committee has agreed not to report Bill C-133 to the House until the last sitting day before Christmas, and this means that third reading of the Bill will not be conducted until the House returns in January. Therefore I move, seconded by the Hon. Member for Churchill (Mr. Murphy):

• (1110)

That this House urge the Members of the Liberal Party to return to their ridings over the Christmas break and actually talk to the Public Service pensioners, such as those demonstrating outside today, so they can find out first hand the damage that this Bill will do both to their standard of living and to their faith in the justice of Government.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

AGRICULTURE

CALL FOR IMPLEMENTATION OF BEEF STABILIZATION PLAN

Mr. Gus Mitges (Grey-Simcoe): Madam Speaker, in view of the fact that the Canadian beef industry has been at rock bottom for some time with no relief in sight, a condition that will force more and more beef farmers into bankruptcy and ruin, I move, seconded by the Hon. Member for Simcoe North (Mr. Lewis):

That the Minister of Agriculture meet with his provincial counterparts as soon as possible to implement the beef stabilization plan mutually agreed upon by the Provinces, which will help to stop further bankruptcies, until such time as a more permanent plan for a more orderly production and marketing of beef cattle is devised.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

ABORIGINAL RIGHTS

VENUE FOR FIRST MINISTERS' CONFERENCE

Mr. Stan Schellenberger (Wetaskiwin): Madam Speaker, I rise under the provisions of Standing Order 43. Since the purpose of the First Ministers' Conference, scheduled for March, 1983, is to identify and define aboriginal rights, which have only recently been recognized as sufficiently important to be entrenched in the Constitution, and since these rights were not, until recently, even recognized by the federal Government, I move, seconded by the Hon. Member for Lisgar (Mr. Murta) and the Hon. Member for Edmonton East (Mr. Yurko):

That it is inappropriate to hold the First Ministers' Conference in Ottawa and that the conference, if it is to have credibility, should be held either in northern or western Canada.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

THE PRIME MINISTER

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, today's press tells us that the Prime Minister, dissatisfied with the treatment that he has been receiving at the hands of the private sector network, CTV, has cancelled his annual one-hour interview, by Mr. Bruce Phillips, that has become a regular feature of Christmas seasonal television over the past 14 years. In an effort, presumably, to ensure a more favourable, even if less objective, reception, the Right Hon. Prime Minister has instead arranged for a half-hour session on the publicly-owned CBC network.

It has been a hard year for the Prime Minister and the Members of his Party. We here all understand that, and we have no desire to embarrass him unnecessarily in public. Therefore I move, seconded by the Hon. Member for Prince Edward-Hastings (Mr. Ellis):

That in the event that the scheduled CBC interview does not work out to the Prime Minister's satisfaction, he should be encouraged to repeat the experiment, for a quarter-hour period, the interview being conducted by either Senator Davey or Mr. Jim Coutts.

Mr. Whelan: It sounds like you wrote that, Eric.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

[*Translation*]

CORPORATE AFFAIRS

REQUEST FOR WITHDRAWAL OF BILL S-31

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, whereas yesterday in its report, the Senate Committee on Legal and Constitutional Affairs judged that Bill S-31 is unconstitutional because it gives the Federal Government powers it does not have, I move, seconded by the Hon. Member for Churchill (Mr. Murphy):

That the Government withdraw Bill S-31 which imposes unwarranted restrictions on the investment plans of provincial governments.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

[*English*]

THE SENATE

PARTICIPATION IN STUDY OF REFORM

Mr. Bill Yurko (Edmonton East): Madam Speaker, I rise under the provisions of Standing Order 43. I think that many of us who are concerned about Canadian federalism, and especially the role of the Senate in our political process, were genuinely pleased with the announcement yesterday that a motion will be introduced in the other place to establish a Special Joint Committee on Senate Reform. As many Hon. Members know, a motion calling for the establishment of such a Committee is already on our Order Paper and in fact was debated in this House on June 4 of this year. Therefore I move, seconded by the Hon. Member for Mission-Port Moody (Mr. Rose):

• (1115)

That this House endorse the Senate's initiative and express its intention to co-operate fully in any Committee set up to deal with this very important question of Senate reform.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

Madam Speaker: The Hon. Member for Saskatoon West.

Mr. Hnatyshyn: Madam Speaker, my question had been intended for either the Minister of Justice, his Parliamentary Secretary or the Government House Leader. Since there does not appear to be any Minister of consequence across the way, I would like to reserve my right to await the arrival of one of these Ministers.

Madam Speaker: The Hon. Member could have done that simply by not rising.

Some Hon. Members: Hear, hear!

Oral Questions

FINANCE

FEDERAL-PROVINCIAL MEETING OF FINANCE MINISTERS—SIZE OF GOVERNMENT DEFICIT

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is directed to the Minister of Finance. At their meeting yesterday the Finance Ministers spent some considerable time, I understand, discussing the question of increased spending with a view to creating jobs. I want to ask the Minister of Finance what size of an increase in the deficit the Government is contemplating, and will this increase in the size of the deficit be handled by the federal Government, the provincial Governments, or will it be combined? What is the Minister doing to cut waste in spending, such as the 50 per cent increase in government travel, as well as the 17.1 per cent increase in the administrative costs of Government that I have referred to on a number of occasions in the past?

I ask these questions because it is important that Canadians have some understanding of how big the deficit is going to be, and that it is done in a way that reduces the amount of waste that is present in government spending today.

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, we indeed had a very constructive and positive meeting yesterday of Finance Ministers. The Finance Ministers agreed that their respective Governments should all pull in the same direction to ensure recovery in 1983 and try to reduce the level of unemployment that we have at the present time. All of us agreed that in the preparation of our respective budgets we would look at ways of improving the economic environment. There have been press reports in that regard.

My friend referred to some of the indications which came out of that meeting. I can tell my hon. friend that we did not discuss the scale of any particular deficit, or increase or decrease in the deficit. We had a general discussion in that regard. There will be further consultations between Ministers. If the Hon. Member is patient, at the time of the budget he will see the size of the deficit planned for 1983. At the present time I am not in a position to indicate to him whether the deficit will increase, decrease, or remain the same.

Mr. Wilson: Madam Speaker, again the Minister of Finance neglected to address my question of government waste and the ability of the Government to cut down on spending.

CONTROL OF EXPENDITURES

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, yesterday there seemed to be some discussion of increased spending on public works and transportation. Obviously the purpose of the increased spending is to create jobs. How does the Minister reconcile this objective with the Income Tax Act and the regulations before us today, which will reduce the capital cost allowance and introduce nine separate disincentives for small-businessmen to increase their spending and thereby increase jobs? Is it the intent of the Government to take that job creation capacity away from small business and centralize it in Governments where bureaucrats can control the whole process in the country?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, my hon. friend should not be surprised if it is not possible within the limits of the Question Period to answer the three or four questions he decides to ask at the same time under the pretext of asking one question. Therefore I will go back to some of the points he raised. The first one was control of expenditures. The Government has established very strict control on expenditures over the years. In fact, as my hon. friend knows, the Government has appointed a Comptroller-General. That followed on recommendations from the Auditor General and from the Lambert Commission a few years ago. He is an outstanding person who came from the private sector. He has helped very considerably in ensuring that all Departments are exercising very strict control over their expenditures. The President of the Treasury Board has indicated he is reviewing all government expenditures in all Departments to ensure that they are being put to the best possible use.

• (1120)

As far as the question relating to the Income Tax Act is concerned, I remind my hon. friend that the measures put forward in the Income Tax amendments include many provisions which would be of significant benefit to small business in this country, particularly the increase in income eligible for the low level of income tax rate from $150,00 to $200,000, and the global deduction increase from $750,000 to $1 million, as a whole, in terms of the low tax rate from which the small business people are going to benefit.

This is only one amongst many measures included in that Bill which are benefiting the small business sector. I hope my hon. friend will recognize that and support this Bill so it can get passed soon in order that small business can benefit from it.

* * *

HUMAN RIGHTS

INQUIRY RESPECTING LEGISLATION AFFECTING THE DISABLED AND WOMEN

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my question is addressed to the Minister of Justice and is in relation to the amendments to the Canadian Human Rights Act which have been in the possession of the Minister and the Cabinet of the Government for some considerable period of time. Why does the Government continue to hide this Bill relating to the disabled and women, rather than making it public immediately?

Hon. Mark MacGuigan (Minister of Justice and Attorney General of Canada): Madam Speaker, I do not know why my hon. friend would speak about hiding the Bill. I have given him a copy of it.

An Hon. Member: Have you tabled it?

Mr. Clark: Where is my copy?

Mr. Nielsen: Where is mine?

Mr. MacGuigan: Madam Speaker, he is the critic in this area. I have now obtained authorization to enable him even to show his copy to his colleagues.

Some Hon. Members: Hear, hear!

Mr. Clark: Democracy limps.

Mr. MacGuigan: This is a Bill which has not yet received first reading, Madam Speaker. The Hon. Member, I understand, has been discussing the content of it, as he was authorized to do, with his colleagues.

Mr. Clark: No, he was not. That is a falsehood.

Mr. MacGuigan: I think the question—well, I don't know whether he has discussed it with his colleagues, Madam Speaker. I cannot say. But I authorized him to discuss the subject matter with his colleagues.

Mr. Clark: You did not. That is a falsehood.

Mr. MacGuigan: And to come back and say whether or not they would be prepared to—

Miss MacDonald: You are making that up.

Mr. MacGuigan: —give the Bill second reading without debate, as the New Democratic Party has agreed to do.

REQUEST THAT BILL BE TABLED

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, the obsequious response of the Minister only makes me understand that I will never again take his word on anything.

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: He is absolutely mistaken. He has misled the House on the facts. The fact of the matter is that some weeks ago when this matter was first raised—and the Minister knows this—I suggested in public and in the Committee that he immediately table this document—

Mr. Nielsen: This Bill.

Mr. Hnatyshyn: —this particular Bill. The Minister has neglected or refused to do this. Today the Prime Minister has received a telegram from the representatives of COPOH, the disabled group, indicating that they agree with the position we have taken, that the legislation should be tabled immediately, so that all Canadians, not just a certain select number, would be able to see the contents of the Bill. I ask the Minister again, will he not now, in a sense of fair play and respect for the disabled people and women in this country, table and give first reading to this Bill so we can get on with the business of dealing with it expeditiously?

Hon. Mark MacGuigan (Minister of Justice and Attorney General of Canada): Madam Speaker, I am at a loss to understand what the hon. gentleman's grievance is. We are not introducing further legislation in this session. That is the basic—

Miss MacDonald: Why not?

Mr. MacGuigan: —policy at issue, because we want to complete the business which is before the House, and we hope that the Opposition will co-operate with us in doing that.

Mr. Baker (Nepean-Carleton): Who is the House Leader over there?

Mr. MacGuigan: I offered to the Hon. Member, as he well knows, if we could have second reading without debate, that this matter could go to Committee. I gave him a copy of the Bill so he could discuss the substance of it with his colleagues.

Mr. Clark: But not to show it to anyone.

Mr. MacGuigan: I do not know, Madam Speaker, whether he has discussed it with his colleagues. We do hear of more tumultuous happenings in the Conservative Caucus, and perhaps they have not been able to discusss this. But, Madam Speaker, we made an offer in good faith to the Opposition, and we would like to see them get on with this legislation.

• (1125)

Mr. Hnatyshyn: Madam Speaker, the fact of the matter is, as the Minister knows full well, that there was an embargo placed upon me against revealing any of the provisions of that Bill to anyone, let alone members of my caucus. He knows that, and he continues to persist in misleading this House. I simply want to say to the Minister that we have been waiting two and a half years now, and our Party need make no apology for our stand on behalf of the disabled and women of this country. We have stood for their rights and for progress in human rights legislation, and we will continue to do so.

Some Hon. Members: Hear, hear!

GOVERNMENT INTENTIONS

Hon. Ray Hnatyshyn (Saskatoon West): What harm is there, Madam Speaker, in the poor beleaguered Minister simply taking 20 seconds of House time to table this Bill by way of first reading so that all Canadians can see precisely what the Government has on its mind?

Hon. Mark MacGuigan (Minister of Justice and Attorney General of Canada): Madam Speaker, I asked the Hon. Member not to show the Bill to his colleagues. I authorized him to discuss the contents with them. If the Opposition does not have confidence in its own critics, that is a problem for them, not for us. But it is a problem for the country and and for the disabled if this Bill is not given speedy passage.

Some Hon. Members: Hear, hear!

Mr. Nielsen: Show it to us.

Mr. Clark: How can we pass what you will not produce? There is no bill!

Madam Speaker: Order.

Mr. Clark: This is one more step in closure.

Some Hon. Members: Hear, hear!

Madam Speaker: Order. The Hon. Member for Oshawa.

* * *

FINANCE

MEETING OF FEDERAL-PROVINCIAL FINANCE MINISTERS—PRESENTATION OF JOB CREATION MEASURES

Hon. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Minister of Finance. We learned from the meeting which took place yesterday that all provinces have decided to co-operate with the federal Government in job creation programs. For that, all Canadians can be thankful.

Some Hon. Members: Hear, hear!

Mr. Broadbent: However, with 1.5 million unemployed I am a little concerned about the timing and would like the Minister to clarify that.

One report said that there would not be another meeting until about a month from now. If that is the case, and considering that it will require a number of weeks after that meeting to create new jobs, it could mean that we will be well into the Spring before any new job creation measures have any effect. Therefore, will the Minister indicate a little more precisely to Members of the House of Commons and, more important, to the people of Canada, when we can expect some new job creation measures?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, before talking about implementing new job creation measures I think it would be quite helpful if the Opposition, instead of dragging their feet, would support the adoption of the Income Tax Bill, for instance, which will provide for creation of new jobs by the private sector. It would remove the uncertainty still surrounding those measures as long as they are not passed by Parliament.

Secondly, we have announced job creation measures, specifically one involving $500 million of additional expenditures by the federal Government, which has now been supplemented by about $200 million of provincial expenditure. We now have around $700 million of expenditures committed to that particular program. That program is being put into effect at the present time. It will have its impact in the months of January, February, and March. So there are things taking place.

I invite my hon. friend to look at what is happening at the present time. Let us support the programs being implemented, and support the legislation before Parliament which will help remove uncertainty and ensure that recovery will take place speedily in the country. We are working on additional programs and projects, and as soon as they are ready to be proceeded with they will be announced, put in place, and implemented. But in the meantime let us get going what is already before Parliament, let us implement the programs for which money has already been voted.

DATE OF BUDGET PRESENTATION

Hon. Edward Broadbent (Oshawa): Madam Speaker, I hope the Minister will agree that this is an extremely serious situation. There are news reports, probably on the front page of every newspaper in Canada today, which try to suggest, to the unemployed particularly, that there are reasons to believe that there is going to be early action. What I heard from the Minister—if I heard him precisely, and I think I did—was that he is not prepared to tell us that we are going to get any new action at all. He is saying that the people of Canada have to rely on the measures announced by the Government many weeks ago. I say to the Minister that that is not good enough.

• (1130)

In the press today, with reference to the need for additional funds, the Minister is reported by the press today as saying, "The question is whether we can allocate more funds, and this is the question I will address for my next budget." If he is not prepared to spend more money until the next budget, will he at least tell us when we are going to get that budget?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I have indicated that there will be a new budget early in the new year. I have indicated that for sure this budget will be brought in before the beginning of the next fiscal year. In due time I will be able to announce exactly when the next budget will be presented.

As far as the premise of the question of the Hon. Member is concerned, my purpose is not to try to satisfy him. I could come up with a budget tomorrow morning, and the day after he would come to me and say that we need a new budget with new measures. That has been the game of the NDP ever since it has been in this House. It will continue to be that way as far into the future as we can see. I could agree with everything he said, and he would come back the next day and say it was not good enough.

We are trying to do everything we can, and we will do it in co-operation with the Provinces. It is too bad if the NDP is not happy. It will just have to keep on being unhappy. That has been the history of that Party ever since it came into existence.

Mr. Broadbent: Madam Speaker, we can see that the Minister has finally lost his smile. We have hit a sensitive chord. He is trying to do a snow job on the people of Canada.

PROVISION OF ADDITIONAL JOB CREATION FUNDS

Hon. Edward Broadbent (Oshawa): Madam Speaker, I should like to ask the Minister to respond to the following question. For six weeks now we have put forward a proposal that would enable the Minister to spend $2 billion more on job creation, not three or four months from now, but right now. We have indicated where he could get that money.

Considering that the Minister and the Prime Minister have said in recent weeks that they will consider that proposal, will they now tell us what their decision is? Will they now go to where they can get that money and put it to work to create jobs for Canadians who need them now?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the Hon. Member has put forward a proposal. I requested him to write to me—

Mr. Broadbent: You got the letter a month and a half ago.

Mr. Lalonde: —about this particular proposal. It took weeks before he sent that letter to me.

Mr. Broadbent: Then it was lost in your Department.

Mr. Lalonde: He should not be surprised not to get an answer the next morning.

I have also said that the suggestions he put forward were going to be considered in the preparation of my budget. That will be the case. Those suggestions will be given serious consideration and I will give the answer in the budget.

In the meantime there are hundreds of millions—as a matter of fact, billions of dollars—being put forward by the federal Government for job creation directly and indirectly. There are measures before Parliament at the present time which will help remove uncertainty and will create a better environment for the private sector. I would invite the Hon. Member to support those measures, rather than claiming additional measures when he is not even ready to support those that are before Parliament now.

* * *

HUMAN RIGHTS

REQUEST THAT LEGISLATION AFFECTING WOMEN BE TABLED

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my question is directed to the Minister of Justice and it concerns the proposed amendments to the Canadian Human Rights Act. As I understand it, some of these amendments will apply to the rights of women. As the official spokesperson for the status of women in my caucus, I have been denied the right to see that proposed Bill.

I want to know whether the Minister denied that same right to the Minister responsible for the status of women, or if it is only to selected people to whom he is denying that right. If that is not the case, why will the Minister not table that Bill in the House so that we can all see how it applies to the rights of women—rights which some of us have been pressing for, for a long time?

Hon. Mark MacGuigan (Minister of Justice and Attorney General of Canada): Madam Speaker, it is customary for a Minister to deal with his opposite number in the Opposition. Perhaps the Hon. Member missed the point that I made earlier in my first answer to the first question, that I have now obtained the permission of the House Leader to allow the Hon. Member for Saskatoon West to show the Bill—

Mr. Clark: To show the Bill? Table it!

Mr. MacGuigan: —to anyone in the Conservative caucus who is interested in seeing it. The conduct of the business of the House is not for the Opposition to decide, it is for the Government to decide.

Miss MacDonald: Madam Speaker, that is not good enough. That is not the way legislation is handled in a parliamentary system.

REQUEST THAT BILL BE MADE AVAILABLE TO WOMEN'S ORGANIZATIONS

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, I want to say to the Minister that the last time a Minister of Justice in that Government dealt with women's rights, he betrayed women. He made a secret deal to deny them equality.

Some Hon. Members: Hear, hear!

Miss MacDonald: How do we know that the Minister of Justice will not do the same thing? Why will he not make that Bill available, not just to a limited number of people, but to all the women's organizations across the country so that they may know they are not being betrayed again. Why will he not table it?

An Hon. Member: Table it.

Hon. Mark MacGuigan (Minister of Justice and Attorney General of Canada): Madam Speaker, the Hon. Member now knows that she can see the Bill. She knows that if her Party considers the Bill to be noncontroversial, as we believe it to be, and as the NDP believes it to be—

An Hon. Member: Table it.

Mr. MacGuigan: —this Bill could have immediate passage before Christmas.

An Hon. Member: Put it on the table.

Oral Questions

INDIAN AFFAIRS

REPORTED AGREEMENT BETWEEN GOVERNMENT AND COUNCIL OF YUKON INDIANS

Hon. Erik Nielsen (Yukon): Madam Speaker, I have a question for the Minister of Indian Affairs and Northern Development with respect to certain press reports and television and radio broadcasts which I have reason to believe lack in some accuracy, to say the least.

It was reported widely last night and this morning that the final agreement in principle has been reached between the federal Government and the Council of Yukon Indians. It is my understanding that the CYI and the Government have reached agreement on a number of items—I believe it is in the order of 30-odd agreements—but that there is still a like number to be negotiated and completed. Can the Minister tell the House whether any agreement was reached yesterday with CYI and, if it was, could he enlighten us as to the major features of that agreement?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, may I thank the Hon. Member for Yukon for his question. I think he will be very happy with the reply.

When I indicate what the reply is to the House and to the Hon. Member, Madam Speaker, I should like to pay my highest regards to the Yukon Government for its involvement in the result and to the Leader of the Yukon Government, Mr. Pearson, and his sister, Mrs. Haines, who are in the gallery. I want to let them know how much I appreciate their assistance.

Some Hon. Members: Hear, hear!

Mr. Munro (Hamilton East): On the principal elements, the most contentious and troublesome elements, agreement was reached between the CYI and the federal Government negotiator, Dennis O'Connor, last night. I have discussed this element with Mr. Pearson and we are aware of the fact that the monetary compensation, which is always the most difficult element, was settled at $183 million in present value. The current value, stretched over 20 years, is about $540 million. The $183 million present value is broken down to $130 million for the aboriginal rights—in other words, lands to which they gave up aboriginal rights in return for compensation although they get other lands—and $53 million for the buy-out of certain federal programs that they are taking up front in cash.

As the Hon. Member will readily appreciate, those two elements are the most significant and troublesome and, because we have been able to reach agreement on them, we have a sound basis for optimism that we will reach final agreement very soon.

Mr. Nielsen: Madam Speaker, I am sure the Minister will want to correct his "blues" with respect to his description of Mrs. Haines, who is the assistant to the Government Leader, not his sister.

Mr. Munro (Hamilton East): I am sorry; that is correct.

TRANSFER OF LANDS TO YUKON GOVERNMENT

Hon. Erik Nielsen (Yukon): Madam Speaker, will the Minister assure the people of Yukon that their legitimate desire to obtain an assurance or agreement to a process whereby the management and control of lands now held by the federal Government will, in a reasonable and logical fashion, be met, and that the lands eventually will be transferred to them through their elected Government? I am speaking now of the balance of lands that will remain after the native land claims have been settled.

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, I am in too happy a mood to get into an acrimonious debate with the Hon. Member.

Mr. Epp: Just say yes.

• (1140)

Mr. Munro (Hamilton East): I just tell him that eventually could be a long time. Let me say that in the meantime I have noted the comments by the Leader of the Government in the Yukon. I think they lay out a welcome proposal for discussion of transfers of land when required, because it is our policy, as indeed it is the policy of the Yukon Government, that that land should be for Yukoners. To interpret that as some undertaking that we will transfer all the lands in the Yukon from Crown lands in the right of Canada to commisioner Crown lands would be misleading. I have no mandate from my colleagues.

Mr. Nielsen: Well, get it.

Mr. Munro (Hamilton East): This Government is not authorized to make that type of commitment.

* * *

TRADE

REPRESENTATIONS TO UNITED STATES AUTHORITIES ON LUMBER INDUSTRY

Mr. Lyle S. Kristiansen (Kootenay West): Madam Speaker, my question is directed to the Minister of State for International Trade. As the Minister knows, the future of the Canadian lumber industry is being unjustifiably threatened by the ongoing countervailing duty hearings now being held in Washington. I want to make it clear that I, and my colleagues in this Party at least, know well that the future of our number one export industry, its employees and the communities that depend upon it, is too important to be made a playground of partisan politics and loud retaliatory posturing. We will not engage in that kind of action.

Recognizing that there is a provision in the appropriate American law which allows our Government to intervene directly in these proceedings, has the Government or will the Government undertake to deliver a clear and careful but unmistakable message, either by directly intervening or by a

diplomatic note, to the United States administration for the attention of the U.S. Department of Commerce, clarifying the deep and serious concerns of the Government and of the people of Canada on this important matter?

Hon. Gerald Regan (Minister of State (International Trade)): Madam Speaker, I thank the Hon. Member for his assurance of concern on what is unquestionably the most serious threat to Canadian exports that has occurred in very many years.

The value of our lumber exports to the United States amounts to over $2 billion. The countervail threat is a particularly serious one. It is a little difficult to come to grips with it because of the fact that it is not an action by the administration of the United States, nor is it a Congressional action, but rather an action taken by a part of the lumber industry under existing statutes. As a consequence, this Government has made very strong representations of our concern to the United States. I have personally discussed the matter with Secretary of State Shultz, with Secretary of Commerce Baldridge who will be here again next Monday when the matter will again be mentioned to him, and also with Special Trade Commissioner Brock.

We are working very closely with the provincial Government, with the lumber industry and the unions, in co-ordinating a reaction to the threat. The Hon. Member can be assured that every step is being taken to protect Canadian interests, but I say that this is a very serious matter and it remains a matter of concern as the hearings go forward. We are absolutely confident that the Canadian position is just—

Madam Speaker: Order.

Mr. Regan: There is no commitment of subsidy, but we are watching it very closely.

Madam Speaker: I must say the answers are unusually long this morning, but the questions are not any shorter.

Mr. Kristiansen: I thank the Minister for the length of his reply, but he did not answer the specific question which I was asking. There has been a change in tone in the hesitation which the Canadian industry previously expressed; that is our understanding.

QUERY RESPECTING POSSIBLE DIPLOMATIC NOTE

Mr. Lyle S. Kristiansen (Kootenay West): Madam Speaker, is the Minister seriously considering, or is the Government now considering, the sending of a formal diplomatic note to Washington expressing our Canadian concern?

Hon. Gerald Regan (Minister of State (International Trade)): Madam Speaker, if the length of my original answer seems long, it is because this is a serious and complicated matter, and I am sure Members of the House would want it given full attention.

Some Hon. Members: Hear, hear!

Mr. Regan: In relation to the supplementary question, may I say to the Hon. Member that we believe the steps and representations which are being taken at this stage are the most effective and the most appropriate ones. I think he will find that both the companies and the unions involved believe that the actions we are taking are the best ones at this stage.

* * *

[*Translation*]

CANADIAN BROADCASTING CORPORATION

TELEVISING OF MEMBERS' CHRISTMAS MESSAGES

Mrs. Éva Côté (Rimouski-Témiscouata): Madam Speaker, my question is directed to the Minister of Communications who is responsible for the Canadian Broadcasting Corportion, and it concerns an article published yesterday in the Montreal newspaper *La Presse*, Canada's largest French newspaper. The article, signed by a journalist who was unfortunately misinformed, appeared under the heading "A present from Radio-Canada to Liberal Members in the regions". It says that only Federal Liberal Members from Matane and the North Shore—

Madam Speaker: Order, please. Would the Hon. Member please put her question instead of quoting at length from a newspaper article.

Mrs. Côté: Could the Minister inform the House what the CBC has decided to do, since the invitation is extended both to Federal Liberal Members and Provincial Parti Québécois Members from Matane, Rimouski and the North Shore, and all of us have accepted the invitation?

Hon. Francis Fox (Minister of Communications): Madam Speaker, the journalist to whom the Hon. Member was referring was as misinformed as the Leader of the New Democratic Party. If they both had the common sense to call the CBC and ask the appropriate questions, they would soon have been told the facts. The two stations concerned were formerly private stations which always invited Federal Members and Members of the National Assembly to broadcast their Christmas messages, and as I said yesterday in the House, the CBC had the choice of either extending the same privilege and services to all Members of the House or putting an end to this practice at the two stations that were formerly private stations. CBC senior management was not aware of this tradition which had existed in previous years, and when the President of the CBC was informed, he decided to put an end to this practice of the two CBC affiliates.

[*English*]

CANADA MORTGAGE AND HOUSING CORPORATION

PAYMENT OF GRANTS UNDER CANADIAN HOME OWNERSHIP STIMULATION PROGRAM

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, I have given notice to the Minister responsible for CMHC of my intention to ask him a question with regard to the Canadian Home Ownership Stimulation Program. Is the Minister aware of the letter dated November 18 from senior counsel of CMHC in which it was acknowledged that the regulations required under the National Housing Act prescribing the circumstances under which grants can be made to Canadian home buyers under the Program have never been issued, and that the payments which have been made of some $300 million, to almost 100,000 Canadians, are likely illegal? What steps does the Minister propose to take to rectify the situation and to prevent what could be a very serious problem for hundreds of thousands of Canadian families?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, I was informed that the Hon. Member gave me the courtesy of notice, just as I arrived at my office before Question Period. I was also informed that the authority for the Canadian Home Ownership Stimulation Program is taken from Section 34.15 and Section 34.16 of the National Housing Act which permit loans and contributions not exceeding such amounts as are prescribed by regulation. Of course I will follow up on the Hon. Member's question, but I would tell him right away that if the benefits of the Program are such that there is a technical problem, I am sure the House will allow us to rectify it very quickly.

Mr. Beatty: The Act also requires that there be an Order in Council issued, specifying the circumstances under which such contributions can be made. Those circumstances have never been specified by Order in Council, thereby making this $300 million illegal. I have written to the Auditor General to request an investigation by him of this.

METHOD OF PAYMENT

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, in view of the fact that CMHC contrived an elaborate means of getting around the Act, which provides at the present time that contributions can only be made where a loan is taken out, and that CMHC decided to try evading the Act by contriving, in essence, a phoney loan to the tune of $3,000 which was automatically forgiven upon endorsement of the cheque, can the Minister tell me whether he has asked for an opinion from his legal counsel as to whether or not such an invention constitues a fraud against the Act?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, I am sure the Hon. Member, who is a responsible Member of Parliament, would not want to smear a corporation which has really done a great deal to help Canadians, especially in the crisis of a year ago when interest rates were very high.

Some Hon. Members: Hear, hear!

• (1150)

Mr. LeBlanc: As the Hon. Member knows, getting legislation through Parliament is an extremely long process.

Mr. Beatty: Just break the law.

Mr. LeBlanc: The Hon. Member is heckling, saying break the law. I would hope that he leave it to the responsible people to make the decision if the law has been broken—

Mr. Clark: Parliament.

Mr. LeBlanc: —to the judges, but that he would not take it upon himself to run a kangaroo court.

* * *

TRADE

EFFECT OF FOOTWEAR IMPORT QUOTAS ON RETAILERS

Miss Pat Carney (Vancouver Centre): Madam Speaker, my question is directed to the Minister of State for International Trade. He recently told my colleague, the Hon. Member for Vancouver Quadra, that the Government reimposed import quotas on footwear in order to protect the jobs of Canadian manufacturers. But what is happening in Vancouver is that retailers are having to close their doors and lay off people because the quotas are not sufficient for them to continue their operations, and they cannot buy the products here in Canada. Canadian manufacturers do not want to make speciality shoe products because there is not enough of a market for them. How does the Minister justify putting Canadians out of work under a program designed to save Canadian jobs?

Hon. Gerald Regan (Minister of State (International Trade)): Madam Speaker, I thank the Hon. Member for her expressed concern in relation to the employment of Canadians in the retail business.

Mr. Epp: Give us an answer.

Mr. Regan: I want to say to her that I recognize that this is a very difficult matter. The Government decided, considering the need to protect Canadian jobs, the quantum that would be allowed by way of imports. It then becomes an extremely difficult matter to satisfy the importers, the wholesalers, the retailers and the different groups who are involved.

It is certainly a fact that the limitation encourages Canadian manufacturers to try to make additional shoes available, but the quota is of such a nature that there should not be a case of any store being forced out of business.

Mr. Crouse: They are.

Mr. Regan: We are in the position that they are receiving—

Madam Speaker: Order. Ministers must make an effort to keep their answers a little shorter. It has been going on and on.

Some Hon. Members: Hear, hear!

JUSTIFICATION FOR SYSTEM

Miss Pat Carney (Vancouver Centre): Madam Speaker, my supplementary question is also addressed to the same Minister. He seems to live in a naive world.

Some Hon. Members: Question.

Miss Carney: In fact, the quota in some cases is only 50 per cent of what is needed to carry on a business—

Some Hon. Members: Question.

Miss Carney: —and these people cannot buy their stock in Canada.

Madam Speaker: Order. Hon. Members on the other side are correct. The Hon. Member should now go to the question. When I ask Members to be brief, I mean on both sides.

Miss Carney: My question is this: how can the Minister justify a system in which people were allocated their quotas in November and the appeal date was set two months earlier, in September?

Hon. Gerald Regan (Minister of State (International Trade)): Madam Speaker, again I thank the Hon. Member for her supplementary question.

Mr. Andre: Just answer the question.

Mr. Regan: The Hon. Member must remember that her colleague, the Member for Joliette, was among the strongest of voices asking for quotas to be applied. She is inaccurate in her information. There is no appeal period as such, but if the Hon. Member knows of people who are having a particularly difficult problem, while there are only so many that can be distributed, I will be happy to examine or re-examine specific instances for her if she would bring those to my attention.

* * *

HUMAN RIGHTS

NEW DEMOCRATIC PARTY COMMITMENT TO PASS LEGISLATION AFFECTING HANDICAPPED AND WOMEN

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, my question is directed to the Minister of Justice.

Mr. Nielsen: Lots of luck.

Mr. Deans: I want to put to the Minister of Justice that it would be a shame to allow petty partisan differences to stand in the way of the passage of the human rights amendments that affect both the disabled and women. The Bill obviously cannot be dealt with unless it is introduced. Will the Minister take it as an article of faith, at least from us, that we will pass that Bill before Christmas if he brings it in for first reading today?

Hon. Mark MacGuigan (Minister of Justice and Attorney General of Canada): Madam Speaker, I entirely agree with my hon. friend's view of the importance of this and that it is not a matter for petty partisan politics.

Mr. Nielsen: Table it.

Mr. MacGuigan: In fact, in our exercise of management of the House, and because of the assurances the Government gave to the Opposition some months ago that they had our legislative program for this session, and so as not to introduce new Bills which will compete with our present legislative program until it is complete, we have said that we cannot use House time in this Session although we can use committee time for further legislation.

Mr. Nielsen: Just 20 seconds.

Mr. MacGuigan: Because we understood there might be a possibility of unanimous agreement to get this Bill through without House time, only using committee time, we provided copies of the legislation to the Opposition critics to see if we could get that kind of agreement. We have the agreement from the New Democratic Party. Perhaps my hon. friend would care to address that same question to our colleagues in the Conservative benches.

Mr. Deans: I am not allowed to ask them questions.

Mr. Crosbie: Wait a couple of years.

REQUEST THAT BILL BE INTRODUCED

Mr. Ian Deans (Hamilton Mountain): I want to say to the Minister that, although it is true that the Government provided a list of legislation, that legislation provided to us was not the only legislation with which the Government proposed to deal. In fact it introduced other legislation during that period.

Given that we now know that this Party at least does not intend to cut the incomes of pensioners in this country before Christmas, or at any time, and given that we only have four days left before Christmas recess and there appears to be some degree of unanimity with regard to the human rights amendments, will the Minister introduce the Bill? We will give our commitment that it can go to the Committee quickly and we will give a further commitment that the Bill will be passed by Christmas.

Hon. Mark MacGuigan (Minister of Justice and Attorney General of Canada): Madam Speaker, I appreciate that the Hon. Member is unable to ask the question of those who should be answering it, because of the rules of the House.

Mr. Crosbie: Table the Bill.

Mr. MacGuigan: It is an effective rhetorical device for him and I welcome it, but the question should be put on the table. We welcome the assurances which we have received from his Party. We would wish to have similar assurances from the Official Opposition so that the Bill could indeed be passed before Christmas without debate.

* * *

CORPORATE SHAREHOLDING LIMITATION ACT

REQUEST THAT GOVERNMENT WITHDRAW BILL S-31

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question which relates to a Bill that has been introduced since the presentation of the list of the Government's legislation, namely, Bill S-31, is directed to either the Acting Prime Minister or the Minister of Consumer and Corporate Affairs who will know that the Senate has now raised several constitutional and other objections to the Bill. Will the Minister or the Acting Prime Minister tell us, in light of those objections, whether the Government will now freeze discussion on that Bill or withdraw the Bill, one or the other, until there has been the opportunity for full and formal consultation between the federal and provincial Governments?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, the Leader of the Opposition ought to know that the report tabled in the other House was a committee report, and that consideration of the second reading stage of the bill is expected to take place next week. Consequently, the conclusions drawn by the Leader of the Opposition are probably premature. As for consultations with the Provinces, these have started, since I have already met with the Minister from Alberta. During the next few weeks I shall be meeting as well with the Ministers from other Provinces with an interest in the bill.

[*English*]

Mr. Clark: The Provinces which he has consulted so far have told the Minister to withdraw the Bill or freeze it. I would certainly urge that action upon the Minister. I am encouraged that he says it is premature for him to give that commitment. I trust he will give that commitment soon.

* * *

BUSINESS OF THE HOUSE

GOVERNMENT POSITION

Right Hon. Joe Clark (Leader of the Opposition): Let me ask the Acting Prime Minister a question, concerning House business. If the Government is worried about its House business agenda, why is it prepared to introduce a Bill which threatens federal-provincial relations yet refuses to table a Bill which respects human rights?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, the Leader of the Opposition is referring to the business of the House, a subject for which I have an abiding concern. Obviously, if he had not let the bells ring for a whole day this week, and if he had not allowed his Members to raise futile points of order the next day, of course we could have accomplished a lot more in the House than what we shall probably be able to do now before Christmas. As regards Bill S-31 to which he is referring, he knows perfectly well that the Bill was not introduced in the House of Commons but in the other House, and I fail to see why he is bringing up the point he just raised, because up to now, at least thirty-one bills have been introduced in the Senate and it is an entirely normal procedure. So when we say Bill S-31, this presupposes that before this bill, thirty other bills were introduced in the Senate, and that is why this bill is numbered 31.

Under our parliamentary procedure, the Senate is perfectly capable of being the first authority to examine a bill, and the Leader of the Opposition ought to know that once it has approved the bill, it cannot receive royal assent but must first be considered by the House of Commons as well. If we look at the Commons Order Paper, we see that the bills listed under the heading: Government Bills (Senate) are those bills which have the letter S- plus a number. Madam Speaker—

• (1200)

[*English*]

Madam Speaker: The Right Hon. Leader of the Opposition.

REQUEST THAT GOVERNMENT TABLE BILL AFFECTING HANDICAPPED AND WOMEN

Right Hon. Joe Clark (Leader of the Opposition): Well, we are all encouraged to know that the Government House Leader can count to 31.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Clark: I would ask him not to blame me for the stupidity of the Minister of Agriculture.

Some Hon. Members: Hear, hear!

Mr. Clark: Madam Speaker, earlier this week the Minister of Agriculture introduced the practice which, in effect, meant that the House of Commons was not allowed to debate legislation. Now we have the Minister of Justice introducing the idea that we cannot see legislation before it is adopted. Let me ask the Minister of Justice, who has disappeared—

An Hon. Member: He is right there!

Mr. Clark: Has he resigned?

Some Hon. Members: Oh, oh!

Some Hon. Members: Go back, go back!

Mr. Crosbie: We don't want you!

Mr. Nielsen: Just like his Bill, disappeared!

Mr. Clark: Madam Speaker, he is just like his Bill. One minute you see it, one minute you don't see it.

Some Hon. Members: Oh, oh!

Mr. Clark: Let me ask the Minister of Justice whether—

Mr. Crosbie: Don't send us your turkeys!

Mr. Baker (Nepean-Carleton): Even if it is Christmas!

Madam Speaker: Order. I wonder if we will ever get through this Question Period. Briefly, because the time allotted Question Period has passed, I recognize the Right Hon. Leader of the Opposition.

Mr. Clark: Will the Minister of Justice table the Bill relating to human rights today so that this party, all of its Members, and the Canadian public, all of its members, may study the contents of the Bill so that we can all come to a decision based on seeing the actual Bill, and see if it will be possible for us to move quickly with the legislation before Christmas? Will he table the Bill today to let all of the people in on it, and not act like someone purveying dirty pictures—

Madam Speaker: Order.

Mr. Clark: —who flashes them to everyone and then runs and hides?

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, in its management of House business the Government very reasonably does not wish to introduce legislation which will compete with legislation which is already before the House in this session.

Some Hon. Members: Oh, oh!

Mr. MacGuigan: Because of the importance of this matter we made an offer to the Opposition to try to get its co-operation. As the Hon. Leader of the Opposition knows, all Members of his Party are entitled to have a look at this. We can still make an arrangement if—

Mr. Clark: That is not true.

Mr. MacGuigan: It is true, because I have said twice this morning that I have now received the permission of the House Leader to—

Mr. Nielsen: So, why don't you table it?

Mr. MacGuigan: —allow the Hon. Member for Saskatoon West to show the Bill to other Members of his caucus, and this could then lead—

Mr. Nielsen: So, why don't you table it, then?

Mr. MacGuigan: If the Opposition finds the Bill to be as unexceptionable as we believe it to be, then this could lead to an arrangement which would ensure speedy passage before Christmas.

Mr. Clark: Well, for God's sake! Or a point of order—

Madam Speaker: Presenting reports from standing and special committees.

Some Hon. Members: Oh, oh!

Madam Speaker: Order, please. The Question Period is over.

Mr. Baker (Nepean-Carleton): Point of order!

Mr. Hnatyshyn: On a point of order, Madam Speaker—

Madam Speaker: The Hon. Member for Saskatoon West.

* * *

POINT OF ORDER

MR. HNATYSHYN—REQUEST TO TABLE HUMAN RIGHTS LEGISLATION

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I rise on a point of order on the basis of remarks just made by the Minister of Justice (Mr. MacGuigan). I have in my hand the proposed Bill, which has been printed for some period of time, respecting the amendment to the Canadian Human Rights Act. I would like to ask Madam Speaker, that the House give unanimous consent that I table the Bill—

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: —so that everyone in Canada can read it.

Some Hon. Members: Hear, hear!

Mr. Clark: Agreed, agreed!

Madam Speaker: The Hon. Member must know that that is not a point of order and that there are no precedents for doing that kind of thing.

Hon. Erik Nielsen (Yukon): I rise on the point of order, Madam Speaker. The House can do anything it pleases with unanimous consent. I think that principle has been well established from the beginning of the existence of this place. Now we are asking the unanimous consent of the House to table the Bill in the possession of my hon. friend. We ask that unanimous consent be given.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, after question period I was informed, and this is in connection with the document circulated by the Minister of Justice (Mr. MacGuigan), of which I was aware before question period, that one of the parties opposite is quicker to respond than the other. The Bill was handed to the

Opposition critics of both parties. The Minister of Justice did so out of courtesy, because we usually prefer to introduce a Bill in the House before having it printed and circulated on both sides of the House. On this side of the House we are very concerned about matters such as human rights and, more particularly, the rights of the handicapped and women's rights. The Minister of Justice therefore thought it appropriate, with a view to speeding up debate, and also considering the fact that we are near the end of the session and have a long list of fiscal and financial measures to consider, to hand his critics a copy of the Bill.

New Democratic Party Members then responded to the effect that they were prepared to let this Bill be referred to committee without debate. It seems the Progressive Conservative Party's response was more negative, since they wanted to be able to give the Bill a public airing first. However, our point is that since the Bill has not yet been introduced in the House, and in view of the limited amount of time at the disposal of the House of Commons and its very heavy workload before the end of the session, we would expect if they really thought it was important . . . If the Member for Kingston and the Islands (Miss MacDonald) is really interested in women's rights, she will perhaps let me finish what I am trying to say. If she is really interested in the preservation of women's rights and the rights of the handicapped and in the contents of the Bill, all she has to do is ask the Progressive Conservative Party critic for his copy of the draft bill. All she has to do is take advantage of this opportunity given today by the Minister of Justice, and after doing so, perhaps she could then rise in the House and tell us why she objects to having this Bill referred to committee without debate. We shall then be able to judge just how serious the Progressive Conservatives are about their concern for human rights in this country.

[*English*]

Right Hon. Joe Clark (Leader of the Opposition): I rise on the point of order, Madam Speaker. There are two matters here. One is that the Government House Leader has told only part of the truth. The part of the truth that he did not tell is that the Minister of Justice (Mr. MacGuigan) made it clear to the justice spokesman here that the justice spokesman here was not to show the Bill to any other Member of Parliament. That is the part of the truth that the Government House Leader declined to tell.

However, what is of more interest to us is that the Government House Leader has now indicated that what is in the possession of the Hon. Member for Saskatoon West (Mr. Hnatyshyn) is an avant-projet. It is a draft Bill. Therefore, he is asking us to speed into second reading, speed into committee without debate in this House, what is only a draft Bill. However, we have seen draft bills from the Government before and we know that they very often change. This Parliament would be acting with the utmost irresponsibility if we were not able to see a Bill before we judged it.

Some Hon. Members: Hear, hear!

Mr. Clark: My point is this: first, there is a question as to whether or not the Bill given to the Hon. Member for Saskatoon West is the real Bill. The Bill on which the Government intends to proceed; and if that is the case will the Government give unanimous consent to allowing this real Bill to be tabled, so that all Canadians, not just a select few amounting to some 280 Canadians, can see it? Why not let the public know what the Government is doing?

Some Hon. Members: Hear, hear!

Madam Speaker: Order.

• (1210)

Mr. Pinard: Madam Speaker, the argument of the Right Hon. Leader of the Opposition (Mr. Clark) is absolutely ridiculous. We are talking about the draft Bill because no Bill has been introduced in the House, and it cannot be a Bill before it is introduced.

An Hon. Member: Then introduce it.

Mr. Pinard: If the Opposition do not like our courtesy of consulting them in advance before introducing legislation—

Mr. Nielsen: Courtesy from you?

Mr. Pinard: —we will simply not go on with that kind of courtesy in the future.

Miss MacDonald: It is the responsibility of the Government.

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, on the point of order, you can almost now identify what is about to happen. This Bill will not get passage because of the positions being taken. The Leader of the Opposition (Mr. Clark) says that we must have the Bill before us in its final form before he is prepared to give it consideration. I wish he had had the same view when the six and five legislation was brought on.

An Hon. Member: Right on.

Mr. Deans: However, I say to him that from that point of view I agree with him—

Mr. Epp: Or you, on the Constitution.

Mr. Deans: I agree with him. The Bill should be tabled for first reading.

Some Hon. Members: Hear, hear!

Mr. Deans: I put to both sides, for Heaven's sakes, think of the people involved—

Some Hon. Members: Oh oh!

Mr. Deans: —and stop posturing. Bring the Bill in, put it through for second reading, send it to committee right away and let us deal with it before Christmas.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Madam Speaker: I think we can solve this one quite rapidly. Does the House give its unanimous consent? That is the usual procedure for a Bill being tabled by a Member of the Opposition.

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Hnatyshyn: You hypocrite.

Madam Speaker: The Hon. Member did not get unanimous consent.

Mr. Epp: The Minister does not want his own Bill tabled. That is how sure he is of his own Bill.

ROUTINE PROCEEDINGS

[*Translation*]

HEALTH, WELFARE AND SOCIAL AFFAIRS

PRESENTATION OF SEVENTH REPORT OF STANDING COMMITTEE

Mr. Marcel Roy (Laval): Madam Speaker, I have the honour of tabling the Seventh Report of the Standing Committee on Health, Welfare and Social Affairs, in both official languages.

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

* * *

[*English*]

PETITIONS

MR. WENMAN—RECONSIDERATION OF BILL C-10

Mr. Robert Wenman (Fraser Valley West): Madam Speaker, I rise to present the following petitions in the House of Commons to fulfil a Private Member's obligation to give as direct access and direct representation as possible of his constituents to this Parliament. Equally important as to whether I personally support the view of petitioners or not, is that through the act of presentation I preserve and extend the ancient privilege of direct presentation of petition to the Crown, through Parliament.

I have the duty, Madam Speaker, to present these petitions from residents of Fraser Valley West who are concerned about proposed legislation, namely, Bill C-10. The nature of the petition is to oppose interference in the affairs of churches or voluntary organizations by Government, particularly any

action or legislation that might empower the courts or any governmental body to force churches or voluntary organizations to retain in their employ or membership, those whose moral or ethical activities, characters or lifestyles are contrary to the beliefs held by the said church or organization.

The purpose of the petition is to preserve the concept of the sanctity of the separation of church and state, and therefore asks that Parliament deny approval to, or further proceeding with, Bill C-10 or any future Bill that proposes to interfere in church affairs.

MRS. MITCHELL—CALL FOR END TO ARMS RACE

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, I rise to present a petition which was scheduled for two days ago when there were considerable procedural difficulties.

It is my duty to present a petition signed by 430 individuals of the Vancouver East riding. The purpose of the petition is to express strongly that world military expenditures now exceed $500 billion per year and the human race is faced with the choice between halting the arms race and proceeding to disarmament, or facing nuclear annihilation.

The nature of the petition is to call upon Parliament to call for U.N. adoption of suffocation to stop the arms race, including those elements in our minority report on security and disarmament.

MR. WENMAN—CANADIAN HOMEOWNERSHIP STIMULATION PLAN

Mr. Robert Wenman (Fraser Valley West): Madam Speaker, I have the duty to present a petition on behalf of home owners and realtors in Fraser Valley West who are concerned that the federal Government has not been adequately addressing the housing and mortgage difficulties of Canadians.

The nature of the petition is to express their disaffection with the application of the Canadian Homeownership Stimulation Plan in the lower Vancouver Mainland, and other suburban city areas. The CMHC, contrary to the intent and spirit of the legislation as passed by this House, has arbitrarily excluded high growth urban areas solely based on membership in an artificial geographic boundary—

Madam Speaker: Order. The Hon. Member is really debating the question, he is not presenting a petition. I would ask him simply to read what the petition is about and the purpose of that petition; any intervention at this particular stage has to be limited to that.

Mr. Wenman: The purpose of the petition is to ask the federal Government to apply the CHSP equitably in high growth suburban areas as well as city cores, specifically in the lower Vancouver Mainland, and include Langley in the "census metropolitan area" definition to ensure that all lower

Order Paper Questions

Vancouver Mainland residents receive equitable treatment under the Canadian Homeownership Stimulation Plan or, failing this, institute mortgages as an income tax deduction.

MR. WENMAN—PROPOSED CHANGE IN MANUFACTURERS' SALES TAX

Mr. Robert Wenman (Fraser Valley West): Madam Speaker, I have the duty to present this petition from many concerned residents of Fraser Valley West who are opposed to the proposed change in collection of federal sales tax from the manufacturer to the wholesale level.

The nature of the petition is to indicate that this change will have a very substantial effect on the rate of inflation and the cost of living in this country and that the total amount of tax collected will be greater, as well as the cost to administer the changes, and that increased costs will be passed to the retailer and then to the consumer.

Mr. Pinard: That is enough. That is another debate.

Mr. Wenman: The purpose of the petition is to convey their opposition to the proposed change of level for the imposition of the federal sales tax, and to ask that this proposal be withdrawn.

MR. WENMAN—RECONSIDERATION OF GUN CONTROL LEGISLATION

Mr. Robert Wenman (Fraser Valley West): Madam Speaker, I have the duty to present a petition expressing concern over the issue of gun control legislation.

The nature of the petition is to express objection to Bill C-451 as an unnecessary piece of red tape which could serve to restrict the rights of law-abiding citizens while having no effect on criminal elements.

The purpose of the petition is to ensure that Bill C-451 not only dies, but is dead and will not be resurrected again.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,526 and 4,596.

[*Text*]

COST OF DISPLAYING FOREIGN FLAGS

Question No. 4,526—**Mr. Siddon:**

What was the total cost to the Government to purchase, instal, remove and store the foreign flags displayed in the National Capital Region in honour of the various state visits to Canada which took place since January 1, 1982 and, in each case, where were the flags purchased and what was the method of procurement?

Hon. Roméo LeBlanc (Minister of Public Works):

State Visits
During Period January 1, 1982 to November 1, 1982

State Visitor	Date of Visit	Number of Flags Purchased	Where Flags Purchased	Method of Purchase of Flags	Cost of Purchase of Flags	Cost of Installation	Cost of Removal	Cost of Storage (per year)	Total Costs
President of Somalia	March 16 to March 17, 1982	304	Canadiana Textile	Purchase Order (time restriction)	3,764.43	3,365.00	2,753.18	70.20	9,952.81
Prime Minister of France	April 22 to April 23, 1982	184	Annin Flag Co.	Purchase order (time restriction)	1,600.00	3,024.68	2,183.32	70.20	6,878.20
President of Cameroon	May 25 to May 29, 1982	325	Annin Flag Co.	Requisition DSS	3,900.00	2,824.68	1,853.13	70.20	8,648.01
President of Brazil	July 18 to July 22, 1982	354	Scythes & Co. Ltd.	Requisition DSS	4,775.24	2,407.70	1,605.14	70.20	8,858.28
President of South Korea	August 28 to August 31, 1982	353	Annin Flag Co.	Requisition DSS	5,697.00	3,054.25	2,036.18	70.20	10,857.63
Prime Minister of Portugal	October 4 to October 6	250	Annin Flag Co.	Dss Standing Offer	5,200.00	3,069.82	2,046.55	70.20	10,386.57
President of Greece	October 14 to October 18, 1982	400	Canadiana Textile	Purchase Order (time restriction)	6,064.00	1,813.46	1,208.98	70.20	9,156.64
President of Guinea	October 30 to November 5, 1982	354	Annin Flag Co.	DSS Standing Offer	3,132.50	1,967.68	1,311.80	70.20	6,482.18
Grand Total		2,524			34,133.17	21,527.27	14,998.28	561.60	71,220.32

Notes: (a) Number of flags purchased is determined by the program and the number of flags presently held in inventory. (b) Cost of installation and removal is determined by the program and the date and time of installation and removal.

SALE OF WEATHER SHIPS "VANCOUVER" AND "QUADRA"

Question No. 4,596—**Mr. McKinnon:**

1. Were the former weather ships *Vancouver* and *Quadra* sold by the Government and, if so, in each case (a) at what price (b) what was the original price (c) what is its age (d) was the purchaser a Canadian (e) was the payment entirely in cash or were there credit arrangements?

2. Were any restrictions, such as the re-sale to foreign countries, placed on the possible future use for the ships?

3. Was the sale properly advertised and, if so, were the ships sold to the highest bidder?

Hon. J.-J. Blais (Minister of Supply and Services): I am informed by Crown Assets Disposal Corporation as follows:

1. Yes, the weather ships *Vancouver* and *Quadra* were sold by Crown Assets Disposal Corporation. (a) Individual price for the weatherships is not available since the ships were sold as a package for the amount of $645,000, (b) *Vancouver* ($14,447,902); *Quadra* ($14,316,090), (c) *Vancouver* (built in 1966); *Quadra* (built in 1967), (d) No, (e) Payment was entirely in cash.

2. No.

3. The sale was advertised in the following newspapers and publications: *The Globe and Mail*, *Financial Times*, *Les Affaires*, *The Shipping World*, *Maritimes Reporter and Engineering News*.

In addition, offers to purchase were sent to over 5,000 prospective purchasers. The ships were sold to the highest bidder.

[*English*]

Mr. Smith: I ask, Madam Speaker, that the remaining questions be allowed to stand.

[*Translation*]

Madam Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

* * *

[*English*]

BUSINESS OF THE HOUSE

Mr. Nielsen: Madam Speaker, I rise on a point of order with respect to House business. I notice that the report of the Standing Committee on Health, Welfare and Social Affairs was tabled today, thus allowing the House to be seized of Bill C-131, an Act to amend the Old Age Security Act.

Could the Government House Leader give us an indication, since we will be dealing with Bill C-132 today, when we might expect to be dealing with Bill C-131?

Mr. Pinard: Madam Speaker, I announced yesterday that we would be dealing with Bill C-132 today and Monday. There is no change for the time being, even if Bill C-131 has been reported today. If I were to change my mind, I would let

Hon. Members know in due time. We will be dealing with Bill C-132 today and again on Monday. It will be followed by Bill C-131.

● (1220)

GOVERNMENT ORDERS

[*English*]

FAMILY ALLOWANCES ACT, 1973

MEASURE TO LIMIT INDEXATION

The House proceeded to the consideration of Bill C-132, to amend the Family Allowances Act, 1973, as reported (without amendment) from the Standing Committee on Health, Welfare and Social Affairs.

Mr. Jim Hawkes (Calgary West) moved:

That Bill C-132, an Act to amend the Family Allowances Act, 1973, be amended in Clause 1 by striking out lines 14 to 17 at page 1.

He said: Madam Speaker, it is best to begin today by explaining to Members the purpose and intent of the amendment which I have moved. This Party is convinced that the Bill to put a 6 and 5 per cent capping on the Family Allowance is wrong because it is punitive to that segment of Canadian society—children—who are least able to defend themselves. It is our intention as a Party, if forced to it, to vote against the implementation of Bill C-132.

I have moved an amendment to the Bill in the belief that it will make the Bill less punitive than it now is. The intent of the amendment is to remove the capping from the year 1984. It will unfortunately leave in place the capping for 1983, which is unacceptable to our party. Even if this amendment is adopted, we will still vote against the Bill in total. However, it makes the Bill only half as punitive as the Minister wants it to be because it would restore indexing for the year 1984.

All Members of this House, whether they are in the New Democratic Party, the Liberal Party or the Conservative Party of Canada, should be very reluctant in the present economic circumstances to do anything that cuts the income of those Canadians who live at or near the poverty line. We should be especially careful about an intention to cut the incomes of those Canadians two years ahead of time. The present economic circumstances are such that there is absolutely no sense of certitude about the Canadian economy for the year 1984. We have very little certitude about what the economy will be like in 1983, but we are really out to lunch when we begin to think that we know what our economy will be like in 1984. It is not inconceivable that we might have runaway inflation by 1984. It is not inconceivable that the effect of this legislation, if Members do not vote for my amendment, will result in a 5 per cent capping in a 20 per cent inflation world.

Sometimes it is too bad that all Members of the House of Commons cannot attend a committee. If they had been at our Committee, they would have seen that other than the Minister

herself, every outside group of witnesses who appeared advised us clearly not to do this. Perhaps the most compelling and graphic presentation was made by a group who represents low-income citizens in Ottawa.

To put the matter in perspective for all of us on the Committee, they told us the following. In a self-help manner, they have organized a transportation system to take members of this low-income group to grocery stores which have the lowest priced food. They told us that if they were to schedule that transportation for the day before the Family Allowance cheques arrived in the homes, nobody would use it. These are low-income Canadians. Therefore, the day before the Family Allowance cheque arrives, there would be no one to use the transportation system.

They deliberately put that transportation system in place for the day after the Family Allowance cheques arrive. Therefore, their transportation is used. Mothers of this nation who live at or near the poverty line each month take their Family Allowance cheque to the lowest-cost grocery store they can find and buy the maximum amount of nutritious food for their children.

That is the purpose to which the Family Allowance cheque is put. That is the purpose which the Minister of National Health and Welfare (Miss Bégin) asks us to ignore. In a world riddled with uncertainty and inflation, the Minister of National Health and Welfare of this country asks us to cut the Family Allowance cheques which mothers use to buy food for their children.

When the Minister appeared before the Committee, she told us that the Government must do this, that old age pensioners and families must lead in the fight against inflation. I wish the Minister had been in Committee to hear some of the witnesses, in particular the labour union groups who to varying degrees have considerable economic expertise in their research organizations.

The group we heard this morning was speaking to the pension Bill, but they put the Family Allowance payments into perspective for us. They told us that the saving would amount to .05 per cent of the federal budget. That is one-twentieth of 1 per cent. In gross national product terms, that is 1/100 of 1 per cent. For anybody to believe that that kind of expenditure difference will have any impact on inflation is just incredible. In national terms, that amount is so tiny that it will not affect inflation one whit, one iota or one little bit.

The Government's case for the necessity of this Bill is further eroded when the Minister comes before us and says that inflation is reducing, that it is coming down. A number of spokespersons for the Cabinet stand up in this Chamber whenever they have the occasion to tell us that their program is working, that inflation is coming down. Stop and consider that statement for just one minute. It is a true statement; inflation in this country is coming down. However, the second part of the Minister's case is that therefore we need to take money away from families and pensioners. That statement collapses because we have not done it and yet inflation is coming down. We do not need to take money away from pensioners or from children.

• (1230)

Inflation is coming down for another set of reasons. I hope, Mr. Speaker, that on this particular piece of legislation, and the pension Bills which follow, the backbenchers on the other side will collectively begin to meet in the corridors and in their offices and start to exercise some sense of social responsibility. The Liberal backbenchers have an obligation to join with the Opposition in telling the Cabinet they are doing something wrong and we will not tolerate it. They do not have to bring the Government down and cause a general election; they just have to tell the House Leader that they will not stand in this Chamber and vote for this legislation. A quiet word to the Minister and this legislation will not come before us, and on January 1, 1983 those cheques for pensioners and families will go out under the present system, fully indexed.

Our parliamentary tradition, the very basis for the existence of this Chamber, is the belief that in all the ridings in this country people vote freely and democratically for someone to represent them here. Out of the Hon. Members of this Chamber we choose a Cabinet. Cabinet Members come from the Party that has the most seats in the Chamber. But the obligation is on all of us Commoners, regardless of Party; the Government proposes, but it is the backbenchers who dispose. We, the backbenchers of this House, either approve the plans of the Cabinet or make our disapproval known. And it is possible, Mr. Speaker, in the next four days for the backbenchers on the Liberal side of this House to meet quietly, to think through this problem, and to communicate to their House Leader and the Minister their disapproval of these three pieces of legislation which take money out of the pockets of children and senior citizens, which take food out of the bellies of children and the senior citizens of this country.

A growing proportion of Canadians live at or near the poverty line, and when you live there, Mr. Speaker, the little money you get in a world so full of inflation is needed for survival, not luxuries. It is needed for good health, good nutrition, good medical care, good shelter. That is what the money is needed for, and that is what the Minister of National Health and Welfare is asking us to take away from these people.

All of us who represent constituencies in this Chamber know what is happening in our communities. I come from the community of Calgary, Alberta, and for a number of years now it has had the reputation of being one of the most economically advantageous places to live. I was looking over some newspaper clippings yesterday which reported that welfare rolls in the City of Calgary from October to November went up 11.9 per cent. That is in one month, Mr. Speaker. From October to November unemployment went up from 9.5 per cent to 11.4 per cent. That is almost 2 per cent in 30 days. The vacancy rate in my City in the last 12 months has changed from two-tenths of 1 per cent to the highest in the country, at 8.2 per cent. What that tells us is that the unemployment rate in that community would be somewhere near 20 per cent if all those Canadians who had moved to Calgary had stayed there. But they have not; they have returned in many, many cases to

the family home in other parts of the country, and thus have reduced our unemployment rate to 11.4 per cent and increased our vacancy rate to 8.2 per cent.

If that is happening in my community, which has been one of the leading communities in terms of economic growth in this country, then what is happening in the economically disadvantaged parts of this country? We all know about Sudbury. Close to 30 per cent of the people who live in Sudbury, Ontario, are unemployed today with little, if any, prospects of employment tomorrow. What does that tell us about family incomes? Our unemployment statistics told us we used to have one million unemployed and we now have one and a half million unemployed. Statistics show that welfare caseloads are going up at an average rate of 10 per cent a month.

What does all that tell us about family incomes? It tells us that family incomes are falling dramatically. The money which parents have to put food on the table for their children has decreased dramatically, and in the midst of that kind of situation, the Minister of National Health and Welfare stands up in this Chamber and brings forward a piece of legislation which provides that in a time of maximum difficulty, we will cut some more money from those families. At the same time, Mr. Speaker, the Minister of Finance (Mr. Lalonde) in his last budget decided to take on average $300 more out of the pockets of Canadians who are working.

Consumer spending is cut through those kinds of tactics, and as we cut consumer spending, we notice an increase in unemployment, and then an increase in the number of people who have to go on welfare because their unemployment insurance has run out. These are the people who have taken the consequences of what the labour unions were calling before our Committee "perverse fiscal policy". They used "perverse" in many senses because it is a word which has many meanings, but the clearest cut sense in which they meant it is that it is perverse in the sense of being opposite to what it should be.

With a million and a half unemployed Canadians, what Government needs to be doing today is encouraging Canadians to spend, to buy, to create jobs. Instead we have a Government that, through taxation policy, through the six and five cap on pensioners and families, is cutting down on spending. As they do that, Mr. Speaker, they encourage the creation of more unemployed and it is inevitable that a higher and higher proportion of Canadians will be living at or near the poverty line. There are more in that situation today than there were a month ago, and there will be more a month from now than there are today.

In the midst of all that, the Minister of National Health and Welfare says to the Members of this Chamber: Take some more money away from that growing number of Canadians who are forced to live at or near the poverty line.

Mr. Breau: What nonsense.

Mr. Hawkes: A Member who has not been at a single committee meeting, or heard a single witness, hollers at me across the floor "what nonsense". It is not nonsense.

Mr. Breau: Read the Bill.

• (1240)

Mr. Hawkes: You read the Bill. You do not have to be in committee. I will give you one piece of the Minister's own testimony: The Government is going to save some money, she said, with each of these pieces of legislation. Not large amounts, but we are going to save some money. Well, if the Bill is designed to save the Government money, where is it coming from if it is not out of the pockets of families? How can the Government save money if it does not come out of the pockets of families?

Mr. Breau: Why don't you be honest? You just said there are more people at the poverty line—

Mr. Taylor: Stand up and make a speech.

Mr. Hawkes: The Member will have a chance to stand up and try to refute the testimony. The money is coming out of the pockets of families today. Not only that, it is going to come out of the pockets of families way into the future. It is eroding the base of universality. If the Member says he has read the Bill, surely he recognizes at least that much.

In 1985, when we return to indexing, we will do so on a smaller base. If he has any familiarity with the mathematics of compound interest, he should understand that the eroded base will be taking money out of the pockets of families in this country in ever increasing amounts year after year after year. In ten years' time the amount will be enormous; in 20 years' time it will be horrendous. That is the impact of this legislation, which I gather the backbencher on the other side intends to vote for and will be answerable to his constituents.

Mr. Breau: I always am.

Mr. Hawkes: You know what would have been better, Mr. Speaker? If Members of this House would read an article in *The Financial Post* of December 11, they would see it points out with some clarity that there are three major financial elements to the system currently in place to provide support for families. One element is the Family Allowance, another is the Child Tax Credit, and the third is the income tax deduction. For a family with two children and a taxable income of about $26,300, those three elements provide more than $800 for each of those two children. That is taxable income, Mr. Speaker. That means a gross income of somewhere in the neighbourhood of $35,000.

Now, in a just and humane society surely we would think that the poorest people would get at least as much, a little over $800 per child. But under the current system, that is not what happens. The poorest segment of Canadian society, those families who do not even have enough income to pay income tax, get less than $700 per child. Those Canadians with family incomes in the neighbourhood of $35,000 get over $800 per child out of our system, and those with not enough income even to pay tax get less than $700.

If the Government wanted to save money, Mr. Speaker, if it wanted to be just, then we would not have this Bill before us today, because of those three elements of that system which affect family incomes, the fairest one to poor people of this nation is the Family Allowance. The other two elements are not nearly as fair. But we have a perverse Government, supported by what I am beginning to suspect are a perverse group of backbenchers. Of those three programs available for redistribution, savings or whatever, the Government attacks the only one which has justice in it, the only one of those three elements which maximizes benefits to the poor and gradually reduces the benefits as family incomes go up.

What rational explanation can backbenchers on the other side give to their constituents for cutting spending on the most socially just part of those three elements? How can they go back into their ridings and say: "We want to save a little money, but we will continue to give more to the rich or to the better off than we are going to give to the poor"? What sense of perverted Liberal thought is involved in this Government bringing forward this Bill? How can they go back to their ridings and defend this Bill as somehow making a contribution to reducing inflation in this country when it is an insignificant amount of money relative to our gross national product and when it is one-twentieth of 1 per cent of federal expenditures?

Members on this side, in committee and in this Chamber, have continually pointed out to the Government other areas which would have more impact on reducing inflation and would save the Government more money than this legislation. I would like to bring to the House's attention just a couple of them. Last night in committee I handed out an analysis which shows that in the year just finishing the hidden interest cost subsidy to Petro-Canada, one Crown corporation, is $514 million. Can I repeat that, Mr. Speaker? The hidden subsidy, which does not show up in the Estimates, to one Crown corporation, in one calendar year, is $514 million. There are direct subsidies in the Estimates to that same Crown corporation in excess of $400 million. At that point we are remarkably close to $1 billion, and here we are spending days of House time to approve a measure which will take about $80 million away from families and children. In a couple of days we are going to be asked to approve another measure which takes another $80 million away from pensioners. We do this with the certain knowledge that at the same time we are directly subsidizing one Crown corporation to the tune of $400 million and indirectly for another $514 million. Those amounts are ten to 15 times as great as we are going to save by cutting the Family Allowance in this fashion. Where is the logic in that Mr. Speaker?

When we look at the Minister's Department and at the Auditor General's Report on that department, we do not see massive savings because we are not too sure of what the Auditor General is telling us. However, he does tell us one thing, that in the year just passed the Department overpaid the Canada Pension Plan by $7 million and that the amount is growing yearly.

• (1250)

How did that come about? It happened because they were calculating benefits on gross figures rather than on net contributory figures. It was a simple arithmetical error. As I understand it, the Government is going to continue to honour this through the life of those individuals who are first-class senior citizens. Because of a departmental mistake, there was an additional cost of $7 million in the year just passed.

Other parts of the Auditor General's Report show that the Department of National Health and Welfare does not have adequate systems to investigate whether payments to pensioners and families go to those legally entitled to them. We do not know whether there is fraud in the system and, if so, the size of the fraud.

These are the questions which the Auditor General brings to our attention. Before any of us are persuaded that we should take this $60 or $80 million out of the pockets of families, surely we should first of all look into the system that is in place.

Mr. Waddell: Why did you vote for the six and five?

Mr. Hawkes: I hear the NDP interjecting. That is the Party that in 1979 defeated the budget that was the fairest one for poor people in the decade of the seventies. They threw a Government out of office and now they want to know why we voted for the six and five.

In June, 1982 the NDP was the only Party in this House to vote against cutting their own salaries. They wanted to keep their salaries and that is how they voted. Members of this Party agreed that Members of Parliament should be involved in the war on inflation and should vote for a measure to reduce their incomes. The NDP voted to retain their salaries.

Mr. Waddell: We voted against six and five and for the children.

Mr. Hawkes: The NDP does not seem to realize certain facts, Mr. Speaker. There was a piece of legislation, to be followed by others, which laid down a principle. The only group to be affected immediately by a reduction in income was Members of Parliament and Senators. This Party voted for that so that we could turn things around in the country, but the NDP voted against a reduction in salaries. That is on the record.

As the Bills on six and five came before the House, we committed ourselves to fighting them piece by piece. I would ask the NDP where their amendment on the Family Allowance Bill is. Where were they this morning when there was a vote on a similar amendment on pensions? They were out to lunch, Mr. Speaker. There is a lot of talk but nothing in a legislative sense that makes the world better for anybody.

A Party that defeats a Government that has just brought in a budget that is the fairest for poor people in a decade is guilty of a hypocrisy that will be an albatross around their necks for the rest of their lives. They gave us inflation and they gave us a

Government that is attacking pensioners and attacking families.

Mr. Kristiansen: Are you calling the voters stupid?

Mr. Hawkes: Every time I see an 8.2 per cent vacancy rate in my city, my blood boils. A high proportion of Canadians are unemployed today and are living near the poverty line because we have a Government that did not understand one sector of our economy. I do not think it understands many sectors but it really messed up the energy sector.

In the month of May we imported 400,000 barrels of oil a day at somewhere near $40 per barrel. That means $16 million per day went out of the country to create jobs in Mexico and Venezuela. At the same time, in western Canada there was that much oil in the ground ready to be pumped at a cost of $25 per barrel. Just the other night I heard that in this month of December there are 100,000 barrels of oil per day still shut-in in western Canada. At $40 per barrel, that means $4 million per day is going out of the country. Consumers could have that oil for $2.5 million per day and collectively would save $1.5 million per day. The other $2.5 million would remain in the Canadian economy to create jobs. In 20 days at that rate, we would not need to cut the Family Allowance and in 40 days we would not need to cut the pensions.

Not only did the NDP throw out that budget that was fair to poor people but subsequently it has consistently supported energy policies which have driven the nation into bankruptcy.

Mr. Waddell: Mr. Speaker, I rise on a point of order. The Hon. Member knows that that is not a truth. We never supported the National Energy Program. We have said that consistently in the House and have voted that way. The Hon. Member should tell the truth of the House. I agree on the energy subject.

Mr. Hawkes: The Hon. Member agrees with me on the $514 million hidden subsidy given to Petro-Canada? He agrees that it is bad and should go to pensioners? Would he take it away from Petro-Canada? What a remarkable reversal of NDP philosophy! I hope it continues. If any Canadians are living high on the hog, it is those in Crown corporations, including Petro-Canada. They waste more money in a week than would be saved by this Bill.

Last night another Crown corporation, Air Canada, was in the news. The President was quoted as saying, "We are going to rent space or buy it for $30 million. We do not want the $20 million space." He said: "The difference is that we are going into a Buick instead of a Pinto".

That is the attitude of Crown corporations, Mr. Speaker. At a time of economic difficulty when a Crown Corporation is laying off 1,200 employees, it is going to buy a Buick for space instead of a Pinto. The Crown corporations are not controlled by this Chamber; they report to Cabinet Ministers and the NDP put those Ministers in place. They are guilty, they are culpable and they have to share that guilt.

If this Bill becomes law and money is taken out of the pockets of families and out of the bellies of children, I hope Members of the NDP will experience some sleepless nights for helping to create a monster.

It is well known that Members of the NDP will do what they think is politically expedient. That is a well-known facet of their behaviour. But we appeal to the 10 or 15 Members out of the 147 Liberals on the other side to vote for an amendment that would make this a one-year Bill instead of a two-year Bill. We ask them to say that 12 months from now we will examine conditions in 1984 instead of trying to guess about them in 1982. That is all the amendment asks Liberal backbenchers to do. It would not bring down the Government. It simply protects Canadian children and families so that the Parliament of Canada can examine their situation at a time closer to the reality of the situation. That is not an unreasonable request. I hope that 15 Members on the other side will go along with it and vote with us on the amendment.

[*Translation*]

Miss Bégin: Mr. Speaker, I wonder if I may call it one o'clock, since I would like to have the floor when the House resumes.

[*English*]

The Acting Speaker (Mr. Blaker): It being one o'clock, I do now leave the Chair until two o'clock this afternoon.

At one o'clock the House took recess.

[*Translation*]

AFTER RECESS

The House resumed at 2 p.m.

The Acting Speaker (Mr. Blaker): When the House rose at one o'clock, the Minister of National Health and Welfare (Miss Bégin) had been recognized by the Chair.

[*English*]

The Chair, however, will recognize the Hon. Member for Saskatoon West (Mr. Hnatyshyn) on a point of order.

* * *

POINT OF ORDER

MR. HNATYSHYN—DISTRIBUTION OF HUMAN RIGHTS LEGISLATION

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, I rise on a point of order arising out of the permission granted today by the Minister of Justice (Mr. MacGuigan) in connection with the proposed amendments to the Canadian Human Rights Act.

This matter is now reaching preposterous proportions. Your Honour will understand and recall that the background of this matter is that at first the Minister refused to disclose the Bill

to anyone, including myself. Second, he admitted today that he allowed me to see the Bill and to have the Bill as long as I did not show it to any other person. Today in Question Period the Minister stated that he had consulted with the Government House Leader and that it would be possible for me to have each Member of our caucus, 102 Members, provided with a copy of the legislation. Specifically that was the commitment and undertaking made by the Minister of Justice.

Over the lunch hour I attempted to have copies made of the Bill for that particular purpose by the House of Commons printing unit. House of Commons printing has refused to print this document, on the basis that it is a confidential proposed Bill of the House of Commons and that it is against the policy of the printing branch of the House of Commons to print any Bill, let alone proposed and confidential Bills. Then I got in touch with the law branch, and it would not allow me to have copies of this Bill for distribution to my colleagues on this side of the House.

My point of order is simply that I am being stymied in attempting as quickly as possible to apprise all my colleagues of the actual content of this legislation. Either the Acting Government House Leader should stand in his place and agree, within a matter of minutes, to provide me with 102 copies of the Bill so that I can circulate it, not to staff, not to any other person, but directly and only to Members of Parliament; or the House should make a ruling so that the printing branch will allow me to have the Bill printed and I can distribute it to my colleagues on the basis on which it was given to me by the Minister of Justice.

I raise this matter as a point of order because I am not able to carry out the important role I have to play in view of the statement made by the Minister of Justice on behalf of the Government House Leader. I ask Your Honour for your intervention and assistance in this situation which has arisen because I cannot have copies made in the House of Commons printing branch.

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I do not believe this is a point of order. It seems to me that there is a photocopy machine, certainly in the offices of the Leader of the Opposition (Mr. Clark). I do not know what is preventing the Hon. Member from using it.

Mr. Hnatyshyn: You tell me where I can get it printed.

Mr. Smith: Perhaps if he were to use it, he would not try to score little points as he is trying to do today. I regret that he has taken this approach because my primary concern is to get that Bill through.

I think the Minister of Justice (Mr. MacGuigan) was trying to accommodate him as the official critic of his Party by giving him a copy of the Bill. I regret that the whole issue has taken on the tone it has as a result of the position of the Hon. Member. I suggest that he go up to the fourth floor and use the photocopy machine of the Leader of the Opposition.

Mr. Hnatyshyn: Mr. Speaker, I want to be absolutely clear. The Acting Government House Leader refuses to give me sufficient copies, but he is giving me permission to take this Bill outside the House of Commons and to put it in other hands, hands other than those of Members of Parliament for the purpose of reproducing it.

Mr. Mazankowski: He just gave you that permission.

Mr. Hnatyshyn: I want to make it quite clear, because I am not aware who has photocopy machines. My material is done in the normal way by the House of Commons printing service. I will not go around asking every Member of Parliament whether they have photocopy machines in their offices.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I rise on the same point. It amazes me how things can get so twisted. I say to the Acting Government House Leader that it is really not good enough to suggest that someone should find his or her own way to reproduce a document for Members of the House of Commons.

• (1410)

I do not want to engage in a battle over it. If it is the Government's desire, as I understood it to be, that Members of the House should be given access to the document and given an opportunity to look at it in the hope that we might be able to come to an agreement for its quick passage, it would not be unreasonable for Members of the Opposition and, for that matter, Members of the Government Party to think that the Government of Canada, with its vast resources, could find a way to produce a copy of the document for each Member of Parliament.

I do not like to become involved in these questions but it cannot be acceptable that it is the responsibility of the individual critic for any Party to obtain the duplicating machine to copy a document which is, in essence, a Government document for which approval to distribute among Members has been given by the appropriate Minister.

In an effort not to prolong matters or make them any worse, and in the interest of trying to resolve the unnecessary dispute over passage of this legislation before Christmas, I would ask that we consider the matter no further and that the Government Deputy House Leader might consider, in light of what has been said, whether copies of this particular Bill may be made available. If copies are available, would it be possible for every Member to receive a copy of the Bill in an envelope marked "Confidential"?

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, the point just raised by the Hon. Member for Hamilton Mountain (Mr. Deans) of course makes eminent sense. My colleague for Saskatoon West (Mr. Hnatyshyn) was absolutely correct in his point of order.

It would be an abuse of the privileges of Parliament to pursue the course of action which has been suggested to us by the distinguished Parliamentary Secretary to the President of

the Privy Council (Mr. Smith). The Hon. Member for Hamilton Mountain has offered the distinguished spokesman for the Government a solution. To believe for one moment that these Bills are not already prepared and quite capable of distribution within the next ten minutes is quite unthinkable to me. If, in fact, that were to be the case, then the distinguished Parliamentary Secretary to the President of the Privy Council (Mr. Smith) has an onus to satisfy Members of this Parliament through whatever other actions he deems necessary in achieving the purposes of the agreement which was reached in the House earlier.

I simply repeat to the Hon. Member that if he suggests to the House that this draft Bill—I will cede that point at this time—is not already in printed form adequate for distribution not only to Members of this Chamber but throughout the usual distribution system which involves 4,000 or 5,000 copies, then everything that was said earlier today by the Minister of Justice (Mr. MacGuigan) and the Government House Leader (Mr. Pinard) becomes somewhat of a sham.

I can only appeal to the commonsense of the Parliamentary Secretary in the hope that we can resolve this within the next very few minutes and be able to give a response to the Government before the day is over.

Mr. Smith: As Members opposite know, I am a very reasonable chap. The Minister of Justice is a very reasonable chap. I suspect that if the Hon. Member for Saskatoon West had gone to the office of the Minister of Justice and asked for copies of the Bill that he indicated would be available, he may well have received them. I do not know whether he has done that. I do not happen to have copies of the Bill. Of course, I can make inquiries. I do not have copies here. It is not up to me to usurp responsibilities of the Minister of Justice.

With respect to giving a direction to those who operate the reproduction facilities in the House, that is something that falls under the jurisdiction of the Speaker or the Management Services Branch. Certainly it is not a matter in which I can issue instructions.

Mr. Hnatyshyn: You are the Acting Government House Leader.

Mr. Smith: I can make inquiries on his behalf. Perhaps we can resolve the matter. Had the Hon. Member for Saskatoon West gone to see the Minister of Justice, I suspect that he would not need to rise in the House on this point.

Mr. Hnatyshyn: I am talking to the Acting Government House Leader.

Mrs. Ursula Appolloni (York South-Weston): Mr. Speaker, I do not wish to enter into the debate but I have no idea what is in that document. I would caution all Members therefore that we should be careful about widely distributing copies of it in case it is not already in both official languages. If it were in one language only, I could envision perhaps some discriminatory practice against some Members, particularly on this side of the House.

Mr. Hnatyshyn: Mr. Speaker, I hope I am not revealing too much of what is in the copy which I have when I tell the Hon. Member that it is in both official languages. It is printed as a Bill ready for introduction.

I thought that the proper and courteous way of proceeding was to deal with the Government House Leader, who has responsibility with respect to the distribution of Government legislation and proposed Government legislation. I meant no discourtesy to the Acting House Leader by asking him the question; I asked because it is his responsibility. I agree with the Hon. Member for Hamilton Mountain, I do not want to waste the time of the House; I just want to get it distributed and dealt with. I do not want to waste any more time of the House.

Mr. Les Benjamin (Regina West): Mr. Speaker, what the hell is going on here with all this phoney jockeying around between the Government and the Official Opposition? The Bill is available but apparently there are not enough copies.

Mr. Hnatyshyn: I cannot get any copies.

Mr. Benjamin: We are prepared to give unanimous consent for the House to revert to motions so that the Government can present this Bill for first reading. Even if the Government is not satisfied with the contents of the Bill, it can always leave it to die on the Order Paper. The Official Opposition can then be put on the spot about unanimous consent for first reading. I am beginning to wonder if either one of them wants it dealt with quickly. First reading can be dealt with right now with everyone getting a copy of the Bill.

Mr. Douglas Fisher (Parliamentary Secretary to Minister of Finance): Mr. Speaker, having heard Question Period and the subsequent debate today, I simply want to make the observation that it appears to me that the Minister of Justice (Mr. MacGuigan) went to the Member for Saskatoon West (Mr. Hnatyshyn) because of his known expertise and concern in this matter. That seems to me to be a laudable gesture. It is a process which I think we would want to encourage, that we should go to other Members, in an informal way, to ask those Members who have a known conscience and ability for their preliminary input.

Let us make it clear that what is binding on the Member at this time is his promise to the Minister of Justice that he would keep this Bill on a confidential basis. He made that promise of his own free will to the Minister of Justice. The Minister of Justice recognized that promise because of the previous stature and reputation of the Hon. Member.

I believe that the Members in the New Democratic Party have made a good point. A valuable process has been initiated by the Minister of Justice and he has received co-operation from the Member for Saskatoon West. This process of consultation before the introduction of a Bill to Parliament is very valuable. However, I suggest that the debate which is ensuing here is beginning to threaten that kind of co-operation. On a personal note, I must ask the Hon. Member for Saskatoon West why he feels he wants to threaten such a valuable process

by dragging it into the open ands making a big issue of it. So why is the destroying the opportunity for future consultations by going through this charade? I do not understand. I respect the Hon. Member and I respect the process, but I do not know why he is trying to damage it now.

• (1420)

An Hon. Member: Why don't you bring the Bill in, if it is so good?

Mr. Gordon Taylor (Bow River): Mr. Speaker, in over 40 years in legislatures and three years here, I have never seen anything so ridiculous. The Government is being completely hypocritical. It says that it wants to introduce the Bill and proceed with it, but it refuses to introduce it. The Minister tells the Member to make the copies available; however, the Government will not make the copies available. What is the Government trying to pull off, anyway? Hon. Members opposite stand up and say a bunch of baloney, such as we just heard from the Hon. Member for Mississauga North (Mr. Fisher). If the Government does not want the Bill introduced, why does it not say so instead of being so blatantly hypocritical?

Mr. Hnatyshyn: Let's get copies of the Bill. That is all we want.

Mr. Fisher: We don't have to do anything.

Mr. Smith: Mr. Speaker, I detect on the other side of the House a great enthusiasm for me to speak on this issue once more. To be very brief, I will make inquiries on behalf of Hon. Members opposite with the Minister of Justice and perhaps we can resolve this matter.

I would like to say, however, that the Minister of Justice is acting in good faith. Perhaps there is a misunderstanding on this point but, as Your Honour knows, I have been the Chairman of the Special Committee on the Disabled and Handicapped and, as a result, I have had a number of conversations over several months with the Minister. Quite frankly, I want to assure Hon. Members opposite that he has always dealt with me in good faith. I regret that there appears to have been some misunderstanding which has developed. I will make inquiries of him and hopefully we can resolve this matter.

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, I would like to raise an issue with regard to this proposed Bill. I know the Parliamentary Secretary has said that he will make inquiries as to how it can be reproduced, but I want to advise him that I have just received a call from the Chairman of the organization for the handicapped in my constituency who has been following this matter and has asked me, as a Member of Parliament, to bring with me a copy of the Bill when I return to Kingston later today, as members of that organization would like to see it. I would like to know that, when I receive a copy of this Bill, I will not be bound by any restriction preventing me from showing it to those people whom it will so deeply affect. I would like the assurance that when this business of reproduction has been straightened out as far as the Bill is concerned, I will be in no way abusing any kind of privilege which might be extended to me as a Member of Parliament if I show this Bill to the organization for the handicapped in my constituency over the weekend.

Mr. Deans: Mr. Speaker, I had no intention of rising again, but this Bill is now being placed in jeopardy, there is no question about that. Whether or not this Bill passes will, to some extent at least, and I think to a great extent, be determined by the atmosphere which exists in the House. There is no way in which I or anyone else can do anything about what the Official Opposition does, but I want to put it to the Government that if it is the intention of the Government to introduce legislation dealing with the Human Rights Code which will benefit the disabled and women in some way, I say to the Government put it out now. Introduce it.

Mr. Fisher: What if it could be improved?

Mr. Wilson: What is Parliament for?

Mr. Deans: I heard an interjection from an Hon. Member who asked, quite legitimately, "What if the Bill could be improved?" Mr. Speaker, you know, as I know, that that is what the parliamentary process is all about.

Some Hon. Members: Hear, hear!

Mr. Deans: I put it to the Government that that legislation will receive approval in principle if the Government introduces it for first reading now. If there is any improvement to be made, it can be made in committee. We are prepared to have the Bill sent to committee on Monday. We are prepared to have the Bill dealt with in the House on Wednesday. If this is important legislation, and I happen to think it is, and if providing the kind of protection which these amendments would provide is something that we in the House of Commons would want to see, then please, for God's sake, stop this game playing and introduce the Bill.

Mr. Smith: Mr. Speaker, I think it is important for me to respond. I am not in a position to move the Bill, obviously. However, as soon as this debate is resolved I will have a discussion with the Minister of Justice. I would confirm what the House Leader for the NDP has said, that in fact not only did the official critic for the Conservative Party have a copy of this Bill, but the NDP critic had one, too. Quite frankly, they were quite co-operative and agreed that it could go into committee. For reasons I will not go into, this was not possible with the Official Opposition. However, I will make inquiries and see to what extent we can resolve this matter.

Mr. Forrestall: Mr. Speaker, I would make a further comment or observation for your edification or for that of the Parliamentary Secretary. For many years, a number of us in this Chamber have felt that the practice of acceptance of first reading and referral of subject matter, which, in essence, is the content of the Bill, at first reading prior to its being dealt with in principle at second reading, was the most useful course of action for this Chamber to take.

In every instance that I can recall going back 17 or 18 years, I say with some modesty that Government always extended Opposition Members the courtesy of informing them of the content. There has never been any aberration from the application of that principle. We have debated the subject matter from time to time, but what the Government is attempting to do here is simply to make available to select Hon. Members of this chamber the content of the Bill. There is no objection to dealing with the Bill but, rather, there is an objection to the process.

This practice has always been carried out in the past by Ministers of Transport, Ministers of Justice, Ministers of External Affairs, Ministers of National Defence, Ministers of Energy, Mines and Resources and Ministers of Fisheries and Oceans. I am not exaggerating. The staff of the Parliamentary Secretary can verify the fact that over the last 25 years there has not been an aberration. It is not a common practice but the practice has been there, and perhaps we should pay a little bit more attention to it.

Let there be no misunderstanding about the fact that the subject matter, the content, was wide open and public. There was no attempt to hide it or impose intervention by way of exception in any way. It was always wide open. It was a recognition on the part of Government that it was not infallible and that, in fact, good concepts could be bettered if they were widely broadcast to a legitimately interested community. In the discussion which would take place in detail on the subject matter, amendments which could be construed as substantive could be proposed, and then the matter would go before the House for second reading debate. However, it should not be narrowly restricted to one or two Members, or even to 102. There are other Members of this Chamber whom I am sure have not seen this matter, and if they had the benefit of the half or three-quarter of an hour before the House adjourns for the day, I am sure the Parliamentary Secretary could in fact achieve what it is that he seems to want to achieve. But do not make the mistake that this Chamber will now accept, or ever has in the past accepted blindly such a proposition. It is the principle that we are talking about, not the end. The implication left by that holier-than-thou friend of mine from that little mountain—Hamilton, or wherever it is—that the only people in this country concerned about the subject matter or content of the Bill under question are those to my left is a crock of nonsense.

• (1430)

If the Parliamentary Secretary can in fact get himself geared up to go outside, I think he will find that there are about 4,000 to about 6,000 copies of the Bill printed and awaiting distribution. It awaits some significant action on his part. I trust he is enjoying signing his letters, because I am making two very serious points.

This is a common practice. Do not try to obfuscate it by the fog that you are trying to put over the top of it. We have always been open about these matters. Why not proceed in that manner today? There is nothing wrong with first reading and reference of the subject matter to committee before second reading and acceptance in principle. Just simply let us take a look at it. It is the easiest thing in the world to do. That is the process, in any event.

Mr. Bruce Halliday (Oxford): On the point of order, Mr. Speaker, one point that has not been raised today, and the Deputy Government House Leader has ignored it, is whether you do not feel as Speaker of this House that you have an obligation to see that all Members of the House are treated equally.

I would submit, sir, to you, and through you to the Deputy Government House Leader, that we have been asked to have this draft bill reproduced in the office of the Leader of the Opposition (Mr. Clark), on his machine; but that does not take care of every Member of this House. More particularly, it does not take care of an individual Member, a Private Member, not belonging to a party. He has as much right in this House to be informed on this Bill as the rest of us have. I think we should expect that when the Deputy Government House Leader comes up with some solution it should take into account every Member of the House and not just those who happen to belong to a Party.

Mrs. Appolloni: Mr. Speaker, it could be that when you have heard my presentation you may rule it a matter of privilege rather than a point of order.

I have been listening very carefully both in Question Period today and to the subsequent debate this afternoon. I believe you could very well find that someone's privileges are being trampled upon in this whole affair. I am speaking on behalf of the handicapped and women. I happen to be a member of both those groups, I personally, and as a handicapped person and as a woman, I am outraged that both groups should be used as the tool of a cheap political ploy.

The handicapped and the women of Canada have waited for many, many years to have their rights readjusted. I think we can wait another couple of days, particularly if our dignity is going to be absolutely destroyed and torn to shreds by what is happening today in this House.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, just one small contribution. I would like to remind the Parliamentary Secretary to the House Leader that if they were to go through the normal distribution process and use the normal printing press, the cost to distribute the Bill would be considerably less then the cost will be if we are forced to use xerox machines. That money could be used to provide services to the handicapped. Those on this side of the House would rather see the money saved by using the normal process put to that use.

The Acting Speaker (Mr. Blaker): The Chair does not have a motion in front of it. Some Hon. Member may choose to rise and put a motion, in which case the House will deal with it as it sees fit.

We do have a point of order explored at some length by Hon. Members. I do not think it should be the responsibility of

the Chair to interpret the agreement that was reached during Question Period today between the Minister of Justice (Mr. MacGuigan) and the Hon. Member for Saskatoon West (Mr. Hnatyshyn).

I concern myself very much with the point made by the Hon. Member for Kingston and the Islands (Miss MacDonald). I think it would put the Chair in the position of being the interpreter of an agreement that occurred in the House and, quite obviously, because there is disagreement now, the Chair is not well advised to try to put new clauses into an agreement that has been reached.

I do have, I believe, in the name of the Speaker, the authority to order a document printed, but I am very loth to do that because, again, the agreement which took place in the House seems to have some limitations on it.

My hope is that the offer made by the Hon. Parliamentary Secretary to the President of the Privy Council (Mr. Smith) might be accepted by the House for a few moments, and that he might be able to resolve the problem on an organizational and practical level.

If it cannot get resolved that way and if some Hon. Member wants to rise to put forward a motion, of course the Chair will recognize the Hon. Member for that purpose. In that case, if I may, I will recognize the Hon. Minister of National Health and Welfare.

* * *

FAMILY ALLOWANCES ACT, 1973

MEASURE TO LIMIT INDEXATION

The House resumed consideration of Bill C-132, an Act to amend the Family Allowances Act, 1973, as reported (without amendment) from the Standing Committee on Health, Welfare and Social Affairs; and the motion of Mr. Hawkes (p. 21697).

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, we were discussing Bill C-132 and more specifically an amendment put forward by the Member for Calgary West (Mr. Hawkes). Because the Member for Calgary West is so confused about the facts, he is conveying grossly misleading and false impressions to the House and to the Canadian public and I think these must be corrected. I say that maybe for the first time in ten years since I have been elected to this House, it is difficult for me to understand that a Member with a PhD, who has worked in the field of social sciences, would misread the Bill so grossly, but I will take the time to explain to him what this Bill is all about. Of course, I will have to invite all Members to vote against the amendment of the Member for Calgary West, because it would defeat the purpose of the very objective of the Government, which is to reduce inflation, to cut it by half.

Among other things, the Hon. Member repeated very, very often that the Bill by which we will limit the indexation to 6 per cent, and to 5 per cent the year after, for Family Allowance recipients who do not need the Child Tax Credit will affect the poor in the country. It is totally misleading and really I would like to be able to use a stronger word to say how wrong it is for him to dare say things like that.

The Bill, of course, is part of a package, and the other Bill, C-139, its complement says very clearly that all Canadian mothers who receive Child Tax Credit, even a part of the Child Tax Credit, even a dollar, of a Child Tax Credit which means that they are at the very end of the scale for those who qualify, they may have a family income of $40,000 a year, will receive not 6 per cent but full indexation in this coming year, in their next month's cheque.

[*Translation*]

This means, for instance, and I want to stress this point, that any Canadian mother, if she has only one child and if her family, that is she and her husband have earned $26,330 in 1982, or any mother who falls in that category or any mother who has more than one child and whose income is over and above that amount will be entitled to a child tax credit or a partial credit which will be increased by $50 for each child to compensate for our small cut in the indexation.

• (1440)

[*English*]

Today's *Hansard* has not yet been printed, but I took notes when the Hon. Member was talking. He stated that the number of those people living at or near the poverty line and the number of welfare cases would increase. He repeated often the incredible phrase that this Bill takes food away from the bellies of children. The Hon. Member comes from a rich Province and probably the wealthiest city in Canada, Calgary. The Hon. Member surely is joking when he says that someone with one child earning $26,330 a year, the maximum at which people receive the full Child Tax Credit, is living at the poverty line. There will be a reduction of $1.40 a month on their cheque. For a person earning more than $26,000 a year, how can anyone who is honest suggest that it is taking food away from their table? That and other stupidities are what we have had to listen to.

This matter is very serious. I want families to understand what is going on. After having listened to the Hon. Member for Calgary West, Canadians will wonder what is happening. What will happen is this. Of the 3.6 million mothers in Canada who receive Family Allowance, two-thirds, or 2.4 million of them, those in low or middle-income families, next year will receive the fully indexed value of the Family Allowance and Child Tax Credit. I want to assure everyone in the House of that as it is very important. This is a very generous Bill.

Mr. Hawkes: What about 1984?

Miss Bégin: The same is true for 1984. In each of these two years they will get the full value of the fully indexed Family Allowance and Child Tax Credit. I repeat, that will go to two-thirds, or 2.4 million mothers.

What about the other third? The other one-third or 1.2 million mothers are in high-income families. I am not suggesting there is anything wrong with high-income families. However, we had to make a choice. Those earning between $30,000 and $40,000 a year, depending on the number of children they have, will be asked to contribute along with other Canadians, including Members of Parliament and Ministers who have cut their salaries. This one-third is being asked to contribute in a modest way to the economic recovery through the six and five program.

I have more than once tried to explain to the Hon. Member for Calgary West that the six and five program is not for savings, as he suggested this morning. Although I have often explained that to him, he does not want to believe it. The purpose of six and five is to mobilize Canadians and public opinion toward the fight against inflation.

[*Translation*]

The rate of inflation was expected to be 12 per cent and 10 per cent in the next two years. We have decided that our collective target to reduce and control inflation would be to cut those rates in half and bring them down to 6 per cent next year and 5 per cent the year after. Of course, in any fight against inflation or in any economic endeavour, the psychological element is a key factor and that is why we have used our legislative powers to face up to our responsibilities with a view to controlling inflation. Bill C-132 therefore reduces the increase for next year. Instead of being a full indexation as expected, it will amount to only 6 per cent the first year and 5 per cent the year after. Bill C-139 provides that any Canadian mother who receives a full or partial child tax credit will be entitled not only to the usual full indexation of the child tax credit which was, as you may recall—

[*English*]

Depending on the number of children, families will qualify for a full or partial Child Tax Credit. Last year a mother receiving a full Child Tax Credit received $261 non-taxable per child. The Child Tax Credit is asked for by mothers at the beginning of the year. The Child Tax Credit for this year would have been $293 non-taxable per child. Mothers will be surprised to hear that this year it is going to be much higher. It will be $343 non-taxable for the child for the year. As I explained, there will be an additional $50 for all mothers who receive the Child Tax Credit, regardless whether they receive a full or partial Tax Credit.

Why is this being done when it costs so much? We want to ensure that the small reduction in the Family Allowance indexation will not hurt in any way, shape or form the low-income and middle-income families. That is very important. That is why I can easily deny the false statements made this morning. This is why I say to those Canadians who are listening to the debates or will read about them that nobody earning less than $26,330 will receive less next year or the year after than they normally would have received.

Let me explain to mothers that if inflation had been as high as we thought it would be, they would lose $1.40. In other words, their Family Allowance cheque will be more than it is now, although slightly less than they anticipated. If we had full inflation such as we have known, they would lose $1.40 on their cheque; but the more inflation is brought down, the better off they are. For example, inflation is around 8.5 per cent and it is coming down. That is good news. Mothers will lose less than $1.40. They will just lose a few cents. Therefore, the quicker we bring inflation down, the smaller the gap will be. There is no gap at all, in fact, if we succeed in bringing inflation down to 6 per cent—and I should not say "if"; it is "when" we succeed. We are coming towards that goal of only 6 per cent inflation, which is not ideal but is far better than what we have had in past months.

• (1450)

[*Translation*]

It is a fact that the inflation rate is coming down—the Hon. Member for Calgary West (Mr. Hawkes) has just explained all that—but nobody will admit that it is due to the government's 6 and 5 per cent program. Hon. Members opposite, because of party politics, just cannot admit that the government may have succeeded in its psychological campaign to mobilize all Canadians, and they will say: Indeed not! Economists say that there is another reason, but it is not because of the government's 6 and 5 per cent program. Well, maybe it is quite fair for a politician to play politics, but I, for one, have no use for that little game, because Canadians are not any better off in the end. What I find interesting is the fact that the inflation rate has come down. I think everybody will agree with me on that. Since the month of June when we started the 6 and 5 campaign, in other words, over the past six months, the rate of inflation has gone down. In fact, it has gone down over a sufficiently long period to warrant the conclusion that a real trend has been established that will continue to bring about permanent and beneficial change for all families, and I would emphasize the words beneficial and family. In committee, the Hon. Member asked a great many questions, and then he said: How do we know what you are saying is true? We have no guarantee that the child tax credit will be fully indexed and that it will be increased by $50 for all mothers receiving the child tax credit. So I told the Hon. Member, who still does not seem to understand, that he should read the House Order Paper more carefully, because then he would have known that on December 7, the Minister of Finance (Mr. Lalonde) tabled in the House Bill C-139, which provides for amendments to the Income Tax Act. Perhaps he does not understand that the child tax credit does not fall under my Department's jurisdiction. It is a fiscal measure which must therefore be amended and supplemented by a special bill, which happens to be Bill C-139.

[*English*]

I say that because his Leader, the Leader of the Opposition (Mr. Clark), has said recently, and it is reported, among other things, in *The Globe and Mail* of December 9, that he would

oppose this Bill. Well, if the Conservatives decide to oppose this Bill, they will make two-thirds of all Canadian mothers lose their Child Tax Credit or see it delayed. That is what it means. I do not quite understand why The Hon. Member did not address that point and explain why the Conservatives would delay the passage of a Bill which will increase the Child Tax Credit. That is key. I want to stress that this Bill should be passed as rapidly as possible by this House.

Mr. Hawkes: On a point of order, Mr. Speaker, I would not want the Minister to grossly, or in any other way, mislead the House. I wonder if she can tell us how many pages of this thick Bill deal with the Child Tax Credit and how many things there are in it which must be opposed by any responsible Opposition? She is trying to indicate that there is only one piece of legislation dealing with the Child Tax Credit, and that is just not correct.

Miss Bégin: No, that is not what I said. I said that that Bill, however, is the tool which deals with the increase in the Child Tax Credit and I have asked the Hon. Member for Calgary West if he has the permission of his Leader to assure Canadian mothers that there will be rapid passage of that Bill. He did not answer my question, which is a very simple one, because his Leader said he would oppose the passage of the Bill. These are the negative consequences. I have just listed them, in case he had not realized that. He did not know in committee last week that this Bill existed. He did not know in committee that this Bill contained a provision amending the Child Tax Credit and increasing it by $50 on top of the full indexation. I have explained why that special additional $50 is given to all mothers receiving the Child Tax Credit.

An Hon. Member: For one year only.

Miss Bégin: For one year, which is enough to cover the two years of small reduction in indexation. And that, of course, is based on this generous, I must say, forecast of inflation figures which I gave often in committee last week and which has been printed in the proceedings of the committee. They are the figures which the Department of Finance and my Department anticipate for inflation. We calculated what would be missing for Canadian mothers if inflation was that high compared to 6 per cent. We found that the figure for the two years would be a little less than $50, so we are adding $50 to the Child Tax Credit for all to make up for that small reduction in Family Allowances.

In the amendment of the Hon. Member for Calgary West to Bill C-132, he does not say if he would also reduce that special $50. He wants to do away with capping Family Allowances indexation to 5 per cent in 1984. That is his Bill. But the point of the $50 is that probably half of it, roughly $25, belongs to 1984, although we are giving it this year. Does he also want to reduce that, which is, of course, what he should be doing to be in line with the calculation and to respect our objective of fighting inflation and reducing it to 6 per cent and 5 per cent? He has not said what he would do. I think this is wrong. I am convinced Canadian families will benefit more than anybody else from the dollar being worth more, instead of its constant erosion by inflation.

In other words, the faster we reduce inflation, the better it is for any mother or any family, because the family budget reflects the purchasing power of the dollar. This is the ultimate goal. If the price to pay to reach that goal is to ask Canadians who can afford it to take a little reduction in their increase of Family Allowances cheques, I do not think we have to apologize for that. All mothers with a family income of below $26,330, or more if there are more children, and all the other mothers, by the way, who get only partial Child Tax Credit—and that can go up to at least $40,000 income—will not suffer at all and will not have to pay a penny to that campaign. We will not apologize, because we are doing for Canadians what we really think is best in the long run to fight inflation and get it under control.

[*Translation*]

The Member for Calgary West (Mr. Hawkes), using a trick well known to all politicians, tried to create division among the Liberals by calling on Liberal backbenchers to rebel and to vote against the Government. Clearly, the Opposition does not understand why its campaign to influence public opinion never got off the ground. It is clear that, as regards both Bill C-131 and Bill C-132, the so-called public opinion campaign which the two Opposition parties tried to organize never got off the ground, never had any success and in fact has no connection with real public opinion. Every family has members who are jobless, either a husband, a wife, a child, a brother-in-law or a niece who lost their jobs or who need a job because he or she is twenty years old. They know perfectly well that once we set our priorities for creating employment or protecting existing jobs, and we decide to fight inflation and to bring it down by half, let us say to 6 per cent, and after that to 5, we shall not stop until inflation has been beaten.

The public knows perfectly well that it stands to benefit most from this policy in the long term. For instance, last June, the day after our hon. colleague, the Minister of Finance, brought down his budget, I started to draft, with my officials, the insert that was sent with all cheques. This special message was received and probably read by all mothers in August or September, I do not remember exactly. In any case, the insert described in detail how family allowances and child tax credit would be affected by the Government's decision as announced in the June 28 budget. I immediately sent the news to all Canadian mothers. I knew I could reach this group, and that they would read the insert because it would help them understand the facts. The insert was straight to the point, without any political partisanship, since that was not the point of the exercise. Its purpose was to explain: Your cheque is so much today. With full indexing for inflation, it would have been so much. It is going to be a little less. It will be higher than it is now but a little less so. However, everyone receiving the tax

child credit will continue to benefit from full indexing and, in addition, receive another $50 in compensation for the next two years.

Canadians read this. They wrote us a lot of letters. They did not write silly letters but letters in support of our policy, whatever their family situation. The same applies to Bill C-131. We did not receive tons of mail, but we did get many letters which, in fact, I receive when I visit my own riding or when I visit other ridings in Canada to meet people in connection with my work—people who invite us for one reason or another. So I would like to ask the Member for Calgary West (Mr. Hawkes) to stop urging our backbenchers to rebel against the Government, because it is of no use. These Members are very proud to see that inflation is going down. The truth is, none of them over there are listening. They are all busy going through their papers. It was quite a different story this morning, however—

• (1500)

[*English*]

He will not have the slightest success in appealing to the Liberal backbenchers to organize a revolt. They will not have it. Liberal backbenchers—

Mr. Nickerson: Do what they are told.

Miss Bégin: —are pretty pleased that we decided to mobilize all Canadians to fight inflation. They are pretty pleased and excited, as is every Cabinet Minister, to see that inflation in the last six months, since we started the six and five campaign as we call it, has decreased month after month. We are pretty pleased; it is fabulous.

Some Hon. Members: Hear, hear!

Miss Bégin: I have also studied social sciences, as did the Hon. Member for Calgary (Mr. Hawkes), and he should recognize the importance of the psychological element in any economic objective or goal. He should recognize that, and if he was "normal", he would be happy. Why is he not happy to see inflation go down? I wish I understood that. Suddenly, with his Leader, he votes in favour of six and five, but when it comes to concrete application, he disappears in the woods. He is no longer there. Then he hates six and five. Can he explain to us the reason? I mean, does it take a Ph.D.? Where is the logic in all of that? I do not get it.

Unfortunately, you have to take the bitter pill when it is a bitter pill; it is not always a candy. You have to be in favour of six and five. You are in favour of it when it suits the bosses, but you do not seem to be in favour of it when it is more difficult to take one's responsibility and go and explain to Canadians that it also means that rich families will have to make a little effort as well. Where is the logic in that? I do not understand whom you represent. I do not understand who elected you. I do not understand how you have the guts to speak up publicly, because this measure gives more money to poor people, and you know it.

Some Hon. Members: Hear, hear!

Miss Bégin: I do not understand how you dare stand up and speak for at least 40 minutes—I would be very pleased if this was a case where parliamentary reform was retroactive. You go on and on and on, frightening the poor families in the country, when this Bill C-139 will not only give them their full indexation on the Child Tax Credit, but another $50. So what is your exact constituency? I do not understand, but I know Canadians. I know Canadian mothers. We all know Canadians on this side. I mean the every-day Canadian, the Canadian who does not want to continue with inflation. The mother whose budget every month is eroded. She is quite pleased to see the slight decrease in inflation month after month for six months, and we are very pleased.

I will finish with one plea, Mr. Speaker. I will ask our Members to defeat the amendment proposed by the Hon. Member for Calgary West (Mr. Hawkes), and to go on with the work of bringing down inflation once and for all.

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I want to speak in favour of this amendment, although certainly against the Bill. It is a very short Bill with one clause and two sub-clauses, and only one sub-clause is involved in the amendment. But to address this, I think we have to look at the nature of the child support programs at the federal level. There are three direct support programs, and I suggest we consider them from the point of view of three principles. One is universality; another is the progressive or regressive nature as to whom the money goes to; the third is recognition of the role of parenting given by the different programs.

First of all let us consider the Family Allowance. This is the only universal program of the three child support programs at the federal level. It is one in which payment normally goes to the mother, in other words, to the prime parent, the person who is doing most of the work in raising children. That is very important. That is one of the reasons that women's organizations across the country have supported the Family Allowance, and indeed want it to be expanded, never mind being cut back. Since it is taxable, it is a progressive measure. It goes out univerally, but there is a means of taxing it back from better off families. Indeed, that could be improved if we were concerned about measures of economy, but certainly we can respect the principle of universality and taxing back at the same time with this very important program.

The next one is the Child Tax Credit, Mr. Speaker. Supposedly it goes to the worst off families, although the cut-off point goes up to $26,000 odd for the full-tax credit. It is a selective program and therefore does not have many of the benefits the universal programs do. It is also normally paid to the mother of the child, the prime parent, and for that reason it is a just and good program and something my Party would like to see expanded further.

Then there is the third program, and this is the one the Minister does not like to talk about. When she is pressed on it in committee, she still does not like to talk about it. That is, Mr. Speaker, the child tax deduction. This is not a universal program, it does not benefit everyone, and in fact it benefits most the richest families in the country. There is a lesser

benefit to the middle-income families, and it does not benefit at all the poor families because they are not paying any income tax whatsoever. So it is a regressive program, and one which is continuing absolutely untouched by the reforms and "deforms" which have been brought before us by the Government. Another feature of the child tax deduction program is that it is paid largely to the parent who does not do most of the work of looking after the child. It is paid to the parent who claims the Family Allowance who, in most two-parent families, is the person who makes the higher income. In other words, it goes mainly to the father of the family, and he is making a higher income because his wife is at home looking after the child. It is a very unjust program which gives the benefit to the person who needs it least and who deserves it least by virtue of the fact that he or she do not have the prime parenting role. One might want to dispute how those roles ought to be shared, but the fact is that it is the mothers who do the prime parenting, whether full time in the family or in the work force.

• (1510)

In Bill C-132 and the amendment that is before the House, we have a change in an economy measure brought in by the Government which is going to attack the progressive and universal Family Allowance Program which benefits the prime parent most. It attacks the best program in a number of respects and leaves untouched the worst program of the three.

Why is that, Mr. Speaker? Mobilization has been given as the reason that the Minister and the Government have brought this measure forward. But mobilization for what, Mr. Speaker? My colleague, the Hon. Member for Spadina (Mr. Heap) asked this question in Committee but he did not get much of an answer.

What do we want mothers on Family Allowances actually to do? The Minister has not answered that question. The Hon. Member for Spadina suggests, with some reason, that what we are talking about is immobilization, rather than mobilization. This is a measure to frustrate people. Mothers are going to receive a smaller Family Allowance cheque and they are going to feel guilty about it. This is a psychological program that is supposed to upset them. It is supposed to stir them up—to do what? Nothing positive, according to the Minister. I think we have to assume that it is supposed to make them sit back and worry, feel unhappy and be a little more docile so that the Government can do what it wants with its programs.

I did try to explore with the Minister the savings that might result from this program. It is part of six and five, and we are supposed to be putting more money into job creation. We are supposed to be concerned about the deficit and all these other high principles.

When the Minister first explained the Bill, she let it out that the savings would be in the order of $70 million in the two years, 1983-84. Her computation did not include a very important factor, however, and that is the taxing back of the Family Allowance. If that is cut back, then not very much money will be returned through income tax. We dispute what the exact measures are that account for that. The Government admits that the real savings of the program outlined in Bill C-132 are only $15 million for two years. According to our computations they are only $10 million for two years. Either way, Mr. Speaker, it is a very significant figure. If they want to argue the case on the basis of necessity and having the money available to do other things, this is a trivial amount. Surely we could find ways of getting the money that would be less harmful to the people of the country than this.

In the Minister's speeches she has expressed the pious hope that the matter could be dealt with in graph form so that we could see more clearly the implications of the program. She brought a graph to one committee meeting and I have a copy in front of me. It is very revealing. Some Liberal backbenchers stumbled around and talked about the distortion in the graph. The problem is that there is a serious distortion in the system through which we hand out benefits.

You will see, Mr. Speaker, that the curve goes up. Lower income families start at this end and higher income families at this end, and the total benefits are the top line. The line goes up so that the total benefits are highest for families at the $30,000 per year level, then they begin to go down. It is only around $35,000 per year that we find the benefits reduced to the level that a poor family receives something from public money funnelled through the federal Government. The benefits are lower at $10,000 per year and under than they are for families in the $10,000 to $30,000 range. That is shocking, Mr. Speaker.

One of the reasons for this is that the child tax deduction program is so highly regressive. It only benefits families with enough income to pay income tax and benefits most those families paying a high rate of tax. The Minister is aware of this because it was discussed in committee. It is a well known fact. When she was pressed on the matter, she answered, "It is not my Department. We are not concerned with tax reform. Equity is not at issue here." She completely removed herself from responsibility by saying it belonged to another Department. Mr. Speaker, she has colleagues in Cabinet, such as the Minister of Finance (Mr. Lalonde). Surely that is what Cabinet is for. There are three programs, each coming under a different ministry. Surely Cabinet Ministers are paid well enough so that they will do the job properly. They should consult with each other and bring in legislation which is consistent and which makes sense.

Instead of that, we are faced with extremely unfair measures, one of which is an attack on the universal system and leaves untouched the most regressive and selective system, the child tax deduction.

I want to make some partisan remarks about the role of the Conservatives in this, Mr. Speaker. It is very nice to see them supporting us on a Family Allowance measure, but we have to recognize that they are rather late converts to the cause. Family Allowances were introduced in the 1940s by the Liberals. They had been a CCF measure and had been advocated by this Party and its predecessor Party for many years. At that time the Conservatives fought against Family

Allowances, but they were introduced because our predecessor Party had advocated them. The Liberals came to the conclusion it was a good program to swipe from us. When they brought it in, we supported it.

The Conservatives had interesting arguments to oppose Family Allowances. At different times it is the Conservatives who attack Family Allowances with the Liberals defending, and at other times it is the Liberals attacking with the Conservatives on the opposite side. The point is that one cannot rely on either Party for consistent support for Family Allowances. They both support the program out of expediency only. At a time when they can see they can score some political points they are behind it but when they do not see that, they are not behind it. This Party is the only one that has consistently supported Family Allowances, and it will continue to do so.

I want to make one final comment à propos the remarks of a Conservative Member of the committee and the Minister's response to them. The Minister gave a very spirited response to the accusations of the Conservative spokesperson that this was an attack on poor families. I suggest that her very strong defence that it is not an attack on poor families, but is more selective, and is an attack on richer families with greater protection for the poorer ones, hangs her on another point that she has tried to avoid and that is, the question of universality.

She is right in her claim that there has been an increase in the Child Tax Credit, the selective program to make up for the reduction in the Family Allowance. But she did not address the question that the base of the Family Allowance has been reduced and that all families will suffer because of that. On the selective question she says there is no attack on universality. She says that even though the Family Allowance Program is universal and even though this one is being reduced, this is not an attack on universality. In committee she went so far as to say that if so much as $1 remained in the Family Allowance per year, there would still be a universal program. This is rather revealing, Mr. Speaker. It is rather shocking and disturbing to think that a Minister could even talk in those terms. It is a pretty specious argument, but there it is.

The Minister emphasized the increase in the selective measure to offset the universal program. I think she has to admit that the real problem with the Bill is that it is an attack on universality. This is an important social program, a universal one, that gives recognition to mothers of families. The Government is attacking this program. It is not the first time the Government has attacked this program. Limits have been placed on it before. In fact, Family Allowance would be up to $40 per month per child if indexing had been continuous since it was introduced. We have had attacks before; we are very skeptical and we are very concerned about this one. It is not a measure which will save a lot of money this year because of the increase in the Child Tax Credit. It will ruin the base. It is the thin edge of the wedge for attacking universal programs, and it is a very backward step for that reason.

• (1520)

Let me conclude by saying that I am not very satisfied with the approach either of the Government or the Conservative alternative. The amendment is one which should be supported because it limits the cutback to one year. For the same reason that half a loaf is better than no loaf, half a cutback is better than a full one. Certainly that is not what we want. This is a very mean Bill. We must defeat it because people will suffer very definitely from it. It is the thin edge of the wedge to destroy other important social programs. I urge support for the amendment, but the most important thing to do is to defeat the Bill.

Some Hon. Members: Hear, hear!

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, I want to make a few remarks on Bill C-132. I have followed it through the debate. I have read committee reports to understand better just what the Minister is attempting to do in the Bill.

It is an innocent enough Bill. We are used to having large Bills around here, but this one has only one clause which in effect reduces the Family Allowance expected by parents in the country over the next two years. The Hon. Member for Calgary West (Mr. Hawkes) moved an amendment. The basis upon which he moved it was that he felt—and I agree—that it was impossible to predict just what inflation would be like in 1984 and that, therefore, to project the program that far ahead was unfair to families. Also he stated that in effect the Bill should not be passed in the first place because it was an attack upon Family Allowance, upon something which mothers in particular use in planning their budgets each month. To say that Family Allowance cheques buy a certain amount over six and over five and will not have any effect upon family budgets is not the case. Many people, particularly today, find that they have to budget very close to meet their monthly and yearly expenditures.

To have even $1.40 per month per child removed, as was stated, can affect the income of a family. To a great deal the family is affected psychologically because it is not the only factor which is being removed. At the same time the family has to face extra heating costs because of a program in which the federal Government takes a substantial amount of tax from oil and gas, with no credit going back for heating costs. Also there are increased property taxes which the family faces every year, as towns and cities find it impossible to meet the demands placed upon them.

In the last economic statement, which was possibly a small budget, the federal Government added a tax upon those people working as they pay more for unemployment insurance and other measures brought forward. To say, "We have brought this Bill forward; it seems like a small amount, so we should not really consider it, we should pass it through quickly because these people will be doing their part to help in the fight against inflation", is just not so. It is also a psychological

factor. It takes away from the income of people who cannot afford it, people who expect a cheque every month to assist them with family income.

The Hon. Member for Calgary West used the figure of some $80 million as the amount being taken away from families. If we consider the tax back, perhaps only $10 million to $15 million will be removed. I am sure there are hundreds of ways Members of Parliament could find to save that amount of money, so that we would not have to deal with this Bill at all and we could leave the Family Allowance as it is. For example, let us look at the report of the Auditor General. We could find hundreds of millions of dollars which could be saved. In their committee work Members of Parliament have probably found other situations they could recommend at which even the Auditor General has not looked. Crown corporations alone have some $3 billion in losses. If we look at the Department of Energy, with which those of us from western Canada are so familiar, there are hundreds of millions of dollars being used by Crown corporations such as Petro-Canada in very questionable expenses, such as the purchase of British Petroleum service stations, expenses which will not really help our citizens at all. There are examples of expenditures which could be avoided. Those funds are very readily available and could be used in place of the few million dollars the Minister is attempting to save in this Bill.

The argument for the Bill cannot by very strong. I was looking at how the Minister attempted to explain the breakdown of the Family Allowance and the Child Tax Credit. I looked at the proceedings of the committee because I wanted to refresh my memory on how they were calculated. In order to find out just where is the cut-off on the Child Tax Credit, I looked at the evidence of the expert witness, as reported in the Standing Committee on Health, Welfare and Social Affairs wherein the following was reported:

MS. DULUDE: I believe that $26,000 is the amount—the cut-off point—at the present time. But this $26,000 is not a net . . . Let us see—

MR. HAWKES: It is taxable income rather than gross income.

MISS MACDONALD (KINGSTON AND THE ISLANDS): No. It is graduated between $26,000 and $40,000. It diminishes from $26,000. Under $26,000 you receive the full amount.

MS. DULUDE: It is graduated over . . .

MISS MACDONALD (KINGSTON AND THE ISLANDS): It is $26,330.

MS. DULUDE: Between $26,000 and—

Then the following appeared:

A WITNESS: It is mainly from capital deductions, not—

MS. DULUDE: Yes, but I do not know what the cut-off number is.

A WITNESS: If you manage to take advantage of all the deductions, you can get up to an astronomical income and still have less than $26,000.

I decided that I had better go back to my notes because I understood myself better before I tried to find out exactly where the Child Tax Credit was cut off.

Most Members of Parliament—and perhaps all of us—agree that the Child Tax Credit is a good thing, but the difficulty with it is that it comes only once a year. For many families it is important to receive cheques once a month; they depend on them. It is very easy, when one receives the $343 lump sum once a year, to find some major item needed by the family on which to spend it. But what happens the next month if one is faced with a breakdown in a refrigerator or something of that nature and one has not set aside some of that money in the family budget? If we are to be progressive, the best thing we could do is to find a way to pay out the Child Tax Credit monthly instead of once a year.

If we look at the Family Allowance, we find that it has been quite a game over the last few years. In 1974, the amount was raised to $20 from the previous amount in the neighbourhood of $7. In 1979, through indexation, it rose to $25.68. Then the Child Tax Credit was brought in and the Family Allowance was reduced back to $20, whereupon indexation again took over. Inflation had been running at a very high rate at that time. As a result, the amount has increased again. Today we must deal with another Bill which will once again reduce the amount of Family Allowance which mothers have come to expect. This makes it very difficult for parents to predict what they will be receiving from their Family Allowance each month. The Government has played this game too often.

• (1530)

I follow the performance of the Department of Indian Affairs and Northern Development very closely. The Indian people of this country suffer from poverty more than any other group. They must plan their monthly budgets very closely. They have come to depend on various types of assistance, such as that which they receive for the purchase of books or the payment of tuition for the children they send to off-reserve schools. Yet this year, in order to find some savings in his Department, the Minister has said that he has no legal obligation to provide that assistance and is therefore no longer paying for off-reserve expenses for Indian children. This results in an immediate increase in the budgets of those Indian families. They will now have to deal with the reduction in Family Allowance.

Another example of reduced assistance is the noon hot lunch program which had existed in this country for a number of years. It is an essential program to children on reserves who are often sent to school without lunches. In 1978 that program was suddenly cut in an attempt to save money. In 1979, the Conservative Government reintroduced the program, but only temporarily since the program was cut again as soon as the Liberals returned to power.

These examples show how difficult it is for families to plan their budgets. Statistics Canada figures show that there are some 900,000 Canadian children living in poverty. I am not sure if that figure includes Indian children because Statistics Canada do not include Indian people in its figures for the unemployed. They are simply passed over. Therefore, I wonder if this is the case as well when Statistics Canada determines which children in Canadian families live below the poverty line.

The total amount in benefits for children over the next two years will be reduced. Despite what the Minister says, these benefits will be reduced because in our current economic situation, while we hope that inflation continues to drop, the

inflation rate will likely be more than 6 per cent and 5 per cent. Inflation will be higher than 6 per cent and 5 per cent because of the Government's large expenditures which are uncontrolled and allowed to run rampant.

The Minister has said that if we do not pass Bill C-132 quickly in order to get this additional money to mothers under the Child Tax Credit, we are holding back that money which is available to them. Again, as Members of Parliament we are being put in the position of having to decide between the pros and cons of this Bill. While the Child tax Credit is a beneficial measure which should be passed quickly, there are a number of measures in this Bill which are totally unacceptable to Canadian families and businesses across the country. Members of Parliament must make the decision on whether to support the Bill for its one or two positive measures or to oppose it because of its 10 or 20 clauses which are unacceptable. Of course, we must find it unacceptable to pass the Bill because of its many destructive measures which will hurt Canadians more than the Child Tax Credit will assist families.

I took the opportunity to review the Committee's Minutes of Proceedings, because I thought they would contain a message from a Liberal Member besides the Minister in defence of this legislation. I discovered the remarks of the Hon. Member for Etobicoke-Lakeshore (Mr. Robinson) whose remarks took up quite a few pages in his attempt to defend this Bill. I would like to review some of his statements because I thought they really defended the Bill. In the Health, Welfare and Social Affairs Committee, at page 51:23 he said:

> I know in any situation where there is a—it is not really a loss; rather than a loss, it is just not a gain. I think we should be careful in setting this out in its proper perspective. It is not as though there is nothing coming to families under the legislation.
>
> It is at six and five. If of course the inflation rate reduces, it will probably be less of a burden than it otherwise would be. But at least six and five is something; and this is not the only group affected.

He went on to say:

> At the same time, what are we talking about? We are talking about, what, 4½ cents a day per child . . . Is that right?—for those who are actually affected.

I believe that this is a defence of the Bill by a Member who is not really sure himself of what effects it will have on Canadian families. I reviewed all of his defence and could not find one clear statement about how he felt the Bill was not hurting families. I found that he was often convoluted and ended up by saying that it would affect Canadian families. As I reviewed these Committee's Minutes of Proceedings, I found that not only was I confused by the Minister's statement about how this Bill will not hurt the family, many Liberal Members were equally confused.

The Hon. Member from the NDP who just spoke raised a very interesting situation. This situation with regard to the draft that was inserted in the back of Issue No. 51 of the Committee's Minutes of Proceedings was mentioned by the Hon. Member for Calgary West as well. It points out the very interesting situation that the greatest benefit from the three sources of family income assistance, the Child Tax Credit, the Child Tax Exemption and the Family Allowance, goes to those families earning between $10,000 and $34,000. A family must earn over $34,000 before the total benefits begin to diminish. We find that a large amount of the benefits which is supposed to go to the poor families does not, in fact, go to them.

This raises a question which many Members of Parliament have been asking themselves for some time. When programs are established for the purpose of assisting those in the greatest need, why do we find that a great amount of the money being set aside for those families does not reach them but goes to families who do not really need that tax credit? I have held the opinion for some time that we should reconsider whether those families earning over $34,000 a year should receive those funds and whether that money which is going to those families earning over that amount should be given to those earning under $10,000. I can name many families in my constituency who are earning less than $10,000 a year and could benefit from that extra amount of money.

Family Allowance was initially introduced for two reasons. One was to help families, mothers in particular, raise their children and provide a source of separate income to the mother, particularly in poorer families, where perhaps the husband did not spend enough on the care of the children. The mother always had a certain amount of money which she could set aside through the Family Allowance to provide the basic physical needs for her family. Those were excellent reasons for setting up the Family Allowance Program. We find now that many hundreds of millions of dollars are going to people who do not need this assistance. This is assistance which should be going to those who live below the poverty line. It is not going to them under the present program. Therefore, all Members of Parliament will have to deal with this question. They must ask themselves, "How will we improve our programs so that those people who are really in need will, in fact, receive the moneys that we set aside and those who are not in need will not receive those moneys?"

• (1540)

There are many things that can be said about this Bill and why we should not deal with it. The Minister states that we need to take money away from children and pensioners in order to solve the inflationary problem and that, in fact, because of the six and five program, inflation is coming down. I will grant the fact that there is a certain psychological advantage to saying that everyone is participating in a program and therefore we are all helping to bring inflation down. We must ask why inflation has been dropping as was stated previously, even though this Bill concerning pensioners and Family Allowances has not yet been passed. Why is that? It is because the economy of this country is in such terrible shape. Businesses are going bankrupt. There are 1.5 million unemployed, and we are not even including Indian people in that figure. Money is not in demand as it once was. Banks are having trouble even lending their money. With all of these situations, the expenditures in this nation for goods have dropped off tremendously. Factories are closing, businesses are laying off people who are superfluous to their needs, and it is no wonder that, with the economy slowing down in the manner it is, inflation is dropping. We should seriously consider

whether we need any of these pieces of legislation being brought forward.

It has also been stated that each month, in many communities across this country, 10 per cent more people are applying for welfare than in the previous month. What does that tell us? It tells me that there are many more families in this country which have a need for every dollar they can get, and one dollar per month per child is important to them because there is not much money coming in any more. Family income is dropping. Therefore, we in this Party, particularly, are asking the question: is it so important that we save $10 million, $15 million or even as much as $80 million as a result of this Bill when we could very easily find hundreds of millions of dollars elsewhere? This could be done if we as Members of Parliament really looked, and then we would not have to deal with this legislation.

I therefore say to Hon. Members: search very well when and if you come to vote on this Bill. Consider the amendment of the Hon. Member for Calgary West because it is a very positive amendment, one which deserves support from all sides of this House.

Some Hon. Members: Hear, hear!

Mr. Jim Schroder (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, it is very difficult to improve on the speech that my Minister made this afternoon.

Mr. Nickerson: No, it is not.

Mr. Baker (Napean-Carleton): Go ahead and try. You have lots of scope.

Mr. Schroder: I think she gave an excellent speech. She covered many points. The only problem is that the Opposition has taken hold of the idea that it does not want to be confused by the facts, as usual.

I would like to refer to the comments of the Hon. Member for Calgary West (Mr. Hawkes) to the effect that the psychology of inflation may be working. While I must confess that I am not an economist either, I find that the complex issues with respect to inflation are difficult to comprehend. It strikes me that one of the most important things we can say is that the psychology of inflation is working in the six and five program.

I, too, attended the committee meetings where various witnesses testified that times were tough. I had a great deal of difficulty in sorting things out, because the Conservative Members of the committee were certainly all over the map.

Mr. Baker (Nepean-Carleton): We are a national Party.

Mr. Schroder: I think that the Members representing labour unions and other organizations will take great solace in knowing that it is very clearly shown on the record that the Conservatives support the labour unions, the labour people, and this idea that the rich should be soaked and that there is no sense of responsibility on the part of all Canadians to try to keep this psychology of inflation working.

I heard that the problem was that people were having difficulties because of inflation, especially because they were finding high prices in the food stores. I have heard a story about an organization providing a service whereby people were picked up and taken shopping, but that before people received their Family Allowance cheques they would not avail themselves of the service because they did not have any money. I would like to suggest that reducing inflation will be of far more benefit to those people than Family Allowances.

We must also remember that the Bill will really not take anything away from anyone, particularly those people who are considered as being those most in need. I think the Minister has gone to great lengths to explain this fact. This is one of the facts which the Opposition seems to have difficulty in absorbing. In fact, in some cases, depending on how one uses statistics, some of them may even be better off.

The psychology of inflation really involves a sense of credibility, a sense of understanding. Both Opposition Parties have been suggesting that certain social programs which have been of great benefit are being undermined by the six and five program, and that it is too bad that we must do something to interfere with them. All of those social programs were introduced by the Liberal Government, and that speaks for our record.

One of the witnesses in committee, while making a presentation on behalf of the Canadian Council on Social Development, emphasized the fact that most people recognize the worth of social programs which have been inaugurated by the Government and greatly enhanced by the present Minister of National Health and Welfare (Miss Bégin). Terrance Hunsley, the Council's executive director, said, "Although our Council has not hesitated to criticize individual iniatives of the Government, it is also true that our social programs are presently proving their worth in softening the impact of the recession." Spoken in rather quiet words, I think that was a very glowing report of the sensitivity of the Government to the requirements of the most needy in this country.

Mrs. Mitchell: I rise on a point of order, Mr. Speaker. I wonder if the Hon. Member would entertain a question related to his last point.

The Acting Speaker (Mr. Taylor): Would the Hon. Member entertain a question?

Mr. Schroder: Mr. Speaker, I will entertain a question at the conclusion of my remarks.

Mr. Baker (Nepean-Carleton): Oh, wait until we change the rules.

Mr. Wilson: Then you won't want to speak, Jim.

Mr. Baker (Nepean-Carleton): We will never hear from you again.

• (1550)

Mr. Schroder: The amendment to this Bill, of course, is to change what is a two-year Bill to a one-year Bill. In other words, there is a certain degree of inconsistency here which I find difficult to understand. First, the Official Opposition voted to support the six and five program. That means that they have in general terms, I suspect, appreciated the merits of this program and its purpose, which is to try to reduce inflation so that everyone, not just the needy, but everyone in this country will be better off. Let us get that straight. We have support in some quarters besides our own Government for the six and five program.

Now we get an amendment which proposes that we only do half this program that is supposed to have impact on reducing inflation. We have an amendment which is introduced to say: let us not try to get inflation down to 5 per cent, let us quit at 6 per cent. I see the rationale which is that they want to convert what is a super-program based on 6 per cent inflation then being reduced to 5 per cent inflation, to say, OK, let us go to 6 per cent inflation only.

The other thing that really disturbs me is that they say, "When the total package comes in we are going to vote against it anyway". They are sort of flip-flopping back and forth.

We can use figures to prove anything, and one motive of the Opposition appears to be to frighten those people who will be most affected by this legislation. In reading the testimony and listening to debate, one of the things that has impressed me is that it is almost as if the motive of this program were to save money. Questions which one can find in the testimony so far, and in some of the speeches of the Opposition, seem to say, how much does the Government hope to save from the 50,000 pensioners?

In the June Budget, the former Minister of Finance, the Secretary of State for External Affairs (Mr. MacEachen), forecast that limited indexation would reduce expenditures on the Old Age Security Program by $105 million by the end of the 1983/84 fiscal year. Now we have every reason to believe that these savings will be much less, because the six and five program is working.

Why is the Government so pleased about these reduced savings? Here is the flaw in the reasoning which we see there, because the objective of the six and five program was not to save money. It was to reduce inflation to 6 per cent by the end of 1984. The less we save because of the limited OAS indexation, the happier the Government will be, because that will mean a lower rate of inflation and, most important, there will be better prospects for pensioners, and for innumerable other Canadians.

Another suggestion on this idea that perhaps the Government is not saving as much money as it had hoped to save, is that the Government will only save about $10 million from the Family Allowances and the Old Age Security Program, because of the six and five program. I hope we save even less than that $10 million because that will indicate that the six and five program has really worked and that pensioners and families with children will not have to give up as much as we originally forecast, which is not very much.

Again I remind you that the purpose of the six and five program was not necessarily to save money. I want to emphasize the fact that this is a short-term program. It is a temporary short-term program and it is meant to achieve the longer range goal which is to reduce inflation.

One of the other major problems that I have with the Opposition is the fact that they are twisting these programs to suggest that universality is in doubt. I think that if you have listened to any of the Minister's speeches, if you have read any of the testimony, certainly from the Government side and if you have listened to some of the other speeches, you will recognize that that is not and never has been in question, and that the program of universality is the key to the social programs that are supported by this Government.

This program is meant to reduce inflation; there will be no loss to those people most in need; the Child Tax Credit will be fully indexed and that group of people who are making up to $27,000 a year will not be touched. If the program works as we trust it will, and we do get inflation reduced to 6 per cent and 5 per cent, not only will those people who possibly are going to feel a little pinched because their incomes are suffering, mostly from inflation, but all Canadians will benefit because we will have reduced inflation by 6 per cent and 5 per cent.

I am worried that so much of the propaganda produced by the Opposition is going to have a detrimental effect on this anti-inflation psychology, which one of the Members admitted in his speech earlier appears to be working and which is a state of mind. I think that we must continue to enforce that psychology so that all Canadians, those who are in the higher income brackets and those who are needy, will find that inflation will come down. They have lowered their inflationary expectations, and therefore will be better off because of that reduction in inflation.

• (1600)

Hon. Mark MacGuigan (Minister of Justice): Mr. Speaker, I rise on a point of order. I understand that earlier this afternoon in my absence points of order were raised by the Opposition which had to do with prospective amendments to the Canadian Human Rights Act. I do not think this has been a very edifying spectacle today in which procedural points have been used for political purposes to try to frustrate something which is extremely important to the disabled as well as for the women of this country.

This has not been a struggle about first reading. It has been a struggle about third reading. I will have other motions to make, but I would at this time like to ask for the unanimous consent of the House to introduce an Act to amend the Canadian Human Rights Act and to amend certain other Acts in consequence thereof. I would like the permission of the House to introduce this Bill for first reading at this time.

Some Hon. Members: Agreed.

Canadian Human Rights Act

ROUTINE PROCEEDINGS

[*English*]

CANADIAN HUMAN RIGHTS ACT

MEASURE TO AMEND

Hon. Mark MacGuigan (Minister of Justice) moved for leave to introduce Bill C-141, an Act to amend the Canadian Human Rights Act and to amend certain other Acts in consequence thereof.

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

The Acting Speaker (Mr. Blaker): When shall the Bill be read a second time?

Mr. MacGuigan: Mr. Speaker, at this point I would like to challenge the Opposition to show that they can rise above the kind of partisanship in which they have been indulging today. I challenge them to give second reading to this Bill now without debate so that this can proceed now.

Some Hon. Members: Oh, oh!

Mr. MacGuigan: Listen to the howls from the opposite side. This will be the test of their partisanship and whether they are able to rise above that. I challenge the Opposition to give second reading to this Bill now without debate.

Mr. G. M. Gurbin (Bruce-Grey): Mr. Speaker, I rise on a point of order. I believe that this is Private Members' hour, unless there is some special exception. I have a Bill which I am yearning to present.

The Acting Speaker (Mr. Blaker): I would have to proceed to Private Members' hour. Normally when we have some activity going on in the House as at this moment, it might be a good idea to see whether there is unanimous consent to recognize, for example, the Hon. Member for Saskatoon West (Mr. Hnatyshyn) on the point of order. Does the Hon. Member for Bruce-Grey (Mr. Gurbin) insist that we proceed to Private Members' hour or may I recognize, for example, the Hon. Member for Saskatoon West on a point of order?

Mr. Gurbin: Mr. Speaker, I would be quite pleased to see the Chair recognize the Hon. Member for Saskatoon West.

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, I should start off by congratulating the Minister for a long delayed recognition of the proper way in which to introduce any piece of legislation in this House, particularly a matter affecting the rights of two important groups in our society.

The fact is that the Minister has come in and has tabled a Bill. This will now give the people of Canada an opportunity to see the contents of the Bill after it has been published. It meant my having to go off the Hill to publish at my own expense copies of the Bill for distribution to Members of Parliament, an unprecedented situation in terms of parliamentary traditions, practices and courtesy. We can, in the spirit of co-operation for which we in this Party are known, consider this matter at the next sitting of the House.

Mr. Mark Rose (Mission-Port Moody): Mr. Speaker, on behalf of the New Demoratic Party, I want to say we appreciate the fact that the Minister has finally put this Bill before the House. We certainly agree to its introduction, as we will agree to its second reading and reference to the Committee because we are most—

Some Hon. Members: Hear, hear!

Mr. Rose: Further, on behalf of my Party, I would like to say that I am thoroughly sickened by the posturing and the simulated indignation that has gone on in front of the people of Canada over this issue by both the Liberals and the Conservatives.

The Acting Speaker (Mr. Blaker): It may be that the House is ready to dispose of the matter. The Minister was seeking unanimous consent for second reading and reference to a committee. I believe the Hon. Member for Saskatoon West (Mr. Hnatyshyn) made it clear that the answer to the question as to when it shall be read a second time would be at the next sitting of the House. There is not now unanimous consent and we will now proceed to Private Members' hour.

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I rise on a point of order. Just before going to the Private Members' matter standing in the name of the Hon. Member for Bruce-Grey (Mr. Gurbin), I would advise that there have been consultations among representatives of the three Parties and also with the Hon. Member for Bruce-Grey. I believe there is agreement for us at this point to deal very quickly with two Bills seeking to change constituency names. The Bills in question are Bill C-647 standing in the name of Saint Michel (Mrs. Killens) and Bill C-620 standing in the name of the Hon. Member for Missisquoi (Mr. Bachand). Our agreement is to pass these Bills now at all stages without debate. I want to thank very much the Hon. Member for Bruce-Grey for his courtesy in providing the minute or so necessary for this procedure.

Mr. Taylor: Mr. Speaker, I rise on a point of order. With whom were these Bills cleared? Was this cleared with our House Leader?

Mr. Smith: Yes, Mr. Speaker, the House Leaders of both Opposition Parties.

Mr. Taylor: Okay.

The Acting Speaker (Mr. Blaker): It being four o'clock the House will now proceed to Private Members' business as listed on today's Order Paper, namely Public Bills, Notices of Motions, Private Bills. I have, as the Parliamentary Secretary indicated, two Bills which reflect changes of names of constituencies. We will proceed with ladies before gentlemen.

PRIVATE MEMBERS' PUBLIC BILLS

[*Translation*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

AMENDMENT TO CHANGE THE NAME OF THE ELECTORAL DISTRICT OF SAINT-MICHEL

Mrs. Thérèse Killens (Saint-Michel) moved that Bill C-647, to change the name of the electoral district of Saint-Michel, be now read the second time and by unanimous consent referred to a committee of the whole.

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

AMENDMENT TO CHANGE THE NAME OF THE ELECTORAL DISTRICT OF MISSISQUOI

Mr. André Bachand (Missisquoi) moved that Bill C-620, to change the name of the electoral district of Missisquoi, be now read the second time and by unanimous consent referred to a committee of the whole.

Motion agreed to, bill read the second time, considered in committee and reported.

Mr. Bachand moved that the bill be read the third time.

• (1610)

[*English*]

Mr. Waddell: I rise on a point of order, Mr. Speaker, since I have not read the full details of the Bill, could the Parliamentary Secretary, the Chair or the sponsor, give us the new name of the constituency which is being changed?

The Acting Speaker (Mr. Blaker): I had thought that the two Hon. Members who evidently are proceeding to change the names of their constituencies might wish to identify them themselves when I finish with the two Bills, as a courtesy to the House.

[*Translation*]

Mrs. Killens: Mr. Speaker, I would first like to thank with all my heart the Hon. Member for Bruce-Grey (Mr. Gurbin) for gaving me a few moments to speak on behalf of my constituents. To reply to the question of the Hon. Member, my constituency will in future be called Saint-Michel-Ahuntsic.

Mr. Bachand: Mr. Speaker, I simply want to say that the name of my constituency will be changed from Missisquoi to Brome-Missisquoi.

Motion agreed to, bill read the third time and passed.

[*English*]

Mr. Dingwall: Mr. Speaker, before you proceed to Private Members' Hour, I wonder if I might bring to your attention the admissibility of this particular Bill, C-218. I would hope you would make a ruling as to whether or not it is admissible, but before doing so, I wonder if you would hear me, and perhaps we would be courteous enough to give the Hon. Member an opportunity to say his piece. Then perhaps, at the conclusion of that, you would make your final ruling, because I am sure you will want to check with officers at the Table, as well as with other precedents.

I refer the Hon. Member, Mr. Speaker, to Standing Order 62(1), which reads:

> This House shall not adopt or pass any vote, resolution, address or bill for the appropriation of any part of the public revenue, or of any tax or impost, to any purpose that has not been first recommended to the House by a message from the Governor General in the session in which such vote, resolution, address or bill is proposed.

I am suggesting, Mr. Speaker, that this particular Bill involves the expenditure of public moneys, therefore, it ought not to be classified as a private Member's Bill. I think you ought to take note of Clause 6 contained in this particular Bill. Therefore, I do not think we can actually debate this particular Bill today. However, Mr. Speaker, prior to making your ruling, I am sure you will want to give opportunity to the very courteous Hon. Member for Bruce-Grey (Mr. Gurbin) to have his say.

The Acting Speaker (Mr. Blaker): The Hon. Member for Cape Breton-East Richmond (Mr. Dingwall) has raised an appropriate point of order. There is standard phraseology used by the Chair which I will use in a moment to alert Hon. Members that a Bill may in fact infringe upon the rights of the Government. I will read that and then I propose to indicate how, if everyone is agreed, we might proceed. It reads as follows:

> Before proposing the question for the second reading of Bill C-218, An Act to amend the Atomic Energy Control Act, the Chair ought to express strong reservations as to the procedural acceptability of this Bill which seems, in some of its clauses, to infringe upon the financial initiative of the Crown as far as the power to expend public funds is concerned. Having entered this caveat, the Chair intends to allow debate to take place on the motion for second reading. Should such debate come to an end, then the Chair will have to rule on the procedural acceptability of the Bill.

* * *

ATOMIC ENERGY CONTROL ACT, 1980

MEASURE TO ESTABLISH

Mr. G. M. Gurbin (Bruce-Grey) moved that Bill C-218, An Act to amend the Atomic Energy Control Act, be read the second time and referred to the Standing Committee on National Resources and Public Works.

The Acting Speaker (Mr. Blaker): With respect to the issue raised by the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall), I believe the suggestion made is appropriate, and that the Hon. Member for Bruce-Grey (Mr. Gurbin) should be heard. If no other Members at that time rise to speak, I will rule on procedural acceptability of the Bill. Obviously, I have warned the Hon. Members that we will be finding the Bill out of order. If some Hon. Member rises at that time and asks for a final ruling on the Bill, I think the

Chair would be obligated to do that as well. We will proceed in that fashion.

Mr. Gurbin: Mr. Speaker, I appreciate the consideration which has been shown by the Chair, and by the Hon. Member opposite, in approaching this Bill. I will say that I recognize there could be some difficulties with this Bill under the references which have been given. Indeed, it does propose an establishment of a board. This board could be seen to replace a board which is now in place and its members could in fact be renumerated at the same level, in spite of the fact there are additional members on that board. That is one argument which I would be prepared to put forward.

I would like the opportunity to explain the real reason for bringing forward this Bill today. At a time when, perhaps, we might have chosen to speak of other things because of the difficulties which are being faced by the Canadian economy, I think this Bill allows an opportunity for taking into account some of the considerations which are in front of the Canadian people now in nuclear energy and matters relating to nuclear energy, and also those facing the nuclear industry.

To explain the Bill, I would like to say that much of the substance has been presented before by way of the Bill which the Government presented in 1977, which was called the Nuclear Control and Administration Act. This Bill was not enacted, and it died on the Order Paper. The Bill at that time was designed to bring into focus the development and concerns which have become evident since the first passage of the Atomic Energy Control Act, and that Act was first passed in 1946. There was one amendment in 1974. However, from that period of time we have not had major revision or review of the process to deal with the whole nuclear question in Canada. Since this Act was presented to Parliament, that is, the Atomic Energy Control Act, nuclear-generated electricity has become a very important component of our electrical system, particularly in Ontario where it accounts for approximately one-third of the total electrical power generated. Spectacular advances in the use of nuclear materials in industry and medicine have added significantly to the broad application of nuclear materials throughout Canadian society.

Bill C-218, as presented to the House today, also contains some revisions as suggested by the Canadian Environmental Law Association, and changes by myself and others. The Bill was first re-drafted nearly three years ago, and is a sister Bill of two other private members' Bills, that of the Hon. Member for Calgary Centre (Mr. Andre) and that of the Hon. Member for Hillsborough (Mr. McMillan). In the context of today's economy, unemployment and serious nuclear industry problems, the Bill needs revision again in co-operation with the interested parties. This Bill includes proposals which would see a nuclear control board created composed of people without vested interests in the nuclear industry. It establishes a radioactive decontamination fund, requires site approval as a first step in the establishment of a nuclear facility, requires disclosure of unclassified documents, and makes the Minister responsible for the board report to Parliament on a regular basis.

• (1620)

The Bill is as complex as the subject, and I readily admit to limitations in being able to fully determine the legal, jurisdictional or other implications of some of the suggested changes.

My colleague, the Hon. Member for Hillsborough, the Conservative critic for the environment, and I would not support any measures which would threaten the economic viability of the industry, or act as roadblocks for future development. Evidence now available in connection with acid rain, carbon dioxide, and other environmental disruptions, as in coal electrical generation or the James Bay hydro development, suggest that nuclear energy has distinct advantages. No industry, no energy form, no economic activity is without its price in environmental impact. Indeed, the first point I would like to make is that we have really not had the opportunity in Canada since 1946 to consider in a public or parliamentary forum what our nuclear energy future should be, and what relative advantages and disadvantages there really are to the nuclear energy option.

In 1980 the Porter Royal Commission dealt with nuclear energy in Ontario and made a valuable contribution to the understanding of nuclear energy in Canada. Today we really have the worst of all worlds; a mature industry that has produced a very effective high cost technology for Canada's energy needs and is also exportable but is in desperate condition, and a public that has serious concerns and mistrusts, if not in the form of energy, then in the traditional processes which have been involved in dealing with it. I think both the industry and the public are capable of dealing with our nuclear program in a productive way, in the interests of the economy, environment, and our energy future. It is with that hope that I introduce Bill C-218 for the consideration of the House.

I would like to add to my introduction of this Bill an interim plan of action to deal with what is an emergency situation in the Canadian nuclear industry. Over 36,000 Canadian skilled jobs are at stake, in addition to the important energy considerations. Continued energy research and development for future medical, energy, environmental and economic advantages are also at stake, and we cannot afford to dream of future success unless we move swiftly and competently to deal with the problems we are faced with today.

The essential components of this plan of action are, one, the nuclear industry itself must be rationalized to ensure short-term viability; two, the Government must also similarly rationalize its approach in co-operation with the nuclear industry and the Departments of Energy, Mines and Resources, External Affairs, and Industry, Trade and Commerce and others; three, there must be full Government support and open discussion of our nuclear waste management program; four, domestic reactor facilities must be promoted as part of an over-all Canadian industrial strategy; five, our Canadian energy policy must be directed in both research and development for the use of the nuclear fuel source for our transportation needs and for the heat energy that can readily and cheaply fuel our industries. An example is the proposed Bruce Energy Centre; six, we should develop an effective strategy for the export of nuclear electricity to the United

States; seven, Canada is in as good a position as any country to promote adequate international safeguards through an aggressive position with the IAEA. While we continue this important and difficult task we must maintain bilateral safeguards to protect against the abuse of our technology while promoting export sales of the Candu to world markets which have a viable financial status, and as part of an industrial development export strategy in countries where the sale of reactors alone is of questionable value, and where cost considerations are otherwise marginal.

I hope the Government, while it is occupied with the immediacy of the problems brought forward by the public concerns and with consideration of the nuclear industry's status, can provide the necessary leadership and action. Bill C-218 would allow us a framework to deal with an outdated Canadian statute and, I hope, in the long run serve the needs of both the Canadian public and the nuclear industry.

I ask for concurrence so that at least the subject matter of the Bill can be referred to the appropriate Standing Committee of the House.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I would like to make some remarks regarding the speech by the Hon. Member. I am glad he brought this Bill forward. There are certain aspects of the Bill that I disagree with, and certain aspects of his speech that I disagree with, and I am going to go over them in a minute.

The Hon. Member and his party, and I and my party, share a concern that—and I will try and put it politely—there is a really scandulous situation happening in Canada. We have criticized the United States for many things, but this situation could never happen there. What I am speaking of is really a cover-up going on in the Canadian nuclear industry, and an unwillingness to debate what is happening. The Conservative Party and the NDP have different views about the nuclear future, but we have in common the desire to have a full and open public inquiry on this issue. It is really a scandal that we in Canada have had nothing but whitewashing of this issue.

The Hon. Member for Cape Breton-East Richmond (Mr. Dingwall) stood up at the beginning of this debate and tried to block the Bill because it involved spending public funds. If I did not know the Hon. Member, that would add to my suspicion and the suspicion of the others in Canada that Government strategy is one of sweeping the whole nuclear problem under the carpet. We have a vast problem here in Canada with the nuclear industry, Mr. Speaker. We have not faced it as a people or as a Parliament. It has continually been kept out of the mainstream of our political process, but it is boiling around the periphery, if you like.

Let me just give you an example. Speaking in terms that anyone can understand, that is in terms of money, it has been said by some that you can do two things with money: you can either burn it or give it to AECL and they will dispose of it for you. We have spent $825 million for three heavy water plants which the Government wrote off numerous months ago. Its representatives came into the energy committee with this kind of estimate for the write-off. One of the plants has been mothballed and two others are stockpiling heavy water at a cost of $1 million a year in the hope that a number of Candu's can be sold abroad. But we are not selling Candu's abroad, even though we are prepared to sell them to almost anyone. I am sure if General Zia wanted another Candu reactor today, we would sell it to him in a minute. We are prepared to sell nuclear parts to Argentina, to Korea, or any kind of regime we can in order to get rid of those Candus. We are going to Romania, which is virtually broke. The Prime Minister (Mr. Trudeau), on these international trips, is spending about one third of his time trying to sell Candus. It is really quite an incredible situation when you think about it. Maybe that is the right thing to do. I do not think it is, but we should be debating the future of our nuclear industry and the Candu in the House of Commons, not just during the short time we have in private Member's hour.

I will give you another example, Mr. Speaker, of money which has been wasted. There is a $25.7 million loan on AECLs first Candu reactor operating at Rolphton. That has also been forgiven. There was $87.5 million given to the ill-fated Gentilly I reactor in Quebec. It was built on the basis that Hydro-Quebec would purchase the station when it proved safe and reliable. This experimental reactor never did prove its worth, Mr. Speaker, and it has been mothballed.

[*Translation*]

I do not know how to say it in French, but if it is the same as in English, I would say that it is a lemon.

[*English*]

In other words, it is a lemon and $87.5 million went down the drain. These amounts of $87.5 million, $25.7 million, $825 million are not peanuts, Mr. Speaker. There was another $81.5 million spent on the Douglas Point nuclear reactor, built under a similar agreement with Ontario Hydro. It is expected that we will lose $130 million on the Candu sale to Argentina which we made in 1976.

• (1630)

In a question to the Prime Minister in the House I raised the matter of Canada shipping nuclear rods to Argentina at the height of the Falkland crisis. I wondered what policy we had that would allow us to do that at a time when our ally, the United Kingdom, was at war with Argentina. That was an instructive experience, Mr. Speaker. It indicated that we will do almost anything to save the industry.

Let me suggest that we have to deal with this issue. I am sure that the Member who will speak for the Liberal Party will point out that a Nuclear Industry Review has been published. But Mr. Speaker, that was an in-House review. At the time I described it as an "enigma wrapped in an ambiguity". It had all the markings of a speech of the Hon. Member for Etobicoke North (Mr. MacLaren). It does not say anything; it does not deal with the problems.

The New Democratic Party and the Conservative Party demanded an open inquiry. Judging from the letters that the Hon. Member for Mission-Port Moody (Mr. Rose) and others

have received regarding nuclear matters, the Canadian public is interested in the subject. For the young people of today it is not just a financial issue but, rather, an ethical issue. This whole matter of the nuclear future may be one of the great issues of our generation. It concerns our energy future.

The ethical issue is whether to develop nuclear energy without having a means of disposing of the waste. We cannot deal with the dangerous waste. We have no way of disposing of it properly, yet we are prepared to go ahead with the development of the industry. In my view, that is immoral. It is passing a problem from our generation to a future generation and asking it to take the responsibility or to absorb the result.

It is claimed that the reactors are safe and that there are no problems with them. But people know otherwise, Mr. Speaker, and I point to the Three Mile Island incident. The problem is not that a couple of people might die but that a whole generation could be killed. I know that is over stating the case, and I admit that, but I want to point out that there is the issue of the waste of money as well as the ethical issue.

The Hon. Member who introduced the Bill tried to deal with some of these problems in Clauses 28 and 32, the problem of the disposal of nuclear waste still exists.

I have a letter on this subject from the citizens of Massey, Ontario, sent by Isabel Hobbs and David Rietkoetter who write:

> We are frustrated and angry because the federal government denied our right to veto A.E.C.L. plans by changing the Canada/Ontario Agreement of 1978, just prior to their arrival here.

They write of a ten-year program for storing nuclear waste in deep-rock storage. Every community is concerned because nobody wants nuclear waste stored in the backyard. You would not want that, Mr. Speaker, no Member would. So we have a nuclear waste storage problem.

Why are we developing nuclear energy if we have waste storage problem? Should we not solve some of these problems before we develop the energy? It seems to me that that question has to be examined, and that we must have an open inquiry on the subject. The Bill does not go far enough in dealing with it.

The Hon. Member for Bruce-Grey (Mr. Gurbin) spoke about the jobs that are at stake. That is a real problem and there will have to be trade-offs. There are other ways of dealing with the issue of jobs at stake. Perhaps the energy industry could be diverted to other, safer areas such as conservation. Just imagine how many jobs could be provided if every house in Canada were retro-fitted, Mr. Speaker. A lot of energy would be saved and nuclear would not be needed. I know it is easy for me to say that, Mr. Speaker, coming from British Columbia where people do not like nuclear energy. The Hon. Member for Mission-Port Moody will probably confirm that the citizens of British Columbia do not want a nuclear industry to be developed.

As the Hon. Member for Bruce-Grey pointed out, 30 per cent of the energy produced in Ontario is generated by nuclear means. I do not advocate that we do away with it altogether, but I advocate that we consider whether the production should be expanded. He also referred to the export of electrical energy. In the publication "The National Energy Program Update 1982" at page 67 the following appears:

> It would be prepared to consider some form of support for future nuclear plants, even if—initially, at least—they are built to serve the export market. In the case of a possible Lepreau 2 plant, the Government of Canada is prepared at this time to work with the New Brunswick Power Corporation and to provide immediate financial support to pursue an arrangement with U.S. utilities that would allow Lepreau 2 to be built in the immediate future.

A proposal has been made to build nuclear plants in Canada. We cannot sell the Candu abroad, so it has been suggested that we should keep the industry going, build them in Canada, and export the power to the United States.

When I was in Washington I spoke to some energy officials who thought we would be crazy to do this. They said, "Why would you assume all the risks and probably end up having to subsidize the plants? You would be subsidizing American consumers and what would you get out of it? Perhaps you could keep the industry going in the direction it is going now." I say that is the wrong direction, Mr. Speaker, and there may be other directions that we could take.

Perhaps the Hon. Member who introduced the Bill has received a copy of the letter from the Maritime Energy Coalition in Fredericton over the signature of Mr. Allison Connell written to the Leader of this Party, in which he states:

> The Maritime Energy Coalition, representing many people of the Maritime region on matters of energy development and usage, has well-founded reasons to entertain the gravest doubts concerning the safety of the Point Lepreau Nuclear Generating Station.

The letter then goes on to deal with safety problems. I do not know all about the issues of the safety of that generating station, Mr. Speaker, but I know that letters come from all over the country expressing concern about the safety of nuclear power and about the disposal of nuclear waste.

I want to add a third point and that is the cost of the subsidy to the nuclear industry. I gave four examples that amount to over $2 billion. I have the figures in front of me. We have spent $2.5 billion on Atomic Energy of Canada Limited since it was formed in 1952. From 1947 to 1979 we spent $3.5 billion on this industry. We have to decide whether it is worthwhile to continue to pour money into the industry or whether there are some other alternatives.

• (1640)

In Clause 28 of the Hon. Member's Bill he tried to deal with the problems of nuclear waste, to which I have already made reference. Also in Clause 32 of his Bill he dealt with the matter of hearings. We want a full inquiry into the nuclear industry; we want an open inquiry. If the industry has nothing to hide, then why is it hiding? Why does it not press the Government for a full inquiry so that we can bring together all these forces? In the end—and I am sure Hon. Members would accept it if they believe in the real power of democracy where issues are debated in the open—we may obtain a nuclear policy.

I am looking at the Hon. Member for Bruce-Grey and wondering whether he has seen the review of the nuclear industry. It is a real sham. I had other words to call it but I cannot remember them; they were much wittier.

The Hon. Member talked about the power of and the role for inspectors in Clause 38 of his Bill. I point out that the Government is now doing research on making fuel bundles safe so that they cannot be removed. Even if this worked, it seems to me that we still cannot be sure that an Argentinian or—and I will say it today—a Pakistan or whatever could not take fuel bundles out of Candu reactors and make nuclear bombs.

If another country in the world, perhaps not a stable one, used bundles from Canadian reactors to make nuclear bombs, as I suggested Argentina might do, and it used the bomb, think of the consequences to Canada. We know that even a friendly country like India took our uranium and made a bomb. I love India, but I regret that policy.

Let me conclude by saying to the Hon. Member that his Bill is interesting. The consideration of the subject matter is long overdue. I agree with some of the things he has said; I differ with him on others. But the Member and I agree that these are the real issues: the issue of nuclear waste disposal, the issue of expanding Candu sales, the issue of our nuclear future in Canada at the expense of other alternatives, the issue of the money which we have put into AECL, and the issue of openness. These are vital issues of our generation. They are really important matters about which the public knows, and is demanding an inquiry. The Government stands condemned on this issue. It is really one of the big sleeping issues in Canada today, and the Canadian public must somehow find a resolution. I thank the Hon. Member for bringing in this Bill because it suggests one method. It suggests a small step, but it is one way of forcing the Liberal Government to come forward with an open inquiry into the future of the nuclear industry. If the Government is in favour of nuclear, if it is confident about its policy, if it has reasons for writing off the $325 million, the $87 million, the $25 million, the $81 million and the other $130 million, and if it can justify these expenditures, then what is it afraid of? Let us have an open inquiry. Let us take this Bill and add to it. Let us develop a new nuclear policy for Canada which makes a little sense.

Mr. Dave Dingwall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, before commencing my remarks, I want to say that I appreciate the courtesy which the Hon. Member for Bruce-Grey (Mr. Gurbin) afforded Hon. Members on this side of the House by allowing two other Bills to precede his particular Bill. I appreciate the comments he made, but I should like to reflect upon the substance of his remarks. I will certainly reflect upon them and bring them to the attention of the Minister of Energy, Mines and Resources (Mr. Chrétien). I hope also that we have an opportunity to hear from the Hon. Member for Mission-Port Moody (Mr. Rose). If time permits, we will.

Mr. Jarvis: No way.

Mr. Dingwall: The Hon. Member for Mission-Port Moody is one of the more articulate spokespersons on that side of the House, notwithstanding the Hon. Member for Perth (Mr. Jarvis).

I listened carefully to the assertions of the Hon. Member for Vancouver-Kingsway (Mr. Waddell). Of course he is always full of challenges and inquiries, whether they be predicated upon one or two letters. I share some of the concerns which he raised. I hope when we return to the House in January that he will have a number of questions to ask before the Standing Committee on National Resources and Public Works when the Minister attends or, indeed, during Question Period. I know he will take advantage of the opportunity provided by the House orders, setting aside Opposition days, to discuss this particular subject matter which is of great urgency to him and his Party. I know and I am confident that he will do that, because he believes it to be such a serious issue.

As in the case of most regulatory processes, the nuclear regulatory process in Canada has developed from a parochial, introspective set of procedures in which a very few persons were involved, to one which provides for public consultation and relies extensively upon the co-operation of federal and provincial agencies having public and occupational health and environmental protection responsibilities. Quite clearly the process is not without its critics, and continued effort will be required to ensure that further improvements are made.

Many of those involved in the Canadian nuclear program like to refer to the country's nuclear safety philosophy as somewhat unique. In reality, there are several unique features such as that of primary reliance upon the ingenuity and competence of operators to ensure a high standard of safety and environmental protection. However, many of the fundamental principles were derived on the basis of world-wide experience. It is the Government's intention to continue to maintain an awareness of new developments and to take these into account, as appropriate, in future regulatory proceedings.

The inter-relationships among health, safety and security; national and international aspects; and occupational, public and environmental protection aspects present a complicated array of overlapping subject areas. The Atomic Energy Control Board has been actively seeking to clarify these. Improved working arrangements have been achieved with the Federal Departments of National Health and Welfare, Environment, Labour, Energy, Mines and Resources and Transport. With the first four Departments mentioned, these arrangements formally recognize respective responsibilities and the current practice of AECB of taking into account the standards set by other departments with regulatory interests.

With the continued application of the AEC Act, a number of improvements in regulations have been undertaken. The following subjects have been identified for this work and several documents have already been produced for public comment, covering physical security; administrative aspects including licence review, revocation, and inspection powers; radiation protection regulations; transport packaging regulations; mining regulations; and rules of procedure.

The joint regulatory process established by the AECB with federal and provincial agencies and departments concerned with health, safety and environmental aspects of the nuclear industry, has proven to be very effective in addressing regulatory requirements. Thus, although all the ambiguities in nuclear regulation may not yet have been eliminated, the major areas of concern have been recognized and are being dealt with on a continuing basis by the single federal agency, the Atomic Energy Control Board.

This Bill before us provides a general statement of the federal role and of the responsibilities of AECB, but in doing so it necessitates detailed discussions between certain federal departments and the AECB on the definition of their respective roles. In particular, it is important to identify those areas where mandates or actions of other federal Departments present real or potential overlaps with the mandate of the Atomic Energy Control Board under the proposed Act. For example, the extensive emphasis on the environment in this Bill, a change from the current focus on people, presents a jurisdictional issue requiring considerable consultation and thought.

• (1650)

In recent years there have been a number of highly visible discussions and debates on aspects of the regulation of the nuclear fuel cycle. These have arisen in Royal commissions, in legislative select committees and in other prominent ways. A common factor has been the questioning of the thoroughness and responsibility for regulatory control, usually with emphasis on occupational health and safety. Questions have included the following: is the regulation sufficiently intense? Could it be improved by change of statutory responsibility? Is the legislation clear, or is it confusing to those being regulated? How much federal involvement should there be?

With a profusion of statements on the situation stemming from a variety of viewpoints in governments, industry and in labour, it is not surprising that misunderstandings occasionally arise. I am concerned that this Bill is a reflection of that type of situation.

The Bill removes a significant degree of discretion from the Government of the day by specifying the Minister of the Environment as the Minister responsible for Part I of the Act, that is, the regulatory section. One must remark that apart from the administrative constraint this imposes on the Government, the choice of portfolio is not obvious. The Bill, after all, covers health, safety and security as well as protection of the environment.

It is noted that a major increase in the number of board members is proposed, more than doubling the present total from five to 13 and expanding the number of full-time members by at least four times and possibly nine times. Without quibbling about the additional cost of such an expansion, I would have to question the rationale for this. While it may be desirable to enlarge the board to cope with new responsibilities, I fail to see why nine, 12 or indeed a baker's dozen would necessarily be an improvement over some other number. Surely the existing board should be asked to advise on this in light of the tasks to be addressed today and indeed in the future.

In this Bill there are no clauses dealing with renumeration of permanent and temporary employees, nor with continuing employment of existing staff, the status of the board as a separate employer, or the status of employees under Public Service legislation. Surely it would be unreasonable to create a regulatory tribunal which could not keep and pay the pool of expertise which now exists or which would end up in some sort of personnel limbo for want of specific staffing references in its governing legislation.

There is an important new approach introduced here which warrants considerable thought. This Bill would have the effect of transforming the nuclear regulatory body from a strictly technical licensing body, to a populist judge of social and economic parameters having political overtones, for instance the requirement to consider alternatives to a proposal. Surely we do not want to detract in any way from the decision-making prerogatives of municipal and provincial Governments, nor do we wish to abrogate the political responsibilities of Parliament. I suggest, with respect, that we need a strong, competent, technical tribunal to sort out the technological imperatives while others, Members of this House included, discharge their responsibilities in the more subjective areas of socio-economic and political affairs.

Mr. Waddell: Mr. Speaker, I rise on a point of order. Would the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall) be prepared to answer a question?

The Hon. Member just made reference to the responsibility of others, namely us, for these social and economic issues. Would he tell the workers in Cape Breton-East Richmond, specifically at Port Hawkesbury at the heavy water plant there, what their future will be? A lot of heavy water has been stored there. There are no Candu sales. It seems to be coming to the end of its period. Will those workers be laid off or will they be kept in this limbo of thinking they will be laid off today or tomorrow? What is he proposing to say to be fair to those workers in that important part of the country?

Mr. Dingwall: Mr. Speaker, I would gladly attempt to answer the question asked by the Hon. Member. But first let us be candid with one another. It has been the official position of the NDP, as voiced in the House and in national conventions, that they are opposed to the nuclear industry. Hon. Members from that Party have even suggested quite specifically that two heavy water plants in this country, namely those at Port Hawkesbury and Glace Bay, Nova Scotia, be closed immediately.

Mr. Waddell: I never said that.

Mr. Dingwall: I am not suggesting that the Hon. Member said that, but that is where his Party stands. The Government of Canada, in attempting to deal with that particular problem, has met with union spokespersons, with management of both those facilities over a period of time, with both myself, the

Minister of Energy, Mines and Resources as well as the Secretary of State for External Affairs (Mr. MacEachen). We have told them very clearly that this is a very difficult situation in view of the fact that there are no sales of Candu reactors in the immediate future. However, there are some prospects in the nuclear industry, particularly for Candu reactor sales, which may prolong the health of those two plants. We said very clearly that the matter would be before Cabinet and various alternatives would be reviewed, and that when a decision is reached they would be the first to be consulted whether there is a shut-down or not or there are, indeed, alternatives. That has been the approach and sensitivity shown by this Government to those plants, unlike that of the NDP which proposes to shut them down. There have been no alternatives coming from them.

At a nuclear facility, where do you draw the line between protection of the workers on the site and protecting the public just beyond the boundary fence? Depending on how you read it, this Bill seems to propose a termination of, or at least a partial withdrawl from, nearly a quarter century of rather remarkable performance by the board in regulation. This fine record has gone hand in hand with the intimately associated protection of the general public and the environment from radiation hazards. Lacking an unequivocal statement of responsibility for workers' health and safety, the board could become no more than a builder of safety walls, unconcerned with what went on behind them. Can you imagine a health authority simply slapping a cautionary quarantine sign on a dwelling's door without ensuring medical attention for the occupants? This remote, outside-in approach, is not in the public interest and does not reflect the experience gained from the regulatory performance to date. That is what I am suggesting the Hon. Member is attempting to do in this particular Bill.

I am sure Members of this House are concerned that a number of provisions of this Bill fly in the face of the principles established by the Access to Information Act now awaiting proclamation. The conflict is understandable since the Bill was drafted more than two years ago, but it is one more indication that additional consultation is desirable on the appropriateness of certain sections. There is no point in itemizing information access provisions, including, I note, a somewhat draconian penalty for board staff obstructionism, when a well thought out law on the subject is already on the books.

In conclusion, I have indicated privately to the Hon. Member for Bruce-Grey that I would certainly reflect upon a number of the suggestions which he has made today. I hope there will be other opportunities to discuss this particular subject matter, whether it be in committee or in the House on an Opposition day. I know that the Hon. Member for Vancouver-Kingsway will want to rise and speak because it is such an important matter.

In closing, I just want to say that the sudden concern of the Hon. Member for Vancouver-Kingsway, who now sits with the Hon. Member for Mission-Port Moody, for the workers in Glace Bay and Port Hawkesbury appalls me.

The Acting Speaker (Mr. Blaker): I do not have the sense of the Members' will as to whether or not the Chair was being asked to give a ruling. However, we have come to five o'clock and I have to take into consideration that this may be part of the plan.

It being five o'clock, the House stands adjourned until Monday next at two o'clock p.m., pursuant to Standing Order 2(1).

At 5 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, December 20, 1982

The House met at 2 p.m.

• (1405)

MOTIONS UNDER S.O. 43

[*English*]

CANADIAN DAIRY COMMISSION

LEGALITY OF MILK LEVIES CHARGED AGAINST PRODUCERS

Mr. Gordon Towers (Red Deer): Madam Speaker, my motion, under Standing Order 43, seeks to redress the standoff between legal opinions obtained by the Auditor General and the Minister of Agriculture. The latter states that the Department of Justice has advised him the levies imposed by the Canadian Dairy Commission are legal, while the Auditor General has two independent opinions, one from Gowling, Henderson, of Ottawa, and a second from Borden, Elliot, of Toronto, which state the opposite. I move, seconded by the Hon. Member for Bow River (Mr. Taylor):

In view of the fact that the Minister of Agriculture is reneging on his responsibilities that the Prime Minister appoint a member of the judiciary to investigate and report on the legality of the milk levies charged against producers, and the legality of the Dairy Commission's method of spending these levies.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

FINANCE

TAX ON FUELS USED IN PRODUCTION OF FOOD

Mr. Arnold Malone (Crowfoot): Madam Speaker, in light of the fact that inflation remains high in Canada and that food costs are a major factor contributing to inflation, and since farm bankruptcies are up 49 per cent in the first 11 months of this year over last year, and the United Grain Growers have estimated that farm producers' income will drop by 28 per cent this year from 1981, and since farm fuel costs have accounted for 53 per cent of the increase in farm operation costs, I move, seconded by the Hon. Member for Peace River (Mr. Cooper):

That this House urge the Minister of Finance to give appropriate consideration to decreasing federal tax on fuels used in the production and transport of food products.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

CHARTER OF RIGHTS

APPLICATION TO EMPLOYEES OF PARLIAMENT

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, I rise under Standing Order 43. Since Section 15(1) of Canada's new Charter of Rights and Freedoms protects individuals from discrimination of all kinds, I move, seconded by the Hon. Member for Hamilton Mountain (Mr. Deans):

That to the schedule in the Human Rights Act covering Government institutions be added this institution, to protect the employees of the Parliament of Canada.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

THE PRIME MINISTER

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, in recent weeks the Prime Minister has provided Canadians with several "soul-searching" discussions wherein he has admitted that we have serious problems in Canada and that his Government is partly to blame. Last night in his Christmas message we were told by the Prime Minister that he knows that the Liberals would not win if an election were called, and that his Government will simply try to get the country out of the present mess and not worry about getting re-elected. Therefore I move, under Standing Order 43, seconded by the Hon. Member for Crowfoot (Mr. Malone):

That since the Prime Minister does not feel that his Government would be re-elected, that this constitutes a lack of support by the people of Canada for his Government's policies, and he should immediately resign and call a general election.

Madam Speaker: The Hon. Member for Athabasca.

S.O. 43

CROWN CORPORATIONS

LEGISLATION TO CONTROL EXPENDITURES

Mr. Jack Shields (Athabasca): Madam Speaker, whereas the Auditor General in his report described the extent of government activity in business as "an enormous iceberg" of which only the tip is dimly visible; whereas the proliferation of Crown corporations has become a "sub-Government" employing 263,000 people; whereas it has become obvious that the Liberal Cabinet and some Crown corporations have become co-conspirators in spending money without parliamentary control, which has raised a number of questions such as: 1. Should the Government be trying to do the things it is with Crown corporations? 2. Should some Crown corporations continue to exist? 3. Should a sunset deadline on Crown corporations be imposed?—I move, seconded by the Hon. Member for Okanagan North (Mr. Dantzer):

That action be taken under the Inquiries Act immediately to recommend to this House legislation to control Crown corporations so that money extracted from the public through taxation is not used to pursue goals desired by politicians and bureaucrats to stroke their own egos.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

DISASTERS

FLOODING IN LOWER FRASER VALLEY, B.C.—FUNDING FOR DIKES

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity concerning the Fraser River flooding, and move, seconded by the Hon. Member for Mission-Port Moody (Mr. Rose):

That this House express its concern for the victims of flooding in the lower Fraser River valley as well as its concern for the state of water management and flood control in the area; and that this House calls on the federal Government to increases its funding and support for the Lower Fraser Diking Agreement and the long term projects of the Diking Agreement Management Board.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

• (1410)

HEALTH

MANUFACTURE OF SUBSTANDARD MEDICAL DEVICES—NECESSITY FOR CONTROLS

Mr. Gus Mitges (Grey-Simcoe): Madam Speaker, in view of the fact that time and time again there has been evidence that numerous medical devices, including contact lenses and pacemakers, have not always lived up to their expectations and at times have caused serious illness and death to their recipients because of malfunction, I move, seconded by the Hon. Member for Simcoe North (Mr. Lewis):

That the Department of National Health and Welfare move more speedily and more expeditiously to correct and eliminate all substandard medical devices and exert more stringent controls on the manufacturing companies to make them more responsible than they have been up to now.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

THE PRIME MINISTER

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, I rise today on the subject of the public acknowledgement of the Prime Minister (Mr. Trudeau) of failure last night, on the CBC. I congratulate him on his lofty detachment that enables him to view the bitterness of the Canadian public without any sense of depression or guilt. Perhaps we could call that the Clifford Olson approach.

Some Hon. Members: Oh, oh!

Mr. Darling: I therefore move, seconded by the Hon. Member for Prince-Edward-Hastings (Mr. Ellis):

That this House inform the Prime Minister that, while he may be sorry for those who do not have jobs, the Canadian public at large is sorry that he has one, and more specifically the one that he does have, namely, the Prime Ministership.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

NUCLEAR ARMAMENTS

TESTING OF CRUISE MISSILE

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, I rise under the provisions of Standing Order 43. Whereas last Wesnesday in this House, and last evening in his televised interview, the Prime Minister (Mr. Trudeau) tried to defend

Cruise missile testing in Canada by arguing that the Cruise moves too slowly to make it suitable as a first-strike weapon, and whereas the threat to future arms control agreements posed by the Cruise missile is not that it may or may not be a first-strike weapon, but that it is so difficult to verify its numbers that it renders arms control agreements, in the words of one U.S. navy official, meaningless, I move, seconded by the Hon. Member for New Westminster-Coquitlam (Miss Jewett):

That the Prime Minister take the time to inform himself of all of the ramifications of Cruise missile deployment on arms control agreements before he makes any more public utterances on the subject.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

EXTERNAL AFFAIRS

DEATH OF CANADIAN EMBASSY EMPLOYEE IN MOSCOW

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, I move, seconded by the Hon. Member for Edmonton North (Mr. Paproski):

That the Solicitor General, after consultation with the Secretary of State for External Affairs, inform the House whether his officials conducted an independent investigation of the reported car accident in Moscow on December 4 of this year in which an employee of our Embassy, Mr. Michel Leroux, was killed.

If so, that the Solicitor General report to the House in due course when and if he is satisfied that the untimely death of Mr. Leroux was accidental?

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

SCIENCE AND TECHNOLOGY

CALL FOR COMMITTEE STUDY OF MORAL AND ECOLOGICAL ISSUES

Mr. Jim Fulton (Skeena): Madam Speaker, I too rise under the provisions of Standing Order 43. In view of the fact that this House is at present taking no steps to follow up on the Science Council of Canada report on regulating the regulators, and in view of the fact that this House must immediately take steps to address such questions as genetic engineering, test-tube reproduction, embryo research, and the legal definition of death, I move, seconded by the Hon. Member for Saskatoon East (Mr. Ogle):

That this House show some respect for future life on this planet and immediately convene a special committee to advise Parliament on scientific, technological, moral and ecological issues.

Regulations on complex scientific issues cannot be left to definition by the profit motive or the marketplace alone. We are on the edge of an ethical frontier which includes the introduction of new life forms which may be self-propagating biohazards. I urge all Members to support such a committee in principle.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

LOCATION OF PROPOSED GENETIC ENGINEERING AND BIOTECHNOLOGY CENTRE

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, the Government of Canada is considering placing an application for the establishment of an International Centre for Genetic Engineering and Biotechnology in Canada. I therefore move, seconded by the Hon. Member for Kindersley-Lloydminster (Mr. McKnight):

That this House request the Secretary of State for External Affairs to propose on behalf of Canada that the International Centre for Genetic Engineering and Biotechnology be located at Innovation Centre in Saskatoon, Saskatchewan.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

INDUSTRY

PETROCHEMICAL INDUSTRY—EFFECT OF TAXATION

Hon. Don Mazankowski (Vegreville): Madam Speaker, in the absence of the Minister of Industry, Trade and Commerce, of the Minister of Energy, Mines and Resources, and of the Minister of State for Economic Development, I wonder if I might direct this question to the Prime Minister. As we witness the tragedy of 1.5 million Canadians unemployed, the Government is floundering around looking for make-work projects. At the same time, industries such as the petrochemical sector, which could provide some 50,000 jobs for Canadians, are virtually on the brink of collapse as a result of the Government's ill-conceived and misguided energy tax policy. The problem is that it puts the Canadian petrochemical plants at a very serious competitive disadvantage. May I ask the Prime Minister when his Government and Cabinet will act to redress this very serious situation which has already cost some 8,000

jobs and has forced the Canadian petrochemical industry to operate at 50 per cent capacity?

• (1415)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member is seriously misinformed. If he looks around in the other countries he would see that the petrochemical industry in most countries, particularly in that of our neighbour, is in as bad or worse trouble than it is in Canada, and that is due to world demand, not to any tax policy in Canada. If the Hon. Member were a little more open-minded he would look at the whole industry, and not just focus on the effects of the Government of Canada's actions.

PROPOSED LOCATION OF PLANTS OVERSEAS

Hon. Don Mazankowski (Vegreville): The Right Hon. Prime Minister is obviously not being kept informed of what industry officials are saying. As a matter of fact they will point out that the main problem is Canada's lack of competitiveness as a result of the heavy up-front taxes, which are in the vicinity of 40 per cent to 50 per cent. The Vice-President of Union Carbide Canada Limited said, and I quote:

> Our industry cannot withstand this level of front-end taxation because our international competitors are, by and large, being subjected to much lower front-end taxation levels.

He went on to say:

> The petrochemical industry is at present in danger of being taxed out of existence—

Those are the facts, Madam Speaker. Furthermore, if the petrochemical industry were in such danger in the international marketplace, why is it that today Canadain petrochemical industries are actively seeking to establish their facilities in places where the fiscal environment is not as hostile, for example, in places like New Zealand, Indonesia, Saudi Arabia and Malaysia? Why is the Prime Minister overlooking that very important component, when Canadian companies are actively seeking to establish their facilities in other countries of the world?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the Government is fully aware of the difficult situation existing in the petrochemical industry at the present time.

Mr. Clark: Oh, come on!

Mr. Lalonde: The Leader of the Opposition got up on the wrong side of the bed this morning. Did he have some more leadership problems this week-end? Perhaps we can leave him to his problems and get back to more serious matters. The petrochemical industry is a subject of considerable concern to the government. We have had substantial discussions with the industry during the last few months, and the fact is, that the industry is experiencing the same problems that are facing the petrochemical industries the world over. In Europe and Japan, the same problems arise and even the American petrochemical industry has started to sell its products at extremely low prices. The Government is looking into these problems, and it should be understood there are no simple answers and no instant solutions. We shall be meeting again with representatives of the industry. The Government has created a task force within the Department of Industry, Trade and Commerce, which will be submitting recommendations very shortly.

[*English*]

INDUSTRY'S FUTURE

Hon. Don Mazankowski (Vegreville): With all due respect, Madam Speaker, we have been receiving these kinds of answers for the last six months. Perhaps it is time to stop the debate and start acting. The fact of the matter is that the petrochemical industry has tremendous potential. It has the potential of producing a $10 billion trade balance and generation of at least 50,000 jobs by 1985, and the Minister again suggests that he has to sit around and talk it over with the industry. He still has not answered the basic question. Why is it that Canadian petrochemical companies are now actively seeking to relocate their plants in other countries of the world?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I would invite my hon. friend to examine this with great care.

Mr. Mazankowski: I will.

Mr. Lalonde: I am happy he says he is going to examine it with great care, because there are not many other countries in the world where you can establish today—

Mr. Epp: He just mentioned four of them.

Mr. Lalonde: —a new petrochemical plant and really make money with it.

Mr. Epp: He gave you four.

Mr. Lalonde: Yes, but have the companies moved? Are they planning to invest? Or is it just, you know, word of mouth? Because the fact is that today there is a surplus of petrochemicals the world over. The problem is not that this country cannot produce, the problem is that there is no demand, or the demand is not high enough. If you go abroad and invest in another plant, you will not be able to sell any more because the problem is low demand and extremely low prices at the present time. So I challenge my hon. friend to go abroad and open a new petrochemical plant. I wish him good luck; he will probably be bankrupt before he leaves the country.

• (1420)

Mr. Andre: Madam Speaker, the Minister of Finance is indicating that if in fact the world economy were booming and competitors were having difficulties, then Canadian policy would be just right. But those are not the circumstances which exist today.

REQUEST FOR CHANGES IN NATIONAL ENERGY PROGRAM

Mr. Harvie Andre (Calgary Centre): Madam Speaker, the former Chairman of Dow Chemical, Mr. Clifford L. Mort, in a recent speech in Toronto indicated that the National Energy Program was a disaster for oil and gas producers, but an even worse disaster for chemical producers. In partical recognition of that disaster, last spring the Minister, and particularly the Provinces of Alberta and Saskatchewan made changes which have benefited oil and gas producers, but so far no changes for chemical producers. In view of the fact that thousands and thousands of jobs and hundreds of millions of dollars of export earnings are involved, why has there been such reluctance to make the necessary changes to save this very important industry?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I am very interested in my hon. friend's speech. He is repeating the same speech, with no more foundation than it had before.

Mr. Jarvis: Too bad you did not listen to it two years ago.

Mr. Lalonde: I remind my hon. friend that had his energy policy been implemented those same companies would today be operating with feedstocks at 100 per cent of international prices. That industry is operating today with feedstocks which cost around 85 per cent of international prices. It does benefit from a real advantage, thanks to the National Energy Program which my hon. friend is so quick to condemn. The industry has saved a minimum of 15 per cent on the cost of its feedstock by our program compared to his proposal at the time.

Mr. Clark: Nonsense.

Mr. Lalonde: That is a fact of life.

As far as the industry is concerned, I remind my hon. friend that other industries have similar problems of lack of demand, whether it is copper, zinc, asbestos or nickel—you name it. You can name all kinds of basic products in this world for which demand is lacking in every country. The petrochemical industry is facing the same particular problem. There is no magic solution to the problem my hon. friend has raised.

Mr. Andre: Madam Speaker, certainly pretending you are an ostrich and shoving your head in the sand is no solution to these problems.

REPORTED INTERNAL STUDY OF INDUSTRY

Mr. Harvie Andre (Calgary Centre): Madam Speaker, the Minister indicated there was an internal study of the petrochemical industry being conducted by the government bureaucracy. In a recent book entitled "The Sorcerers Apprentices" by Peter Foster, the author indicated that the National Energy Program was catastrophic in its effect, at least in part due to dependence upon the advice of the same officials who are now preparing this report for the Minister. To prevent that kind of catastrophe from happening again, would the Minister make a commitment to this House to table that report, and refer it to the appropriate standing committee, to give an opportunity for critical examination of its premises so that we do not have another dozen projects go down the tube because of false assumptions and then have thousands and thousands of Canadians out of work, with bleak prospects, while the Minister stands and rings his hands over international circumstances?

We are talking about action here in Canada to address a Canadian problem; let us have some made-in-Canada solutions, not prayers that the rest of the world will save us.

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, my wish for the Hon. Member in 1983 is that he should improve his reading, to begin with. Secondly—

Mr. Andre: You table it and I will read it.

Mr. Lalonde: Secondly, I am surprised that his big recommendation, after having made representations on behalf of the petrochemical industry, is for more study by a parliamentary committee or whatever he wants to set up. He does not want action; he just wants more talk and more study. I am sorry to have to recognize that.

* * *

LABOUR CONDITIONS

JOB STIMULATION PROGRAMS—GOVERNMENT PLANS

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, my question is directed to the Prime Minister who, I thought, with admirable candour admitted last night on television that the current government job creation programs were not expected to make "a major dent" in the unemployment problem. We in this Party agree with that statement. We are really interested in the 1.5 million unemployed. What does the Prime Minister intend to do about it? Is he satisfied with the job situation which prevails, and when will he bring in some job stimulation programs?

• (1425)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, on the latter part of the question, the answer has already been given several times by the Minister of Finance and by myself. We have brought in some job stimulation programs to the tune of $2.5 billion, beginning last June and in the Minister's October statement, whereas the Hon. Member's own Leader suggested a job creation plan of some $1.8 billion. On that we are merely inviting him to catch up with us.

In so far as making a dent in the figures of high unemployment is concerned, that is something we have said before and that is something which the Minister of Finance recognized in his October statement. It will be difficult to bring those figures down because, even with our job creation programs which will bring people back into the labour force, from a statistical point

of view the figures will not appear all that different. The important thing is that they will create jobs for Canadians now, and they are in the process of doing so.

Mr. Rose: I think the Prime Minister knows that my Leader called for a program in addition to the one that already exists, which the Prime Minister has said will not put a major dent in the unemployment situation.

GOVERNMENT LEADERSHIP

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, this morning I checked, and at this festive time of the year all major charities are being over-subscribed, up to about 30 per cent, including the United Way and the Salvation Army. Each of those institutions reports that gifts and donations are up. The people of Canada are prepared to share and care, but they are awaiting leadership from the Government. If the Prime Minister will not move, will he at least admit that his Government is mean spirited, since he refused to permit anything beyond the piddling program which is before us at the moment?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, if the Hon. Member describes $2.5 billion as piddling, then I wonder where is his sense of proportion. I point out to him that even if he were to follow his own Leader and add, as he said, another $1.8 billion, it would not put a serious dent in the unemployment figures. The Hon. Member knows that, or he should know it. Further, he would have to ask himself where he would get this additional $1.8 billion since his Leader does not want to increase the deficit. That is a problem with which I am sure they are still struggling over there.

* * *

HOUSE OF COMMONS

PRESENCE IN SPEAKER'S GALLERY OF UNITED STATES SECRETARY OF COMMERCE

Madam Speaker: I have the honour to draw the attention of the House to the distinguished presence in our Gallery of Mr. Malcolm Baldrige, the Secretary of Commerce of the United States of America.

Some Hon. Members: Hear, hear!

[*Translation*]

PRESENCE IN GALLERY OF MINISTER OF FOREIGN AFFAIRS OF NIGERIA

Madam Speaker: I also wish to draw the attention of the House to the distinguished presence in our gallery of Professor Ishaya Audu, Minister of Foreign Affairs of Nigeria.

Some Hon. Members: Hear, hear!

MANPOWER

DESIGNATION OF THREE QUEBEC CITIES—GOVERNMENT POSITION

Mr. Claude Tessier (Mégantic-Compton-Stanstead): Madam Speaker, my question is directed to the Minister of Finance in his capacity of Minister responsible for the Designated Areas Committee. The Minister is no doubt aware of the demonstration held today by the towns of Rock Island, Stanstead and Beebe. The purpose was to prove to the Canadian Government that these towns exist and that even if they are on the Canadian-American border, they want to be part of Canada. However, they want a clear, detailed and speedy reply to their application for designation under the federal Industrial and Labour Adjustment Program. Could the Minister give them the assurance that their application is well-founded, and when does he intend to answer this urgent request, submitted first to his predecessor, subsequently to the Minister of Industry, Trade and Commerce and now directly to the Minister?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the representation made by the Hon. Member is a very important one and is being considered by the Cabinet Committee responsible for examining the designations in question. The Cabinet Committee is now chaired by the Minister responsible for Economic Development, and I shall immediately bring to his attention the representation made by the Hon. Member and ask to have this file examined as quickly as possible.

* * *

• (1430)

[*English*]

LABOUR CONDITIONS

SUMMER EMPLOYMENT FOR STUDENTS IN 1983

Mr. John A. MacDougall (Timiskaming): Madam Speaker, my question is directed to the Minister of Employment and Immigration. Is he aware of the problems facing students who are now beginning their annual search for summer jobs? Many mines and secondary industries that have traditionally provided summer jobs for students have announced summer layoffs, hiring freezes, and summer shut-downs. What action is the Minister planning to ensure that there are employment opportunities for students in the summer of 1983?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I want to thank the Hon. Member for his question. There is no doubt that it is a very serious issue. Due to the general economic state in the country, many private employers will not be offering the same number of jobs.

As the Hon. Member knows, each summer we do have a summer employment program for students. Last year we had close to 60,000 students hired under that program. Certainly it will be our intention to repeat that program next summer. We

will be establishing a level of funding as soon as the Minister of Finance is able to develop the arrangements and computations which he needs in his budget.

I can assure the Hon. Member that we will be continuing that particular program next summer, as well as the major placement program we provide each summer. The funding will be announced when the Minister of Finance is in a position to do so.

Mr. MacDougall: I hope that the funding will be in operation in sufficient time to allow students across Canada the opportunity to apply for these jobs soon enough.

* * *

RAILWAYS

CROWSNEST PASS FREIGHT RATES—REQUEST FOR ANNOUNCEMENT BEFORE CHRISTMAS

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, my question is directed to the Minister of Transport. On several occasions the Minister has said in the House that he would hope to be able to make the Government's position known on the statutory rate for the movement of grain before the Christmas adjournment. Could the Minister inform the House whether he will be able to meet that commitment?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, Cabinet is still looking at the question and hopefully will make a decision very soon. The proper announcement will be made then. It is too early for me to comment on the exact date.

Mr. McKnight: Just from what the Minister said, I understand that the answer is no.

REPORTED PREPARATION OF MODIFIED PROPOSAL

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, I would ask the Minister of Transport if the reason for some of the problems he is having in formulating his policy is that his assistant in the other place now has a new policy which is a modification of the statutory movement, a modification of the Gilson recommendations? If a statement is to be made, will it be made by the Minister of Transport or by his assistant in the Senate?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, my understanding of the Cabinet system is that all of its members are free to make their contributions until the Cabinet itself makes the decision. Then Cabinet solidarity applies.

Mr. Clark: Another Trudeau absurdity.

FARM CREDIT CORPORATION

FORMULA GOVERNING INTEREST RATES

Mr. Jack Murta (Lisgar): Madam Speaker, my question is directed to the Minister of Finance. I would ask him whether or not there are negotiations going on at the present time between the Farm Credit Corporation and his officials in the Finance Department to see whether or not a change can be established in the formula under which Farm Credit Corporation interest rates are being administered, as far as farmers are concerned?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, consultations are taking place between my officials and officials from the Farm Credit Corporation quite frequently and regularly. This matter is being kept under review constantly.

CURRENT TERMS

Mr. Jack Murta (Lisgar): Madam Speaker, as the Minister may know, farmers who are applying for Farm Credit Corporation loans are paying at the present time in the neighbourhood of 15.75 per cent under the formula which has been set from October 1 to April 1. With interest rates dropping at the present time, of course farmers are paying more than they would in terms of the money market itself. Is a change being contemplated and, if so, will it come before Christmas?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, if the Hon. Member wants to read the press releases which I have sent to his office, he will see one from a week ago Thursday that shows that farm interest rates for long-term mortgages are 13.25 per cent, and for those farmers in dire need, for the two-year mortgage, the interest rate is 9.25 per cent, which is the lowest rate it has been for many years.

* * *

INDIAN AFFAIRS

INCREASE IN CONSULTANTS' FEES

Mr. Jack Shields (Athabasca): Madam Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. He will probably know by now that the increase in moneys used by his Department for consultants in 1981-1982 increased to $10 million from $5.5 million the year before. The number of consultants used by his Department last year was 962 compared to the 629 who were used the year before. When this was questioned, the Director of Contracts and Policy Services said, "I am surprised at that kind of jump," and "my feeling is that the figures are wrong." Has the Minister checked to see if the figures are wrong and, if they are, how are they wrong?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Yes, Madam Speaker, I have checked. If my memory serves me correctly, the figures are

substantially correct. It is true that there is a disparity as compared with the previous year, but on an over all basis over the last decade it is not a great variance at all.

Mr. Shields: Over the last decade, it is not a great variance, but it is a 50 per cent increase in 1981-1982 as compared to 1980-1981.

SURVEY OF SURPLUS STAFF

Mr. Jack Shields (Athabasca): Madam Speaker, my supplementary question is directed to the same Minister. One contract was awarded to survey surplus departmental staff. Did the consultant find that there indeed was a surplus departmental staff in the Department? If so, how many were there and, in light of the results, can the Minister think of any way in which he can reduce his Department's expenditures?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Yes, Madam Speaker, one of the matters which has been marked with some approbation by the Standing Committee is the very substantial number of man years that my Department has reduced itself by over the last year to two years. It is several thousand man years. I can get the precise figure for the Hon. Member.

* * *

CANADA MORTGAGE AND HOUSING CORPORATION

SOCIAL HOUSING BUDGET

Ms. Lynn McDonald (Broadview-Greenwood): Madam Speaker, I have a question for the Minister responsible for CMHC. Given the agreement arrived at last week by the Minister of Finance and his provincial counterparts on the need to increase expenditures on capital works, and given as well the recent statements by the Prime Minister that housing should be one of the sectors to receive additional funding, what assurances can the Minister give the House that priority be given to federal housing initiatives and especially to increases in the social capital housing budget of CMHC, both as a means of job creation and of alleviating the very critical shortage of housing, especially affordable housing?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, I welcome the Hon. Member to her role as NDP critic of housing matters. I would suggest that the implication of her question is somewhat complicated. On the one hand, the job creation aspect is served very effectively in the area of housing, not only new housing but in housing repairs, as we have seen by the utilization of the CHRP Program.

In the area of social housing, there is no doubt that there always is an increase in the number of people who want to have access to this budget. It is one which has been consistently improved or increased, but it is perhaps not the quickest or most economical way of creating jobs. For that reason there is a conflict between the two programs.

Ms. McDonald: I would be interested in seeing the comparisons of what other programs might be better creators of jobs.

PROPORTION OF CORPORATION'S BUDGET

Ms. Lynn McDonald (Broadview-Greenwood): Madam Speaker, I would like to return to the point about social housing. The Minister has pointed out that the amounts have remained consistent since 1979, but he is surely aware that there were major cuts between 1978 and 1979, and indeed from 1975 on. Would the Minister comment both on comparisons between recent years and those earlier years and the proportion that social housing has been given out of CMHC funding, that is, a proportion relative to profit making for housing?

• (1440)

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, I would have to check the facts. Perhaps my memory is failing me, but it seems to me that in this Program, the figure of 25,000 units per year was set in 1979. In fact, some years this figure has been slightly exceeded.

* * *

FINANCE

CANADA SAVINGS BONDS—PAYMENT OF TAX ON COMPOUND INTEREST

Mr. Don Blenkarn (Mississauga South): Madam Speaker, my question is directed to the Minister of Finance. The Minister will know that he had a relatively successful Canada Savings Bond sale. Many of those bonds were compound interest bonds. During the sale the Minister did not make any effort to advise people that they would have to pay income tax on the compound interest every three years. What program has the Minister in place to ensure that those people who bought bonds in good faith, thinking they could compound the interest over the term of the bond, the full seven years, will be able to pay tax on the bonds every three years, and how will they know what tax they should pay?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the taxpayers in question are in exactly the same situation as other taxpayers holding bonds and receiving interest payments. They are in no different position from the average taxpayer and they will come under the same provisions as the other taxpayers in similar situations. The previous Minister of Finance announced measures which will become part of the Income Tax Act, which is before the House. As soon as it is passed it will obviously have the full endorsement of the House. These matters are fully public. There has never been any secret about them. They are part of the general taxation regime.

Mr. Blenkarn: I suppose the Government feels that all people who buy these bonds read the Ways and Means Motions.

ANNUAL NOTIFICATION OF ACCRUED INTEREST

Mr. Don Blenkarn (Mississauga South): Madam Speaker, perhaps the Minister of Finance will advise the House whether he is planning to send out T-5 slips every year to Canada Savings Bond holders to indicate the amount of interest accruing on their bonds so that they will know what interest to declare, if they want to pay that interest annually, and so they will know on what interest they must pay tax every three years. Will he give the House an undertaking that, whether the interest is taken up and collected by the bondholders or not, he will send those bond holders T-5 slips, or something of that nature, every year so that they will know where they stand with respect to accrued interest?

Hon. Marc Lalonde (Minister of Finance): I take the suggestion of the Hon. Member as a representation which I will study with my officials and with the Minister of National Revenue.

* * *

THE CONSTITUTION

PROPOSAL TO GIVE POWER OF VETO TO QUEBEC MEMBERS OF PARLIAMENT

Mr. John Gamble (York North): Madam Speaker, my question is directed to the Minister of Justice who was quoted in a Montreal newspaper last week as favouring a form of constitutional veto for the Province of Quebec to be exercised through Hon. Members of this House who are from the Province of Quebec. Is that the position of the Government with respect to a veto for the Province of Quebec and, if so, would it also be contemplated that Hon. Members of this House who are from the Province of Ontario would be entitled to exercise the veto for this Province? Would it, indeed, be the general practice that Hon. Members from all provinces will be entitled to exercise the constitutional veto for the Provinces from which they come?

Hon. Mark MacGuigan (Minister of Justice and Attorney General of Canada): Madam Speaker, that is not the policy of the Government. It was raised with my Department by one of my colleagues—

Some Hon. Members: Seatmate.

Mr. MacGuigan: —and, as a result of that, it was an idea which was scrutinized.

Some Hon. Members: Oh, oh!

Mr. Gamble: The Minister has not denied, at least, that it seems to be his idea as the Minister of Justice, and I must say that that astounds me, because discord and disharmony in this country surely grow from creating a situation where Canadians from one part of the country are treated differently than Canadians from another part.

APPLICATION OF CONSTITUTION TO LANGUAGE RIGHTS IN QUEBEC

Mr. John Gamble (York North): One of the additional suggestions which has recently been made as a consequence of the judgment of the Supreme Court, in this case by the Premier of the Province of Quebec, is that Section 23 of the constitutional resolution which was passed about a year ago in this House should not apply at all to the Province of Quebec. We know that that particular paragraph has been watered down so that the language of educational rights therein applies, in part only, to the Province of Quebec. Could the Minister tell the House whether it is his intention or the Government's intention to dilute further in any way the application of that Section of the Constitution so that it will not apply at all to the Province of Quebec?

Hon. Mark MacGuigan (Minister of Justice and Attorney General of Canada): Madam Speaker, as the Hon. Member has suggested, the Premier of Quebec has written to the Prime Minister on this general subject, and the Prime Minister will be answering in due course. However, the Hon. Member and other Hon. Members know that the Government has already taken a strong position with respect to Section 23.

* * *

INDIAN AFFAIRS

EFFECT OF DEVELOPMENT AT SHOAL LAKE ON WINNIPEG WATER SUPPLY

Hon. Jake Epp (Provencher): Madam Speaker, I would like to direct my question to the Minister of Indian Affairs and Northern Development. It relates to a situation at Shoal Lake, from which the residents of the City of Winnipeg get their water supply, a water supply which does not need much filtration or extra expense to make it suitable for consumption. As the Minister knows, there has been an attempt to develop some industry at Shoal Lake, primarily the construction of cottages, and that has raised fears in Manitoba in terms of the diminution of the quality of water for the City of Winnipeg. Has the Minister received any assurances from the band at Shoal Lake that raw sewage will not be dumped into Shoal Lake and, specifically, into Indian Bay, which was done this last week?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Yes, Madam Speaker, I can give the Hon. Member that assurance. I spoke with Chief Redsky of the Shoal Lake Band. He is not dumping any raw sewage into the water. In previous years he had disposed of garbage on the reserve shoreline. He is not doing that any more. He is taking it across the ice and dumping it in an area very close indeed to the dump where Winnipeg dumps its own garbage. He felt that, by doing that, perhaps it would minimize the complaint emanating from the Mayor of Winnipeg. However, I can assure you, Madam Speaker, the bottom line is that the chief of this band has not the slightest intention whatsoever of polluting the Winnipeg water supply.

Mr. Epp: It is rather ironic that he would compare the two to three employees of the City of Winnipeg at Shoal Lake to the number of residents at Shoal Lake, that is, the Indian Band, and the amount of garbage that would obviously be generated in each situation. I think that is a rather interesting position which the Minister takes.

REQUEST FOR ASSURANCE OF WATER QUALITY

Hon. Jake Epp (Provencher): I would like to ask the same Minister a supplementary question. In view of his responsibilities and the response that there has been in Winnipeg, and while there is some feeling that there should be some economic development, especially in view of the fishing industry which collapsed at Shoal Lake earlier, will the Minister give his personal assurance that, before any development takes place at Indian Bay, specifically, the quality of Winnipeg's water supply will not be decreased?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, we have already made a very substantial amount of money available to the band to ensure that that very thing does not happen. We are also investing many person years in an attempt to carry on enlightened discussions and negotiations with the Mayor of Winnipeg to ensure that the Indians are not short changed with respect to the worth of that particular property, inasmuch as there seems to be so much objection to any development taking place there. Unfortunately, as far as I am concerned, the Mayor, for political reasons, seems to be more interested in whipping up antipathy toward the natives than finding a fair and equitable settlement for the natives.

* * *

WILDLIFE

COMMERCE IN ENDANGERED SPECIES

Mr. Jim Fulton (Skeena): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce. I see him sitting there, leaning on his arm. I am sure he is aware of the increasing illegal pressure on wildlife which is due, in part, to tough economic times, but also to poaching for trophies and to international purchase of parts for various superstitious purposes. In recent years there has been a dramatic rise in poaching.

My question is directed to the Minister of Industry, Trade and Commerce.

Some Hon. Members: He is over here.

Mr. Fulton: No, that is the Minister of State for International Trade. My question is directed to the Minister of Industry, Trade and Commerce, who is sitting over there!

Some Hon. Members: Oh, oh!

Mr. Fulton: I know you were very interested in the question.

In recent years the rise in poaching by non-Canadians, particularly in national parks, has risen to incredible levels, with such things as bighorn ram heads bringing $35,000 and grizzly bear gall bladders bringing $3,000 and up. What steps is the Minister taking to toughen up on the trade and commerce in Canadian wildlife, in particular, to stop the illegal international traffic in endangered species, covered by the Import and Export Permits Act?

• (1450)

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, first of all, the Import Export Permits Act is under the jurisdiction of my colleague, the Secretary of State for External Affairs. Secondly, this is the first time that particular situation has been brought to my attention. I will look into it and get back to the Hon. Member.

EXPORT OF FALCONS

Mr. Jim Fulton (Skeena): That is very interesting, Madam Speaker. In the last couple of months I have corresponded twice with the Hon. Minister, and he sent me back very lengthy letters, so he certainly knows what I am talking about.

My supplementary is directed to the Prime Minister who, I know, has personal knowledge and personal interest in certain endangered species, in particular the gyrfalcon. The only gyrfalcons that have been exported, in Canadian history, were the two taken by the Prime Minister to King Khalid in 1978, or 1980, despite objections from his Minister of the Environment. Seven permits to capture and export gyrfalcons were given this year in the Northwest Territories, and two of those young birds are now on their way for sale in the Middle East.

Since the Canadian Wildlife Service, along with Industry, Trade and Commerce and External Affairs, is responsible for the international convention, and since the Canadian Wildlife Service vociferously objects to the export of these two young gyrfalcons, will the Prime Minister personally intervene and stop the export and trade in this endangered species until such time as there is a scientifically acceptable population survey here in Canada?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am not aware of the more recent cases that the Hon. Member refers to, and I certainly will take his question as notice. But as regards the one bird, as I recall, that I took to the Middle East as a gift to the King of Saudi Arabia, my recollection is that it was a bird which was born in captivity, was bred, was part of a breeding plan; and it was taken out of the country with the complete authorization of the relevant authorities.

AIR CANADA

SITE OF NEW HEADQUARTERS—MINISTER'S TELEPHONE CONVERSATION WITH CHAIRMAN

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is directed to the Minister of Transport who will be familiar with reports on the weekend that he had telephoned some of the directors of Air Canada, prior to the decision on Air Canada's headquarters site selection, to warn them of an R.C.M.P. investigation. Would he confirm whether ot not that was the case? If it was the case, will he tell the House what he told the directors?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, indeed it is. I phoned the Chairman of the Board of Air Canada, and I had someone phone the President of Air Canada, to tell them about this particular inquiry. I did so with the approval of the R.C.M.P.

RCMP INVESTIGATION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I would like to know from the Minister what he told the Chairman, and what he instructed others to tell the President. I would like him to tell us also whether that R.C.M.P. investigation is still in progress, and what it concerns.

Hon. Mark MacGuigan (Minister of Justice and Attorney General of Canada): Madam Speaker, the Minister of Transport and I have had discussions concerning this matter. I have taken the appropriate steps, and I do not believe it would be appropriate for us to give further detail on it.

DECISION ON SITE LOCATION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I would like to know what the Minister of Transport told the directors. I would also like to know whether the Minister of Transport suggested that the decisions on a site location should be frozen or delayed until the conclusion of the R.C.M.P. investigation.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I cannot answer in a direct way because I would be indicating what the inquiry is about, and I am under firm instructions from the Minister of Justice not to do so. I just want to proceed in a negative fashion—I did not give instructions on how to vote. I have already indicated what I did, to the Member for Joliette, on a previous occasion.

I was asked at one point if the 14 criteria that had been retained by the Board of Air Canada were sufficient for the decision-making process. I was more or less asked if there was a fifteenth or sixteenth criterion that the Minister of Transport, on behalf of the Government, would like to indicate. After reviewing, after consulting, after hearing some representations, I said, no, the 14 criteria are good enough as far as the Minister of Transport is concerned. It is on that basis that the decision was made by the Board of Air Canada.

TIMING OF DECISION

Right Hon. Joe Clark (Leader of the Opposition): I direct a supplementary question to the Minister of Transport. Is it the position of the Government of Canada that the Board of Air Canada should make a decision on this question of a site selection which is, if I understand what the Minister has said, itself the subject of an R.C.M.P. investigation? Is it the position of the Government that that decision should have been taken before the conclusion of the investigation, and can the Minister tell us what are the reasons why that decision could not have been delayed until after the R.C.M.P. investigation was concluded?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the Government, through the Minister of Transport, might have given a directive of some kind to the Board of Air Canada, if it had wanted that criterion to be taken into account.

I have just indicated that the Board, on its own, asked the Minister of Transport, is there another criterion that the Government would like to add to the 14 already indicated. This is the situation. I cannot answer the question in a direct fashion because I would be indicating what the inquiry is about and—I should stop here.

* * *

INDIAN AFFAIRS

AGREEMENT OF FISHING BETWEEN INDIANS AND PROVINCE OF ONTARIO

Mr. Jim Manly (Cowichan-Malahat-The Islands): Madam Speaker, my question is directed to the Minister of Indian Affairs. On Friday, after months of negotiation, the federal Government refused to sign a tripartite fishing agreement with the Province of Ontario and the Indian people of Ontario. The agreement recognizes the priority of Indian harvest fishing and makes provision for Indian participation in conservation and management.

If the federal Government agrees with the principles in the agreement, why did it not ensure that there would be no legal roadblocks to signing it? Can the Minister assure the House that these problems will be solved and the federal Government will be able to sign an agreement before the House resumes in January?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, I do appreciate the Hon. Member's interest in this matter and I know he was following it very closely. It was unfortunate that my colleague, the Minister of Fisheries, and I could not sign the agreement.

The latest draft of that agreement, which we had a very short time ago, had provisions in it which independent law

officers of the Crown felt were not appropriate for the federal Government, inasmuch as portions of them were unconstitutional, therefore not binding. We did not feel it was right to mislead the Indians into signing a document or posturing to sign a document that our own legal advice indicated was not binding. We hope that that can be clarified, as the Hon. Member suggests, and we will be able to sign the agreement probably some time in mid-January. This will be as a result of close co-operation between my officials and the officials of my colleague, the Minister of Fisheries.

* * *

COMMUNICATIONS

PROVISION OF ENGLISH TELEVISION SERVICE TO NORTHERN NEW BRUNSWICK

Mr. Maurice Harquail (Restigouche): Madam Speaker, my question is directed to the Minister of Communications. At this time of the year I would like to repeat my inquiry with respect to radio and T.V. English network service to northern New Brunswick as well as ask for any indication he can give the House as to plans for expenditure for the new production facility for CBC English television as well. I am wondering if he could indicate his disposition to discuss this with the new President of the CBC, to see if we can have in the not too distant future, hopefully in 1983, maybe at this time of year, an announcement from the Minister of something for this part of the country.

Hon. Francis Fox (Minister of Communications): Madam Speaker, the Hon. Member's interest in extending CBC English language services in New Brunswick is of course well known. The Hon. Members on the other side laugh, Madam Speaker. They are obviously ignorant of the fact that there are not adequate English language services from the CBC in New Brunswick. The subject has been raised a number of time by Members from New Brunswick on this side of the House, particularly by the Minister responsible for New Brunswick.

I would like to indicate to the Hon. Members that I have raised this matter personally with the new President of the CBC, and he has indicated to me his continuing concern with finding ways to improve the English language CBC services in New Brunswick.

* * *

AGRICULTURE

BEEF STABILIZATION PROGRAM

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, my question is directed to the Minister of Agriculture. I would like to ask the Minister of Agriculture if he has his red meat strategy ready and if it has been passed through Cabinet. If not, is he prepared to respond to the request of the provincial Ministers who have put together a national stabilization program for beef, and discuss this with them and in some way assist the beef and pork producers across Canada?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, we had hoped to meet the Ministers before the festive season. It appears we will not be able to do that, but we hope to meet them in the first part of the year to discuss the program.

* * *

• (1500)

BUSINESS OF THE HOUSE

Mr. Nielsen: Madam Speaker, I have a question for the Acting House Leader regarding House business. In the absence of the Government House Leader, I direct it to him because presumably he is authorized to speak on behalf of Cabinet.

Now that Bill C-141 has been dragged over the kicking and screaming protests of the Minister of Justice last Friday into the public limelight, and now that all Members have had the opportunity of studying the Bill over the weekend, we would like to make the offer to the Government that, if they were to bring that Bill on for second reading when the appropriate time arrives in our Routine Proceedings, we would be pleased to give the Bill second reading without debate so that it could be sent to the committee for study.

Mr. MacGuigan: Madam Speaker, I welcome this change of heart by the Official Opposition to put the interests of the disabled and women first. It is my intention at the appropriate time on motions to so move.

Miss MacDonald: Will you come to the committee?

* * *

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table reports of the Clerk of Petitions stating that he has examined the petitions presented by Hon. Members on Friday, December 17, 1982 and finds that they meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

SEARCH AND RESCUE

TABLING OF EVALUATION REPORT

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, pursuant to Standing Order 41(2), I am pleased to table in my name and on behalf of the Minister of Transport (Mr. Pepin), in both official languages, the report of an evaluation of search and rescue in Canada.

Madam Speaker: Statements by Ministers.

Mr. Baker (Nepean-Carleton): Madam Speaker, I rise on a point of order with respect to the tabling of the last document. I understand that that document was cleared by Cabinet on September 7, 1982. Is there some explanation as to why the release of that document has been kept over all of this fall until just prior to the Christmas recess?

Mr. Lamontagne: Madam Speaker, the reason is obvious. We had to refine some of the recommendations in order to determine just what we were going to do about them. Also, there was the question of translation as this report involved about 500 pages. This is why, therefore, it is being tabled today. I will be ready to answer questions tomorrow if Members have questions on the document.

* * *

PUBLIC SERVICE

SCALE OF PRIVY COUNCIL CLERK'S SALARY AND PENSION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I believe you called for statements by Ministers and at that point the Prime Minister (Mr. Trudeau) left the Chamber.

I wrote the Prime Minister last Friday in relation to the ongoing dispute over the apparent increase in salary for pension purposes of the former Clerk of the Privy Council. I had asked the Prime Minister to deliver a statement on motions today that would clarify the situation. Do I take it from his departure at the calling of that item that the Government does not intend—I see the Prime Minister is returning.

The Prime Minister will have my letter in which I asked that he make a statement on motions relating to the increase in salary for pension purposes of the former Clerk of the Privy Council, Mr. Pitfield. It may have passed his notice, but that item was called on the agenda of the House and he left the Chamber. I wonder if that was by inadvertence or whether the Prime Minister intends now to make a full statement on motions.

Madam Speaker: Order. I had not called that item yet. I was about to call it. We have finished Tabling of Documents. I had not called that item. Statements by Ministers.

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I had not intended to make a statement on motions, but since this is the time to answer questions by the Right Hon. Leader of the Opposition (Mr. Clark), I would say that I had hoped he would ask questions during the question period today. I had hoped that he would have asked some on Friday.

A statement on motions is a time-consuming operation and this is a very complex matter. I am happy to make a statement on motions if the Leader of the Opposition does not want to have an exchange of questions and answers. The difficulty I have with a statement on motions is (a) it is very complex, and (b) I am the one who gets the questions. I would like to ask the Leader of the Opposition some questions about his letter which, in my view, is full of inaccuracies. However, if the Leader of the Opposition indicates that he is not prepared to ask questions, I will make a statement on motions.

Mr. Clark: Madam Speaker, since the decision is left in my hands, and as one who respects the tradition in this House of the Government making statements on motions, I will look forward to the Prime Minister's statement on motions, followed naturally by questions, tomorrow or Wednesday. I should state that I must be absent at the funeral of the late Senator Smith tomorrow; therefore, it would suit my convenience to have that statement on motions on Wednesday. However, if it has to be made in my absence, it will certainly be acceptable for the Prime Minister to rediscover the practice tomorrow.

Mr. Trudeau: Madam Speaker, I would prefer making the statement today if I could have some assurance that the exchange will not last more than half an hour; I have obligations that I cannot postpone. Why not have the statement today, and if the Leader of the Opposition has to come back to it on some other day, I am sure we can find time.

Mr. Clark: Agreed.

Mr. Trudeau: Madam Speaker, the statement is as follows. As regards salary, Mr. Pitfield, in accordance with the Government's six and five program, received a salary increase of 5.99 per cent on July 1, 1982. I wish to state in the clearest possible terms that there has been no other salary action of any type relative to him since April 1, 1981. That is the matter of salary. Therefore, any accusation, suspicion or innuendo that there was something of an increase beyond the guidelines is based on a misconception and a misunderstanding. That should be clear.

I would hope that the same headlines which indicated that Mr. Pitfield got an increase beyond six and five, if my statement proves to be unchallengeable, will carry now the fact that the salary increase was fractionally less than 6 per cent on July 1, 1982. That was effective July 1, 1982. The order was passed in recent weeks, but it is effective as of July 1, 1982. There was no other increase since April 1, 1981. That is relatively clear and simple.

As to the pension arrangements, they are somewhat more complicated, but I think I will be able to explain it either in my

statement or in answering questions. I would read the following three paragraphs.

As to his pension arrangements, on June 5, 1979 the Government of the Right Hon. Leader of the Opposition passed an Order in Council setting the salary for pension purposes of Mr. Pitfield at the mid-point D-M 3 salary range. Under the former salary administration plan, the mid-point was the job rate. The Order in Council passed on November 5, 1982, some weeks ago, setting the salary for pension purposes only at the job rate of the D-M 3 had the net effect of simply adjusting the wording of the 1979 order to bring it into line with the current salary administration plan.

To put that in as simple words as possible in order that there be no misunderstanding, our Government is endeavouring to provide for Mr. Pitfield precisely those pension arrangements which the Government of the Right Hon. Leader of the Opposition provided for him in 1979. In other words, the same arrangement, beginning with the mid-point, that was provided by the Government of the Leader of the Opposition is provided by my Government, so the pension arrangements have not changed.

• (1510)

I sent the Leader of the Opposition a letter responding to his questions in the House on December 15. On Friday, December 17, the Leader of the Opposition raised additional questions in a letter to me. I will, if necessary, deal with it and answer the questions, but I hope that the preceding words I have spoken set the record straight.

I would like to make it clear, Madam Speaker, that the arrangements provided for Mr. Pitfield are, in the light of precedent, less generous than those which might normally be provided to other Deputy Ministers who have separated from the Public Service in similar circumstances. I have myself verified, Madam Speaker, the previous arrangements of Order in Council appointees and I can state, and this is quite verifiable, that Mr. Pitfield's arrangements are less generous, and sometimes substantially less generous, than those provided in similar cases to other departing Deputy Ministers.

Some Hon. Members: Hear, hear!

Mr. Clark: Madam Speaker, I thank the Prime Minister for making a statement on motions. May I say in passing that I hope it becomes a practice to which the Government has recourse more often by its own choice, because it is very clearly a practice which can help the progress of this House by providing information.

Our concern has to do with the very confusion which the Prime Minister has indicated is inherent in the arrangement. He has given us today in his statement on motions two assurances. One is related to actual salary level and he has indicated there was not an increase in salary level since the increase which became effective on July 1, 1982 to Mr. Pitfield, as to other Deputy Ministers. It would be interesting for us to know whether there is any other form of remuneration available to Mr. Pitfield which is not classified strictly as salary, or indeed, available to any other D-M 3 level employees of the Government of Canada.

But I understand what the Prime Minister is saying, he is saying that any adjustment in the remuneration level of Mr. Pitfield was an adjustment which did not affect salary received but affected only pension received. In other words, it was an adjustment for pension purposes. Let me now come to that. The Prime Minister has talked about the job rate. The job rate, as he correctly said, was, under the previous classification, at the mid-point of what is called the decile levels of the Public Service, at about the fifth or the sixth point. It is not clear in my recollection exactly what the mid-point was as then defined in 1979. However, by a change in policy by this Government on April 1 of either 1980 or 1981—at least some several months ago—there was a change in definition of the job rate. The job rate which had previously been at the mid-level of the decile range now became the top level of the decile range. It moved from the middle to the top.

Mr. Pitfield, as we understand it, was being paid at the eighth decile level for salary and pension purposes up until the issuance of the November 5 Order in Council. After the issuance of the November 5 Order in Council, he was being paid at the top level, at what was called the "job rate". That is to say, there was an increase for pension purposes as a result of an action directly and explicitly applying to Mr. Pitfield. There was an increase in the remuneration for pension purposes from the eighth decile to the tenth decile.

It may be that no new money came to Mr. Pitfield now, but the question I want to have clarified is whether in fact there was an increase in remuneration to Mr. Pitfield from the eighth decile level at which he was being paid prior to November 5 to the tenth or top decile level at which he was being paid as a result of that Order in Council which affected him exclusively after November 5. That is the question which remains open.

While it has been drawn to light in regard to the case specifically of Mr. Pitfield, it also underlines the fundamental importance of having available here on the floor of the House of Commons a very clear understanding as to just what is being paid the senior public servants of the land, and just exactly what pension entitlement flows from the payments available to those public servants. That is a matter which should not be shrouded in secrecy in this House of Commons. That, indeed, is a matter which should be crystal clear to Hon. Members of the House of Commons.

The Prime Minister has indicated that, to his mind, it is not clear. Certainly to my mind it is not clear. The exchange of letters between us, I think, has not served particularly to clarify the matter. The Prime Minister can clarify the matter to some degree by first giving us a commitment to make much fuller and clearer information available to Parliament as to the salary level, the remuneration level, any other remuneration and the pension basis of public servants; and also he could indicate to us whether in fact the effect of the Order in Council of November 5 was to move Mr. Pitfield's remuneration level from the eighth decile for pension purposes to the tenth

decile, or in any event to some decile level higher than the eighth decile level.

Mr. Trudeau: Madam Speaker, today the Opposition says the matter is not very clear. It is certainly somewhat complicated because there has been a change from one system to another, and I will try to explain what that was. I must say *en passant* that the Leader of the Opposition is now expressing the hope there will be some further explanation. I would have hoped that he would have seen fit to seek those explanations before making the public accusations he did against a very senior and respected civil servant having left the service of the Government of Canada after more than 24 years or 25 years of service. But somewhat belatedly the Leader of the Opposition is now seeking those explanations.

I think I will attempt to explain them, Madam Speaker, in the following way. Until the administrative reform of 1981, there was a salary range which went from one to ten deciles, and that range encompassed the whole of the remuneration of a given public servant, an Order in Council appointee. If the servant was performing in a fully satisfactory way, he was at mid-range, at the fifth decile; if he were giving exceptional performance, he would be put at the seventh, eighth, or in some cases the ninth and, perhaps, even the tenth decile. But fully satisfactory was at the fifth decile, halfway through the full range.

In 1981 a reform was brought in, on the recommendation of the Business Council on Senior Appointments, chaired at that time, I believe, by the Chairman of the Toronto-Dominion Bank—

Mr. Baker (Nepean-Carleton): Lambert.

Mr. Trudeau: —Mr. Lambert, although there was a change. Maybe the new Chairman was appointed by then, I am not quite sure, but on the recommendation of that committee, Madam Speaker, a range was instituted which was in two parts. The scope of the range was about the same. In other words, it was from a certain minimum to a certain maximum. The total scope of the range was comparable to the system before, but the new system was brought in on a recommendation that the range be split in two, and that the deciles apply from zero to ten but up to mid-range; so that one who was performing in a fully satisfactory fashion would be at the tenth decile. But that was mid-range of the total range.

Anyone who was performing in a way which was more than fully satisfactory, exceptional or outstanding, whatever it was, was given a bonus, and this bonus covered the second half of the range. Indeed, Mr. Pitfield was scheduled at the equivalent of the former eighth decile, which in the new system meant the tenth decile, plus a bonus of three out of five. It was an exact equivalent. That is why my statement earlier, Madam Speaker, that we translated into the new system a classification which permitted us to reward people by putting them in fact eight-tenths or seven-tenths of the way up into the full range is unchallengable. But it was no longer the seventh or the eighth decile, it was the tenth decile plus a bonus of one, two, three, four or five. Mr. Pitfield in fact was classified at the equivalent of the eighth decile under the old system, but under the new system it meant the mid-point plus a bonus of three out of five.

• (1520)

Now, for pension purposes, Madam Speaker, Mr. Pitfield would have been perfectly justified to say: "Well, this is where I am classified as I retire and I would like my pension to be based on that". But in order to prevent the kind of accusation which unfortunately was made against him anyhow by people who seem intent on destroying his reputation without foundation or knowledge, he voluntarily took a sacrifice and said: "Well, I do not want to be classified at mid-range plus three out of five, putting me at the equivalent of the eighth decile; for pension purposes. I want to be classified mid-range". Mid-range, of course, is the tenth decile now, but had the Leader of the Opposition read my letter a little more carefully, the one where I thought I would make it simple for his understanding by talking of apples and oranges, he would have seen that the tenth decile is mid-range. It is not eight tenths of the range, it is mid-range.

So rather than blame Mr. Pitfield for having gotten somehow more than his due, though I would want to point out that his due in this case would have been no less than many other distinguished public servants leaving at that time in their career, he voluntarily took a reduction to the tenth decile, being once again, under the new system, mid-point in the range.

Now, I am sorry that the Leader of the Opposition has a research group in caucus which did not understand that, which did not ask for the explanation. I am sorry that the Leader of the Opposition did not himself ask for the explanation before pursuing his vengeance—I know not why—on a distinguished civil servant precisely after he left the Civil Service. But that is the case and I hope the Leader of the Opposition will now try to understand it. I am at his disposal to answer other questions if he has any.

Mr. Clark: Madam Speaker, the reason we pursued the Order in Council after the announced resignation of Mr. Pitfield was that the Order in Council was passed after the announced resignation of Mr. Pitfield. While the Minister of Justice (Mr. MacGuigan) has introduced the practice in the House that we should approve Bills before we see them, we find it difficult to raise questions about Orders in Council before we see them. I should say simply *en passant* that my duty in the House of Commons is to ask questions of public interest to the people of Canada regardless of the personalities involved, and that is a duty I intend to carry out.

Some Hon. Members: Hear, hear!

Mr. Clark: Now, let me ask, just for further clarification, what were the bonuses being received by Mr. Pitfield prior to November 5, the passage of the Order in Council, and afterwards? Secondly, will Mr. Pitfield be eligible for a higher pension as the result of the Order in Council passed on November 5? Higher, that is, than his previous pension.

Mr. Trudeau: Well, the answer to the latter question is clear, Madam Speaker. It will be less high—substantially less high—than had he received a salary based on his place in the range which was eight-tenths of the total range. The tenth decile plus three. So that when the Leader of the Opposition accuses Mr. Pitfield of having increased his salary for pension purposes, precisely the opposite is what happened; he decreased his salary for pension purposes.

Now, obviously, salaries of all civil servants and indeed Members of Parliament, increase over the years. If the Hon. Leader of the Opposition is asking if the pension based on his recent salary arrangement will be higher than at some previous time in the past, I suppose it will; but certainly it is less high than Mr. Pitfield would have been entitled to under the salary arrangements he had at the moment of his departure.

Now, as to the moment of his departure, the Leader of the Opposition indicates that the Order in Council was passed after. That is true, Madam Speaker; it was after Mr.. Pitfield announced his resignation. But this was not true only for Mr. Pitfield. The Order in Council of November was really dealing with a whole group of top civil servants retroactively to July 1, and Mr. Pitfield was one of them, one of those who had not received their salary increase on July 1 or indeed since. The increase, therefore, given by that Order in Council of November was one which properly was due to them on July 1. Once again, it was less than 6 per cent and it was preceded by no other other increase except the one I mentioned a year and a bit before.

Now, as to the question of other arrangements, the Hon. Leader of the Opposition mentioned bonuses. Well, I explained to him that in the new remuneration system there is a bonus added to the mid-point. If that is what he is asking, yes, there was a bonus added to Mr. Pitfield's mid-point salary, the "job rate", as it used to be called. It indeed was given to many, many other civil servants who performed above the mid-point range. That bonus was explained in my first answer. I do not know what other arrangement the Leader of the Opposition has in mind.

Mr. Clark: Well, I apologize for taking the time of the House on this matter but it is, as the Prime Minister is demonstrating, very complex. Is the pension entitlement of Mr. Pitfield based exclusively upon his remuneration level in accordance with the decile range, or is that pension entitlement based in addition upon bonuses? Because if it is based exclusively on remuneration and not on bonuses, then setting aside payments that come as the result of bonuses and moving up in the decile range for remuneration would have the effect of increasing pension eligibility.

Question number one is: Is the pension calculation, the pension entitlement, based exclusively on the decile level of remuneration or does it also take account of bonuses and any other payments that might occur?

Question number two: Did the pension entitlement of Mr. Michael Pitfield increase as a result of the November 5 Order in Council from what it was prior to the November 5 Order in Council, taking into account the natural increases which occur in pension entitlements? But was there an increase due explicitly and exclusively to the November 5 Order in Council?

Mr. Trudeau: Madam Speaker, if the Hon. Leader of the Opposition reads the blues and reflects on them, he will see that I have answered both questions in my previous answer. He asks if the pension will be based purely on salary—or is that the word?

Mr. Nielsen: The salary plus.

Mr. Clark: Is it salary or salary plus?

Mr. Trudeau: Purely salary, or salary plus bonus? I answered quite clearly, Madam Speaker, that under the present arrangements the situation of an Order in Council appointee within a range is always salary plus a bonus if there is performance above "fully satisfactory". Therefore, there is a bonus. This bonus, in Mr. Pitfield's case, under the Order in Council passed, had the effect of putting him at eight-tenths of the total range. So three-tenths of that was a bonus; five-tenths of that was the decile system.

• (1530)

This is what Mr. Pitfield would have been entitled to have under the law as a pension—the mid-way plus three out of five. I repeat, Mr. Pitfield gave up that bonus for the purpose of pension arrangements. He voluntarily sacrificed his pension, made it lower in order to avoid the kind of accusation which has been forthcoming nonetheless. Had he stayed at eight out of ten, it probably would not have led the Leader of the Opposition to the confusion of saying that he is at the tenth decile. The Leader of the Opposition does not understand that the tenth decile under the new system is the equivalent of the fifth decile under the last. That is as clear as can be; it may be a bit subtle but it is clear.

The Leader of the Opposition was also asking whether the effect of the order of November was to increase the salary for pension purposes.

Mr. Clark: No, pension entitlement.

Mr. Trudeau: For pension entitlement. The answer is yes, Madam Speaker. Had Mr. Pitfield not been generous and self-effacing, he would have used his legitimate salary as of April 1 and have said: "I want my pension based on that." Therefore, the Order in Council establishing his salary as of July 1 last would have been the salary as the basis for his pension, because he left after that salary had taken effect.

But once again the question is hypothetical, since Mr. Pitfield said: "I don't want to have my pension based on this new increase of salary; I want my pension based on the mid-point in the range", which is the tenth decile under the new system but the fifth decile under the preceding one, I repeat for the third time.

Mr. Clark: The Prime Minister, if I understood him correctly, has said—and we will check the "blues"—that Mr.

Pitfield's pension entitlement did go up. That is what we have been alleging; that is what we have been trying to determine.

Mr. Trudeau: No.

Mr. Clark: I would like to know by how much it went up. I would also like to ask a very simple question: Is any pension entitlement based upon bonuses?

Mr. Trudeau: Madam Speaker, it did not go up. It could have gone up, had he not renounced it.

Mr. Hnatyshyn: Who is "he"?

Mr. Trudeau: Mr. Pitfield. I will repeat exactly what I said, though I do not think it will be to any avail because I have already said it three times. Mr. Pitfield's pension entitlement would have been at the eight-tenths of the total range had he not voluntarily sacrificed it and brought it down to mid-point of the total range. I do not see how the Leader of the Opposition could stand up again and say that he was always alleging, and that he was right, that Mr. Pitfield has taken a salary based on that increase. He has not. He took a pension arrangement based on the mid-point in the range as would "fully satisfactory" public servants, but without any bonus.

I hope the Leader of the Opposition will not go on and repeat that his pension arrangements were based on some bonus. They were not and they are not. They are based on the mid-point in the range which is established before one begins to pay bonuses. Once again, this is a sacrifice on his part. I know of no other public servant, nor indeed do I know any Member of Parliament, who would reduce his salary when he leaves in order to reduce his pension, which is what Mr. Pitfield did.

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I am sure that everyone is sitting calculating their decile levels all across the country at the moment. I am sure that everyone in the country is grateful to Mr. Pitfield for his generosity. Would it be possible for the Prime Minister (Mr. Trudeau) to tell us in dollars and cents how much pension Mr. Pitfield will be able to get from the Canadian Government as a result of the service he has given, let us say if he were to draw it down now and if he were to wait until it matures? Might we get something which people sitting in their livingrooms watching this debate might understand so that we can make a judgment about it?

Perhaps while that is being done we could bear in mind that Mr. Pitfield—

Mr. Gauthier: It is 35, the same as you.

Mr. Deans: Thank you very much; that was very helpful. We might bear in mind, in spite of his best effort on behalf of the country, that Mr. Pitfield has managed to do quite nicely from the public trough. The Leader of the Opposition (Mr. Clark) gave him a fairly substantial sum to go away, and he seemed to find a good use to put it to. Perhaps now that all of this has happened and he has departed, maybe now for the last time, I am just wondering if we could find out what is our indebtedness to Mr. Pitfield in dollars and cents.

Mr. Trudeau: Madam Speaker, I would point out that, like other public servants and contrary to Members of Parliament, Mr. Pitfield will not draw his pension until he reaches a certain age; I believe some ten or 12 years from now. Therefore, what his pension will be in those years I suppose depends on whether he will live until then and how much he will live beyond that. The Hon. Member shakes his head in some understanding. I would point out to him that if the Hon. Member should decide to depart this Parliament for the good of this place, he would get his pension right away.

Mr. Deans: No, no.

Mr. Trudeau: I would only be prepared to put it in dollars and cents if it is asked in a genuine spirit of understanding and without the type of scorn which was in the Hon. Member's voice.

I would say further that I would not do it only for Mr. Pitfield, but if the House wanted to know the arrangements of all departed public servants, it might be something which I think would be contrary to Government policy and which I would be prepared to discuss with Members on the other side for their personal information. It has not been the practice—nor do I intend to instal it—to put precise dollars and cents on private arrangements, on the arrangements of departed public servants. That has been the practice. I do not propose to break it on behalf of one particular public servant.

If the Hon. Member were interested in all those who left, perhaps under previous Governments, then he might be able to ask the Leader of the Opposition what arrangements were made for Mr. Pitfield and Mr. Hood at the time of their departures. I would be prepared on a confidential basis to tell the Hon. Member. I am certain that it would not be more generous, comparatively speaking, than the Hon. Member will get when he has served 25 years in this place, as Mr. Pitfield has for the Government of Canada.

Mr. Deans: I was not being scornful; I just found the whole process somewhat bemusing. I say to the Prime Minister that we are talking about public funds to a public servant, and I think they should be a matter of public record. It is not fishing. It is not a matter of trying to embarrass Mr. Pitfield more than he is already embarrassed. I did not start this thing; I asked simply in order that the public of Canada understand it.

Can the Prime Minister tell us what will be, in dollar terms, the benefit which Mr. Pitfield will receive from the arrangements he has been able to work out with two successive Governments? More important, perhaps, would the Prime Minister at some other point—not necessarily today—care to table the documentation which justifies the changeover that took place with regard to the method of payment and the calculation of payment to senior public servants? I think that would be very helpful in trying to understand more clearly just what is the policy of the Government of Canada with regard to paying, both during the lifetime of work and after they have

retired, the benefits which people who work for the Government at senior levels expect to receive.

Mr. Trudeau: Oh the last point, tabling the documents, I would point out to the Hon. Member that they were tabled. Whenever the Lambert Commission or its predecessors or successors made reports, they were tabled in the House. It was as a result of that report that the implementation of this new system was brought in—the recommendation for introducing a bonus system to cover the top half of the range. The Order in Council instituting this is available. It is published. I would hope that if the Hon. Member is earnest in his desire to understand the Opposition, he will join the Leader of the Opposition in a briefing by some of the accountants and people with the Treasury Board who are responsible for applying the system.

• (1540)

As far as the precise figure that the Hon. Member is speaking of is concerned, I would point out to him that there is no great mystery in the general area. It is the precise figure which, by tradition, has never been published. It would be, for salary purposes, within the range of a D-M3 level which is—my memory is not clear on this—somewhere between $90,000 and $110,000.

Mr. Nielsen: One hundred and fifty thousand.

Mr. Trudeau: No, the Hon. Member for Yukon (Mr. Nielsen) is joking. It is $90,000 to $110,000 or $115,000, I believe. That is the range and I can give the precise figure of the range to the Hon. Member. He can determine for himself what eight out of ten of the range would approximately put one at, or what half of the range would put one at. He would then know what the salary for pension purposes was. Knowing that, he would just have to look at the Public Service Superannuation Act and relative Acts and calculate what it was. Obviously, in this case I have already gone beyond what we have done in the case of other civil servants because I have indicated the precise place and the range. That was necessary for the purposes of the exchange with the Leader of the Opposition.

Mr. Clark: Madam Speaker, I will try to terminate this with two questions. First, I recognize the Prime Minister's concern about practice as it relates to publishing specific figures, but he must bear in mind that a specific Order in Council was passed in relation to this particular public servant.

Mr. Trudeau: No.

Mr. Clark: The Prime Minister says no. My reading of the Order in Council of November 5, which I think he has in front of him, is that it refers quite explicitly to Mr. Pitfield.

I would like to ask the Prime Minister, in light of the unusual importance of this matter, since he understands that it is a question that speaks not to the reputation of an individual but the reputation of the Government, if he would be prepared to be specific and tell us in dollar terms what the salary of Mr. Pitfield is after the Order in Council and what it was before the Order in Council; what the bonuses to Mr. Pitfield were before the Order in Council and what they are after the Order in Council; as well as what the pension entitlement for Mr. Pitfield is as to salary and/or bonus both before and after the November 5 Order in Council. I would like first to have that set of figures tabled.

Second, am I correct in my assumption that if Mr. Pitfield receives his pension at age 60, in 1997 he would be getting 48 per cent of whatever a D-M 3 at his level would be getting in 1997—

Mr. Nielsen: Which is $150,000.

Mr. Clark: Which could well be $150,000 or more, because there will be escalations. Can he indicate that that assumption is correct, that Mr. Pitfield at age 60 would be receiving 48 per cent of whatever a D-M 3 at his decile level would be receiving in 1997?

Mr. Trudeau: Madam Speaker, in answer to the last question, I would point out that there was no particular arrangement for Mr. Pitfield in that regard. He comes under the Public Service Superannuation Act and related Acts and they apply to all departing public servants at their various levels of service. Once again, I do not know what the figure is. As I told the Hon. Member from the New Democratic Party, the Leader of the Opposition simply has to have his caucus research group look at the law and make the calculation. I do not know what it is.

With respect to the two previous questions, they were asked textually by the Member from the NDP. I am sorry that the Leader of the Opposition was gathering his thoughts to ask exactly the same question. If he refers to my answers, they apply exactly to the same questions asked by the Member of the New Democratic Party.

Mr. Clark: I asked you to table it. Would you table it?

* * *

PETITIONS

MR. DARLING—PROPOSED INCREASE IN POSTAL RATES

Mr. Stan Darling (Parry Sound-Muskoka): To the Honourable the House of Commons of Canada, in Parliament assembled. The petition of the undersigned Members of the Katrine Leisure Club senior citizens organization, who now avail themselves of their ancient and undoubted right thus to present a grievance common to your petitioners in the certain assurance that your honourable House will therefore provide a remedy, humbly sheweth that the proposed increase in postal rates, which will have risen from 17 cents to 32 cents in little over a year, imposes a significant hardship upon pensioners whose incomes are already greatly restricted, and who depend upon correspondence with old friends and distant family members as a substitute for most other forms of entertainment; wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to oppose this change, and to

demand that the Canada Post Corporation reorder its priorities so as to better deploy the resources they already have. And as in duty bound your petitioner will ever pray.

* * *

[*Translation*]

CANADA ELECTIONS ACT

AMENDMENT RESPECTING VOTING RIGHTS OF CIVILIANS EMPLOYED BY THE CANADIAN FORCES ABROAD

Mr. Jean-Robert Gauthier (Ottawa-Vanier) asked for leave to introduce Bill C-669, an Act to amend the Canada Elections Act (civilian Canadian Forces electors).

Some Hon. Members: Explain!

Mr. Gauthier: Madam Speaker, the aim of this bill is to amend the Canada Elections Act so as to allow all Canadian citizens working abroad for the Canadian forces, in whatever capacity, to cast their vote. Several hundred Canadians working on Canadian military bases abroad are unable to exercise their voting rights which are, as you know, guaranteed under Section 3 of the Constitution of Canada. The bill is therefore aimed at expanding the General and Special Voting Rules in Schedule 2 of the Canada Elections Act.

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

* * *

[*English*]

NARCOTIC CONTROL ACT

AMENDMENT RESPECTING FORFEITURE OF PROPERTY ILLEGALLY ACQUIRED

Mr. David Kilgour (Edmonton-Strathcona) moved for leave to introduce Bill C-670, an Act to amend the Narcotic Control Act (forfeiture).

He said: Madam Speaker, very briefly, the Bill would authorize the forfeiture of the assets of drug traffickers. It is very similar to legislaton passed by the United States Congress in 1978 which has proved highly effective in that country.

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

* * *

CANADIAN HUMAN RIGHTS ACT

MEASURE TO AMEND

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, the Government would be prepared indeed to move that Bill C-141 be put through all stages today without debate. However, since I understand that it would accommodate both Opposition Parties better, at this time I move, seconded by the

Hon. Minister of Consumer and Corporate Affairs (Mr. Ouellet):

That Bill C-141 be read a second time without debate and that it be sent to the Standing Committee on Justice and Legal Affairs for consideration.

Hon. Erik Nielsen (Yukon): Madam Speaker, if the motion is in the standard form, simply moving second reading and reference to the committee, that will be acceptable on the assurance that we have already given, that there will be no debate on this side.

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, you will recall that on Friday last we offered to accommodate the Government in this regard by having it do exactly what it is doing now. Therefore, I can hardly now withhold unanimous consent, having asked the Government to do what it is doing. I might say in passing that the content of the Bill is very much in keeping with suggestions made by my hon. colleagues.

• (1550)

Madam Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and referred to the Standing Committee on Justice and Legal Affairs.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,522 and 4,533.

[*Text*]

LIQUIDATION OF BEAVERLODGE PLANT AND EQUIPMENT

Question No. 4,522—**Mr. Wilson:**

1. Did Eldorado Nuclear Limited select an American firm to assist in the liquidation of the Beaverlodge plant and, if so, for what reason when there are plenty of qualified and competent Canadian used-equipment dealers and plant liquidators?

2. What form of bidding process was undertaken to obtain a plant liquidator firm?

3. Were there bids and, if so, what were the results of the bids?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Eldorado Nuclear Limited reports as follows: 1. Yes, ENL did select an American firm to assist in the liquidation of the Beaverlodge plant and equipment.

The American firm submitted a proposal which was clearly superior to other proposals received for the following reasons: (i) The firm included an "up front" advance payment; (ii) The firm accepted the cost of transporting the equipment from Uranium City to an Edmonton marshalling and display area; (iii) The firm provided a guarantee to purchase at Eldorado's option all the remaining equipment unsold at the termination

of the agreement for 40 per cent of the established minimum price; (iv) The firm undertook at their cost to prepare equipment for resale including cleaning, painting and reconditioning as required; (v) The firm agreed to use Canadian labour throughout and to give preference to Canadian firms for any services required.

2. In its search, Eldorado contacted several mining companies, suppliers of used equipment and consulted trade journals. Due to the extensive publicity given to the mine closing, Eldorado also received numerous calls from companies interested in disposing the equipment. From these discussions, seven companies, capable of handling a project of this size were selected for further discussion. These were invited to visit the mine site to view first hand the scope of the work required. All but two accepted and spent a couple of days at the mine.

The companies were then invited to tender their best possible proposals, covering all areas of concern. One company dropped out of the bidding due to their inability to meet the deadline. Of the remaining six bidders, four made personal presentations to Eldorado staff in Saskatoon to explain or clarify their proposals, while the other two expanded on their submissions by telephone. All bidders were asked at this stage if this was their best proposal and were given an opportunity to make final changes or improvements.

3. Following the procedure outlined in part 2, all bids were thoroughly analysed. The best proposal was made by an American firm.

The other proposals were rejected for the following reasons: (i) One firm offered the lowest commission rate. However, the firm proposed to hold an auction at the mine site and offered no guarantees as to sales revenue. The logistical problems of holding an auction sale at the mine site and the risk of receiving low returns on expensive mining equipment led Eldorado to conclude this was not the best method of liquidation; (ii) One firm made an interesting proposition based on a combined public auction/private sale concept. The firm was not prepared to risk any of their own money in the venture and expected to rely on Eldorado's personnel to complement their lack of expertise in the mining field; (iii) One firm submitted a proposal similar to the successful bidder and had the experience and personnel to do the job. However, the firm expected a 25 per cent commission for their marketing contribution and was not prepared to take any risk; (iv) Two other firms did not have the resources and skills to do the marketing job required for the project and made no provision for warehouse and storage facilities.

BUILDING USE STUDY OF ROY THOMSON HALL

Question No. 4,533—**Mr. Mazankowski:**

Was a "building use study of Roy Thomson Hall, Toronto" conducted on behalf of the National Research Council and, if so (a) for what reason is this subject of interest to the Council (b) to what use does the Council intend to put the information gained by the study (c) on what basis was the contractor selected and what expertise does the contractor have in this area (d) what amount did the study cost and what were the major expenditures?

Mr. Jim Peterson (Parliamentary Secretary to Minister of State for Economic Development and Minister of State for Science and Technology): In so far as the National Research Council is concerned the answer is as follows: A study has been undertaken on the "building use study of Roy Thomson Hall, Toronto", by The Behavioural Team of Toronto, on behalf of the National Research Council acting in co-operation with the Ontario Ministry of Citizenship and Culture. A final report is due on February 28, 1983.

(a) The study is of interest to the National Research Council as part of its over-all program on the study of building performance under actual conditions of use, particularly of public assembly buildings.

(b) Studies of crowd movement, egress, etc., demonstrate the interaction between people and the building and indicate any design deficiencies, unsafe conditions, etc. This information helps in the prediction of crowd movement in emergency conditions (such as fire) and provides a data base for building codes. It also assists the architectural profession in improving the design of hallways, stairways and ramps, doors, amenities, etc., to provide greater safety for building users and better access for handicapped persons.

Due to the considerable length of time in the development of the Roy Thomson Hall and the many specialists contributing to it, the building incorporates a number of features and concepts which are not traditional to other Canadian halls. It was considered appropriate to make a close examination of the performance of this building under actual use by the public in order to assist future concert hall designers and increase scientific knowledge related to building use.

(c) Research programs employing social science principles and procedures for the use of architects and engineers is a fairly recent endeavour, and few companies or individuals have the background and experience to effectively undertake such studies. The Behavioural Team has had considerable experience in studying crowd movement and building performance generally, has been involved with the Roy Thomson Hall project since early 1978, is a local (Toronto) firm and was chosen for these reasons.

(d) The study was preceded by a small contract for $5,000 to develop a work plan, detailed estimate of costs, etc. The main study will cost $32,000 of which $25,000 is the share of the National Research Council. It was a very labour intensive study so the major expenditure is the cost of labour (92 per cent of the total) for the senior consultant in the firm and technical assistants.

[*English*]

Mr. Smith: I ask, Madam Speaker, that the remaining questions be allowed to stand.

Madam Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

FAMILY ALLOWANCES ACT, 1973

MEASURE TO LIMIT INDEXATION

The House resumed, from Friday, December 17, consideration of Bill C-132, an Act to amend the Family Allowances Act, 1973, as reported (without amendment) from the Standing Committee on Health, Welfare and Social Affairs; and the motion of Mr. Hawkes (p. 21697).

Mr. Lyle S. Kristiansen (Kootenay West): Madam Speaker, in rising to address Bill C-132, which is now before us, and the amendment that stands in the name of the Hon. Member for Calgary West (Mr. Hawkes), I would like to refer back to a phrase—a quotation of a former member of this House, a one-time leader of my party, who said on a number of occasions: "Whenever they say," 'it's not the money, it's the principle of the thing', you can always be sure it's the money".

We have heard much talk during debate, during report stage and earlier in second reading, especially from the Minister of National Health and Welfare (Miss Bégin), with respect to the fact that she believes that the principle of universality and all of the principles involved in making payments to the mothers and families of this country should remain intact. But, all she is doing is taking money away while she disputes the fact that the money is leaving. However, when we look at the minutes, either of the debates in this House or of the committee, it becomes very clear that not only will the amount of payments to families across Canada and, indirectly, to the children of this country be reduced, but also it will be reduced and transferred in such a way that the moneys they do receive will come at a time when they do not need them. At least, they will not need them anywhere nearly as much as they do on a regular basis.

The Minister has also been engaged in considerable playing with figures and principles. While much of what she says sounds fine in so far as statistics or figures or abstract theories are concerned, when one gets right down to it she must be very confused or else she must think that the people of this country are very confused if they are to believe the kind of things that the Government has been saying. In the minutes of the Committee on Health, Welfare and Social Affairs dated December 7 of this year, the Minister went so far as to say that if as much as one dollar remained in the Family Allowance payment per year, that would still be a universal program. I do not know if that suggests that there is something more in store for other programs which the Minister claims will still be universal or whether universality will or will not continue in the old age pension and Old Age Security systems or in a number of other Government programs.

What does this spell out for the future? If one dollar in the Family Allowance scheme means that it is still a universal program, then if one dollar is left at some point in the basic old age pension system, will it still mean, in the Liberals' view, that that is a universal old age pension program? Just what do we have left? The Minister may not be the universal soldier, but she may well be regarded as being the universal "pass the buck" artist, if her description of universality stands. I would suggest to her that she ought to consider very closely that old phrase of Tommy Douglas; "It's not the principle of the thing, it's the money". At least, that is what is important to those hundreds of thousands of Canadian children in Canadian families who have relied upon the Family Allowance system for a certain portion of their regular income.

Unlike the Minister and, so she says, also the Hon. Member for Calgary West, I did not study the social sciences in an academic way in any academic institution. Thus, I do not suffer from the ivory tower handicap from which those who consider problems only from the top down suffer. I have, however, studied the social sciences from the ground floor, from the street level of society, and that living experience, coupled with a fair smattering of reading in the behavioural sciences, has not only allowed me to—in the Minister's own words—"recognize the importance of the psychological element in any economic objective or goal", but it has also allowed me, in other words, to see through this old style "now you see it, now you don't" shell game as being the PR con game and flim-flam that it really is. That is exactly what we are getting here. The Minister and the Government had admitted to the fact that this but a sword in their arsenal in their war on inflation, and if that is not a PR con job, if that is not a shell game, then I for one do not know what a shell game is.

If one looks at the impact of this measure, Bill C-132, a measure to partially deindex Family Allowances in Canada, and considers its impact through the eyes of Family Allowance recipients in these hard economic times—and the timing here is crucial—one cannot help but realize that it is not only a bad and unwise measure, but that it is also a measure which is occurring at the worst possible moment, both for those who normally receive it and for the economy of the communities in which they live, as well as for the economy of the country.

The Minister says that those who, in her own words, "really need help" and are eligible for the Child Tax Credit will receive an increased tax credit at the end of next year. She says that the amount of the credit will make up for what they will not receive every month as a result of the cuts in this Bill. However, the problem faced by the economy and many small businesses, as well as low-income families and mothers, is a lack of consumer purchasing power and a lack of cash flow now and in each and every month, and the receipt by families of a payment with their tax returns once a year in one, single-shot crack will not help. That method has failed. Only regular income coming in at the time that they must pay their bills will help them, particularly in the kinds of situations in which many Canadians find themselves, hopefully temporarily, at this time.

Family Allowance received every month can add up to quite a bundle. A family with three children receives approximately $80 a month. Family Allowance received every month is often the only regular cheque that many families receive, especially

when breadwinners are laid off and on UIC or out of UIC. Thousands are being dumped off the UIC rolls every month or are on welfare. Worse yet, many are not even receiving welfare. As has been reported in this House, this is turning into a chronic situation in many communities. Many times the Hon. Member for Kamloops-Shuswap (Mr. Riis) has pointed out that in the major community in his constituency, Kamloops, many people are having to go to food banks or soup lines because they fall in between the unemployment insurance system and social assistance programs. That is the only cheque that these families and many others get, and they count on it.

For a family who is "in need", as the Minister likes to describe it, a little lump sum once a year is of little help, and it is of no help if the breadwinner, as we hope, has his or her job back by the time, in the next year, that they would get the little extra that is going to be added on to the Child Tax Credit. Thousands of people every month are running out of unemployment insurance benefits but their house payments, their car payments, or just their regular bill payments, continue. That goes on and on.

• (1600)

Statistics released at the beginning of this month, Mr. Speaker, show that now more than one-third of the unemployed are heads of families. We now have a number of unemployed equal to the whole combined labour force of Newfoundland, Nova Scotia, Prince Edward Island, New Brunswick and Manitoba, fully one-half of the Provinces. Those figures also show that more than one-quarter million men and women have been unemployed for over a year. We have it on recent authority from the Minister of Finance (Mr. Lalonde) and from the musings of the Prime Minister (Mr. Trudeau) on television last night that things are not likely to get much better; in fact, he has stated that things are likely to get worse. That means that more people who will not be eligible for a tax credit in the coming year are going to find themselves out of work and relying on unemployment insurance or worse. Just at the time that this plague is becoming chronic and people, who are used to decent incomes and good average incomes, will often end up with no income at all, the Government implements a measure which even in the best of times would be unjust.

One out of every 13 people in British Columbia will be dependent on welfare by the end of this winter if the current economic slump continues. Those figures are from statistics released by the Government of that Province. One of the problems has been that people have had to go on social assistance because the bureaucratic bungling of the Minister of Employment and Immigration (Mr. Axworthy) has meant that either there is delay at the time they try to establish their unemployment insurance claim, or if they go on one of the quickly thought-up make-work projects that he has put them on, they end up by being dumped off the UIC rolls. It is at times like these that families, children and mothers across this country need all the help they can get. Why then has the Government, even if it could argue that at some perfect time within its odd rationale of the concept of universality or fairness that it would be better to do it the way it has, why has it chosen this time to do it? Simply for some cooked up propaganda campaign to persuade people of the glories of six and five? It is a hell of a price to pay—

Mr. Cullen: Your language!

Mr. Kristiansen: It is a heck of a price to pay. For people who are so sensitive to a little bit of language, they show remarkable insensitivity, Mr. Speaker, to the problems that hundreds of thousands of Canadians are facing. Somebody ought to tell that bunch over there to get their priorities straightened out a little, because that kind of nonsense, polite as it may be, just does not serve any logical social purpose.

Mr. Nielsen: Was that the Member for Sarnia?

Mr. Cullen: "Sarnia-Lambton".

Mr. Kristiansen: These families need cash every month. If they expect to get a Child Tax Credit to make up, in sum total, for the amount they are going to lose by this reduction in the expected increase in Family Allowances, that Tax Credit is going to be based on last year's income, but last year or this year they may in fact have been earning an income that placed them above the level at which they would be eligible to receive a Child Tax Credit.

This is not only a recession, or a depression, which the Minister of Finance called it, that affects only the people at the bottom rung of the economic ladder in society. This is a recession/depression that has caught hold of and dragged down many people who thought they had it made and felt secure. Surely people in that kind of situation and their families are undergoing enough difficulty without having a Government that is going to chip, chip, chip away at what little income they have left, just when their economic world is being pulled out from underneath them.

Another aspect that I want to touch on briefly is that this is an time when many Canadians, especially over the last 10 or 15 years, have been making noises, with a lot of justification, calling for the establishment of various and sundry financial schemes and Government programs that would allow women who are raising families, the homemakers of the country, to be able to regard some income as being theirs—whether a salary for homemakers, pensions for homemakers and/or other reallocation of income. Why do we now choose this time to destroy the only program in existence that at least leads towards some financial independence for many of the women who are raising families in the country? It is contrary to anything that has been said by the Minister responsible for the status of women or other Ministers in that field, and by many other organizations across the country. Why destroy the basis of the only program that provides direct income to the practising heads of families?

The Government loves to set up commissions and conduct pension and income studies. We have had, it seems to some of us, dozens of them over the last few years. What is the purpose, however, of talking about new schemes if they now set

out, for just the picayune amount of money and savings involved, to dismantle the one program that does provide some basic and minimal incomes for the family.

I just want to recap for a moment—I see the Minister has come back into the House—to ask her again even at this late date to reconsider. When she suggests that the same basic floor income is going to be provided by means of the Child Tax Credit, that just does not do the job for people who have seen their incomes fall and who need that cash flow and purchasing power on a month to month basis. They need it to pay their grocery bills, and it does not help to have it come one year later or two years later when what they are short of is cash at the end of the month.

Miss Bégin: What about one month later?

Mr. Kristiansen: They are not getting it one month later. No one is getting it one month later. If the Minister wants to come out from behind the curtain we can have an exchange, but we can find many, many people who will not be eligible for a Child Tax Credit this year because of their previous year's income and who have now found themselves laid off. Those people number in the hundreds of thousands and they will not get that money.

Perhaps most Liberals come from Provinces where so many people have been unemployed for so long that they do not recognize that the status of a lot of people is changing. There are other parts of this country that have different political histories and economic histories. It has not been until their gross mismanagement of our economy in the last few years that those people have had to face these kinds of problems.

• (1610)

The Government would have done far better to put to work the kind of ingenuity it has obviously taken to work out this half-baked scheme, with the amount of money involved in preparing it, and rather put that imagination, drive and Public Service time allocation into figuring out what could be done to increase the purchasing power of families being cut off unemployment insurance. Perhaps it could have extended benefits. This would help to ensure that we do not have the absolute paternalism which Liberal and Tory Governments have been responsible for in this country almost since its inception.

That is the point at which I and my colleagues in the New Democratic Party and most social democrats and democratic socialists the world over disagree with the fundamental philosophy of the Liberals and Conservatives. We want a society with laws that give strength to people and their democratic organizations so that they do not have to rely on any Government or major corporation for hand-outs. Given the power and the ways to devise their own means of livelihood and their own structures in society, they can take control of their own destiny and get rid of the hand-outs for which this Government has been so famous, but which are done in such a terrible and wasteful way.

Family Allowances Act, 1973

Mr. Girve Fretz (Erie): Mr. Speaker, I rise to discuss Bill C-132, an Act to amend the Family Allowances Act. Recently I spoke on Bill C-91. I felt very strongly about that Bill. It seemed to give the Government powers which it should not have and it could have a serious effect on property owners in this country.

I feel even more concerned about the possible effects of Bill C-132. It is not to a great degree a threat to property owners in this country. Rather, it affects those people who cannot afford to buy property, people who are tenants, quaking in their boots that the next knock on their door might be the landlord waiting with an eviction notice.

It will be yet another slap in the face from the cruel hand of fate for single mothers, many of whom work at low-paying jobs and who perhaps do not know if there will be anything to eat for supper. Perhaps it will be the last straw for some unlucky woman abandoned by her husband and left with the responsibility for the care of her children. Such a Bill will do no harm to the lobster crowd. The Kraft dinner people will bear the burden of this, the latest in a shoddy series of so-called restraint measures by this Government.

It is not the children receiving video games under well-laden Christmas trees who will suffer this year. Rather, it is those mothers who cannot even afford the Christmas tree, let alone the gifts to surround it who will suffer. By effectively eliminating the increase in Family Allowance payments, our great Santa Claus from Sussex Drive is guaranteeing a colder, harsher Christmas for years to come. he can rest assured that Kraft dinner will be the item of choice for future dinners and that thousands of underprivileged children will continue to be nattily dressed in hand-me-downs. I understand that the price of such garments does not rise with the index of inflation.

In the last two weeks we have seen a colossal demonstration of insensitivity to the needs and wishes of the poor, the elderly and the members of the Public Service by the reintroduction of Bills C-131, 132 and 133. Although the Members of Her Majesty's Loyal Opposition have the utmost respect for the idea of restraint, we often find ourselves wondering why such measures often seem to be at the expense of the underprivileged members of our society.

What kind of credibility does the Government have when it takes away pension money which has already been paid for? Who can believe in an administration which attempts to limit wages of hourly paid civil servants—

Mr. Nielsen: They need it for advertising.

Mr. Fretz: That is right—but ignores large increases at the management level? When the Liberals attempt to skim off a few dollars from a program which needs them desperately, such as mothers' allowance, it does not leave much credibility to be damaged.

If indeed the word "restraint" is to have any meaning, the Government must show first and foremost restraint in its own dealings. Perhaps then the public would more easily accept programs such as six and five. Perhaps they would more easily

comprehend why it is sometimes necessary to limit spending on social assistance programs. However, the average Canadian is bound to feel bitterness toward a Government which is endeavouring to cut back on spending, if he sees in the paper and on television gross examples of waste and overspending.

Need I mention the fact that the Minister of Agriculture (Mr. Whelan) spends over $150,000 per year on travel expenses? Of course, that does not include the salaries of his army of speech writers who must work long hours along with his printing staff, making sure that every Member of Parliament receives double-spaced copies of every glowing word he ever said.

It is no secret as well that over $60 million per year is set aside for the translation of documents. This is not only largely unncessary but almost unconscionable in light of the poverty which afflicts many thousands of unseen and voiceless Canadians. Certainly if I require translation of a document, or if some other Member does, there should be facilities available; no one would argue that. However, to have every single word ever uttered translated into the other official language is absolutely absurd.

I could go on to list the examples of waste and excess in every facet of Government administration, but I would not want to keep Members here until past midnight. The examples speak for themselves and I need not pursue this fact any longer. To sum up my thoughts on the issue of priorities in spending, I would like to suggest that this Government follow the philosophy: "Do as I do, not do as I say". By showing a good example of fiscal responsibility, the citizens of this country will be encouraged to do so as well.

I am glad that I am presenting this speech at a time when the yuletide spirit is rampant in the streets and I can allude to Christmas symbols to illustrate my argument. One could compare Bill C-132 to a Christmas tree standing in the corner all bare and neglected, no ornaments on it, presenting a not very satisfying appearance. But add a few decorations and some tinsel, place a star on top, and you have a delightful spectacle. The star on top of the Christmas tree is the Child Tax Credit proposal for compensating those whose Family Allowance cheques leave them financially less well off than in the past.

No, the Government is not just leaving that bare tree for us to ignore. It is dressing it up so that we will buy it and love it. Fortunately, there are some insightful people around here who see the Child Tax Credit for what it is, a fraud. Let me explain why it is a fraud. In this latest thrilling little diversion offered by the entertainment committee of our Liberal counterparts to pacify the militant objectors to the Government's tinkering with mothers' allowance, a nice little $50 increase per child in the Child Tax Credit in the next two years is offered. This means that in the tax year 1982, the value of the Child Tax Credit will go from $293 to an astonishing $343 per child. Therefore, the Government reasons, the poor people who can least afford to pay their taxes will not have to pay out as much in tax.

• (1620)

The richer families in the higher tax brackets will benefit less than the poor from this amendment. Anyone making less than $26,000 will receive the full Child Tax Credit. However, there are two negative factors involved in this. The first one is that there will be another mountain of paperwork in deciphering the mathematical complexities of relating income to the amount of Child Tax Credit receivable. Add this puzzle to the other 295 pages of the Income Tax Act amendments and we should make work for a few thousand unemployed accountants across the country.

Second, the over-all cost of the program—in other words, the net result of enriching the Child Tax Credit and partially deindexing the mothers' allowance—is that the Government will spend $95 million more than it would have in 1983 and 1984 had it not touched the programs at all. Where will this $95 million come from? It will come from the middle-class citizen, as usual, the one who does not have the accountants and lawyers to find all the loopholes. He will pay, but he is also the one who will vote this Government out of power in the next election.

Changing a program with supposed beneficial results should not result in an added expenditure of $95 million. Why even attempt to change the program to begin with if the net result is going to be an added burden for the taxpayer? When the amendments to the Family Allowances Act were discussed about two weeks ago by one of our Liberal colleagues, he mentioned that inflationary trends in modern society are partly due to psychological factors. He added that that is why the central Government should take action to implement measures that will have a psychological impact, that much of the six and five program is in fact psychological.

My question to the Hon. Member is this: Is poverty psychological? Is hunger psychological? Does living at a standard well below the poverty level constitute a psychological phenomenon? I think not, and I think most Hon. Members in the House would agree with me. I think these very sad, and not only sad but real, problems are vividly and tragically lived out in countless households across this country. There is nothing psychological or abstract about these problems.

We need real, concrete and effective means of dealing with this poverty. Reducing Family Allowance cheques sent out to provide needy children with the necessities of life is not the way to go about it. We are talking about the future of this country. The well-being of our children, Mr. Speaker, must be our number one priority, and when you restrict increases in such assistance, you are in effect cutting allowances in real money due to the inflationary factor.

There has been much talk about stopping inflation. However, the battle against this much talked about enemy must start with those who are responsible for it. Are the mothers and children of this country responsible for inflation? Emphatically not. I think it is the high rollers in comfortable political boardrooms and people in overpaid Public Service posts who are playing monopoly with the taxpayers' money. It

is they who are indulging in fantastic expenditures which are not warranted or approved by this Parliament.

Not only that, but this Government, to an unprecedented degree, is allowing the development of parasitical Crown corporations. Hundreds of millions of dollars are involved here. Why cannot the cutbacks start in these areas? Then, and only then, will the taxpayer heed the Government's restraint preaching with an attentive ear. We must attack the inflationary beast in its vital organs, not scratch its ear with Mickey Mouse programs such as this. Let us impose strict controls on Crown corporations and their spending bazaars, and allow the flourishing of independent business with its spin-off effects of competition, low prices and employment opportunities which Canadians want. That is what we need.

To conclude, Mr. Speaker, I would like to quote from the great sayings of that inimitable builder of our country, Sir John A. Macdonald. He said: "The great reason why I have always been able to beat Brown is that I have been able to look a little ahead, while he could on no occasion forgo the temptation of a temporary triumph". Bill C-132 is but a temporary triumph. I implore the Members of this House to look ahead a little and reject the policies contained in this Bill in order that we may yet win the battle against inflation somewhere down the line, but not crush the underprivileged in order to do so.

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, this afternoon I would like to go on record as saying that my Party will be supporting the amendment which is now proposed of dropping the 5 per cent limit on this Bill in 1984, but that we will not be supporting Bill C-132, which intends to put indexation of six and five on Family Allowances. We are fast approaching Christmas time, all of us here are aware of that, and it is unfortunate that during the very week of Christmas we are discussing a Bill which is going to cut back what has become, I believe, almost a sacred event of Canadian family life, the program of Family Allowances.

In the Christmas story as it was told by Dickens over 100 years ago, he outlined the problems of his age, but he did it in the course of a story about a Christmas Day in England. He was a critic of the free enterprise system of the times and he demonstrated that system through the person of Scrooge. He indicated the people who were making the money for Scrooge through the family of Cratchitt; and the little crippled boy, Tim Cratchitt, who was part of the Cratchitt family, represented the poor, the weak, the outcasts of society in England at that time.

During this time the Members of the House of Commons and many people across Canada will rejoice again in the story. It is a great parable. It is done in modern literature, it is done on television, it is done as a movie, but basically it was a parable about the disparity which existed in English life 140 years or 150 years ago. In this week just prior to Christmas we are playing out in another form part of that story. We have around us the great evils of recession and unemployment which are biting into and injuring the families of so many Canadians, but here in the House of Commons we are discussing Family Allowances; one of the basic ways in which families can stay part and parcel of Canadian life, and this Bill is going to cut back in a regressive way the income of Canadian families.

We are discussing the children. Christmas is a children's time. These are the children who some day will sit in this House of Commons, the children who some day will take over the jobs in our country, the children who will build the economy of this land. They are the ones we are talking about today. These are the ones who will have to plan the pension plans for you and me and for a lot of other people. I have discussed pension plans with some of my nephews and nieces and they tell me they are not interested in planning pension plans for me.

At a time like this it is important that our children understand the importance of having all sectors of society well looked after, beginning with them. In the England of 150 years ago of which Dickens spoke, the beginning of the industrial revolution, there was no consideration whatsoever for the care of families built into the system. If you worked in a coal mine or factory at that time, you received a certain income. It did not matter whether you were married with ten children and supported a sick grandmother, there was just that one little salary. That free enterprise system never addressed the problem. It was only then that people in Government decided that that injustice really could not continue, that there would have to be some kind of a social system so that children, people who did not have a job, the aged and the sick would be looked after no matter what happened in the economic system. That happened because of visionaries, people who saw that the economic system could not address the problems of all people.

• (1630)

Now, Mr. Speaker, I happen to be in my fifties and I suspect there are a lot of other people here in their fifties. My mother never received a Family Allowance cheque for me, but I do remember when the first Family Allowance cheque came into our family. It was a very important event, and it remained so every month afterwards because, as far as I can remember, it was the only money that my mother ever received directly for all the work she ever did in our family. I always look upon my family as one of the great privileges of my life. I come from an extremely happy home, one where there was great understanding and where we shared everything. But my mother never received any money directly except for this Family Allowance cheque, which made a difference in our family. It meant that we were sure in those difficult economic times that we were going to be receiving a certain amount of money each month on a certain day.

The basis of this idea, which was introduced by the CCF around 50 years ago, was to address those problems which became more clearly identified during the 1930s, problems similar to the ones identified by Dickens in his own time. So this legislation, which was finally brought in by the Liberal Government following World War II, is good, basic legislation in the sense that it addresses the needs of children and wives and mothers who receive no other basic income.

But today, Mr. Speaker, the kind of family life which I had the great privilege to grow up in is not shared by many people. I am not blaming anyone, but there has been a change in the basic moral and cultural values of our society so that today there are many families which are divided, and single parents are part and parcel of our society. I do not think there is a greater amount of happiness because of this, but it is part and parcel of our society. Because of that, the question of Family Allowances is much more important now than when there was a stable basic family unit. Today, because of so many changes in our society and in our times, it is extremely important to remember that the old family structure from which many of us come and want and hope for others is not present. That is a fact. So a change which will affect the income of single parents, mothers who are looking after one, two or three children on their own, somehow or other goes against the very basic principles that were set out by this House of Commons over the years for the protection of women, children and families.

Now, Mr. Speaker, I believe that there are many people sitting on that side of the House who really do not believe that this six and five legislation being proposed should apply in the area of Family Allowances. I suspect that my colleagues over here in the Progressive Conservative benches likewise do not want to see it happen. It is eating away at the basic principle of universality, whether we like it or not. It seems to me that mobilization of six and five presumes that suddenly the world will become six and five. But it does not happen.

I have no children of my own, Mr. Speaker, so I do not have to buy a lot of things which mothers and fathers have to buy. Therefore, I do not really know the cost of a lot of things. However, I picked up the phone and called a few places to see how six and five is affecting mothers. I called a store to see about the cost of shoes. the salesperson told me that there was a minimum 10 per cent increase on children's shoes. I phoned a grocery store to find out about milk. Two litres of 2 per cent at $1.95, up from $1.79 on November 1, or 9 per cent. That is not six and five. Now, shoes in winter, milk every day, these are necessary things but they are not six and five. But it is Christmas time and winter time, and part of that for Canadians is skating in winter time. So I phoned a sporting goods store to see what the cost of a pair of skates is. Well, the man said that skates are up about 30 per cent from last year. That is not six and five. The six and five principle being used in all these Bills is to sort of mobilize the idea that inflation will be cut back. But then to put it on the backs of mothers, the unemployed, senior citizens and retired civil servants, to say that is where the cure is, is basically wrong.

So, Mr. Speaker, the reason we are protesting against the Bill is that we feel that a section of society, the Crachitts of the world, the underprivileged, are being used as a scapegoat to bring about something which is way beyond their control.

Now, if you remember the Christmas story, Scrooge was converted. Right now, during Christmas week, we still have the hope that the Scrooges across the way might be converted and realize that all this six and five being laid on the backs of the poor could easily be turned back. The Scrooges should listen to the ghost of election 1985.

An Hon. Member: Is that when it is?

Mr. Ogle: Well, I am not sure.

Mr. Speaker, I would like to draw my remarks to a close at this time by indicating that my party, as has been expressed by the Hon. Member for Vancouver East (Mrs. Mitchell), the Hon. Member for Broadview-Greenwood (Ms. McDonald) and the Hon. Member for Kootenay West (Mr. Kristiansen), will be seriously taking into consideration this amendment. We will support it because it is cutting off part of the whole procedure. Second, our caucus will be voting against Bill C-132 because we do not believe in playing Scrooge at Christmas time.

• (1640)

Some Hon. Members: Hear, hear!

Mr. Jack Shields (Athabasca): Mr. Speaker, I appreciate the opportunity to make a few remarks on Bill C-132, an Act to amend the Family Allowances Act, 1973. Of course, we all know that it is another part of the six and five restraint program announced in the June budget.

We in the House may agree that Canada today is facing some very serious economic problems. We are facing a situation where the present Government of Canada has created the present economic situation. Its vast amounts of waste and expenditures have created a massive deficit that this year alone equals the total 1974 budget of the federal Government.

There is something fundamentally wrong when Members on all sides of the House are asked to address a reduction in Family Allowances to families in need. There are poor people in the country who depend upon the Family Allowance. Mothers in the low-income group look forward to these benefits. I am referring to single mothers; treaty Indians living on reserves, some of whom are in very abject poverty; our native people, some of whom are unemployed and living in real poverty situations. But the Government, with the support of backbench Liberal Members, introduces an attack on Family Allowances which go to these people in need. Something is wrong with the thinking of any Government which would allow this to happen.

Why did the Government not look at the Family Allowance Program and work in a system which would take these benefits away from people earning $30,000, $40,000, $50,000, $60,000 and $100,000 per year? Why in God's name would the Government not look at that situation and redirect the funds? In essence, it would save more than it will save by attacking people in need by reducing their Family Allowance benefits, reducing their expectations in terms of Family Allowance payments, or reducing the real purchasing power of those cheques by $5 and $10 per child over next year and the year after.

As Members of Parliament we represent constituents, the majority of whom are living on low incomes, yet the Government is attacking that group. It will not matter a whit that it introduces six and five on Family Allowance payments to families with incomes of $30,000 per year. It will not even be noticed by people earning $50,000, $60,000 or more per year. It will really affect families with net incomes below the poverty line. Those are the people who are being attacked.

Make no mistake about it, we will not hear a hue and cry from people in the upper, the middle-upper or middle-income levels. The hue and cry and hurt will be felt in low-income groups. I ask all Hon. Members to think about this for a minute. They should travel with me to Athabasca, Slave Lake, Paddle Prairie, East Prairie or Fort Chipewyan. In the case of Fort Chipewyan, its residents pay double the price for a quart of milk as those in the cities of Ottawa, Toronto, Edmonton or Vancouver. By introducing this six and five, the Government is taking away two or three quarts of milk per month from children of low-income families. There is something fundamentally wrong.

We must address the problems as they exist. Certainly we must restrain Government spending; I am in agreement with that. Why is the Government not looking to areas where it could actually save money without attacking people in the low-income levels? Every piece of legislation in the restraint program attacks elderly people, people on fixed incomes, people on Government pensions or senior citizens. We should be making every effort possible to ensure that they live out the remainder of their lives in comfort and without worry.

What does the Government do? It introduces legislation to cut back on the fixed incomes of some of our senior citizens, and we now see it attacking Family Allowances. I am not in agreement with the present structure of the Family Allowance. For example, I do not believe that my wife should be receiving a Family Allowance cheque from the federal Government when I am perfectly capable of handling the expenses in my home. Then we get into the universality of Family Allowances; yes, there is a real problem there. If we do not have a universal program, then we have somebody sitting there trying to determine whether a person is in need, is a worthy recipient, meets a means test or something like that. I do not agree with that either, but there is a middle-ground somewhere. Certainly, if we had co-operation in the House and sat down in an all-Party committee, we could come up with a solution to the problem.

There is no way that someone earning $40,000 or $50,000 per year should be receiving Family Allowance, but there is a real case to be made for families living in poverty or below the poverty line and for low middle-income earners. The $25 to $30 per child means that some children will drink milk, orange juice or perhaps have some fresh fruit. The Government is attacking families who cannot afford to lose $2, $3 or $4 per month per child over the next two years.

We have heard the Government described as Scrooge. I believe that the Government has serious difficulties; I truly believe it. When I look at its deficit figures and its runaway spending, they worry me. I think we have to be responsible, but there are ways to reduce the deficit and bring money into the coffers of the federal Government without attacking those people for which the Family Allowance was set up to help. Why is it that every policy in the restraint program hits hardest lower-income groups? Why is it not hitting the senior civil servants and some of the high-income earners in the country? Those people are willing to share, so why not take away or reduce the Family Allowance from the upper-income earners? The Government is wrong in proceeding in this way.

• (1650)

We should set up a tribunal or a House of Commons committee with a view to drafting legislation for the control of Crown corporations in order to examine those 300 or 350 corporations to find out how much money they are wasting. Let us determine whether they are accomplishing what they were set up to do. We should determine how much money is being spent on Crown corporations and how much of that money is being wasted. The Auditor General has said that the ability of the Crown corporations to run holus-bolus in the country without any controls has caused a hole in the pocket of the taxpayers of Canada. Indeed, it would appear that there could be collusion between Ministers of the Crown and Crown corporations so as to allow these Crown corporations to do as they see fit to meet the aims and objectives of either a Minister of the Crown or the corporation itself.

Let us remember that it is the taxpayers, including we as Members, who are paying for the Crown corporations' existence today. These corporations employ 263,000 people across Canada. Excluding the RCMP and the Armed Forces, there are more people employed by Crown corporations than by the federal Government itself. All Hon. Members in the House of Commons who represent the constituencies of taxpayers who are footing the bill have absolutely no control over those Crown corporations in which millions and millions of dollars are involved.

Instead, the Government introduces a six and five program that attacks the mothers, and the families in the low-income group by nailing them and reducing their Family Allowance by $3 or $4 per month over the next year and the year after. Where is the priority of this Government? I am sure that the Minister of National Health and Welfare (Miss Bégin) does not agree with this. I am sure that she would not agree without strongly voicing her opinion to her Liberal caucus.

As I have indicated, I believe that a reduction of $3 or $4 in Family Allowance benefits does not concern those earning in excess of $30,000 per year, but it does concern many of my constituents who live in isolated communities. I have visited some homes in those isolated communities. Believe me, there is no turkey for Christmas and there is no meat on the table. Last summer I visited an elderly lady in one of those isolated communities. She is a grandmother who is supporting three grandchildren on her pension and Family Allowance. Although she was supporting three children, she could not receive social services or welfare because she received a pension. I do not exaggerate for a moment when I say that there was not even a crust of bread in that house when I visited her. All that the children were eating was relish from a gallon jar that she was

able to pick up. She could not afford any more since it was three days until her cheques arrived.

Those are the kinds of people we are allowing this misguided Government to attack when we permit it to cut back on Family Allowances for lower-income families. I see some Members smiling who believe that this is simply rhetoric. It is not rhetoric. This is exactly what is happening in the country. It is wrong and all Hon. Members know that it is wrong.

There is another way to deal with the problem. A system can be devised whereby the universality of the program can be maintained with those in the upper-income bracket being taxed 100 per cent on their Family Allowances. This money can be returned to the Government. When tax returns are submitted at the end of the year, it can be determined whether the taxpayer is entitled to the Family Allowance.

Let us provide the aid where it is needed. We should determine how much money can be saved from Crown corporations. As well, we should review our own operations in the House of Commons to determine what savings can be made here. One can see the waste that occurs here every day. One only has to walk up and down the halls of the House of Commons to see the thousands of dollars which could be saved every week on the amount of printed recycled paper which flows through my office and I am sure through the offices of all Hon. Members.

When a business gets into trouble and does not have enough revenue to cover its expenditures or to pay its bills, it looks at ways to cut back in all areas. It does not simply disregard areas which may only save $20 or $30 but considers everything. A business reviews its expenditures and then curtails its expenses. That is what we should be doing, determining how we can curtail expenses in every department. We cannot curtail expenses by attacking Family Allowances, particularly for those in the lower-income levels. Those families depend on that monthly cheque.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

The Acting Speaker (Mr. Blaker): Order, please. Before I recognize the Hon. Member for Kamloops-Shuswap (Mr. Riis), may I deal with the proceedings of the adjournment motion this evening.

It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Peterborough (Mr. Domm)—Metric Conversion—(a) Application to milk producers. (b) Increase in cost of milk; the Hon. Member for Bruce-Gray (Mr. Gurbin)—Finance—(a) Energy taxes paid by farmers. (b) Application of farm equipment purchase tax credit; the Hon. Member for New Westminster-Coquitlam (Miss Jewett)—Nuclear Armaments—(a) Request for free vote on issue of Cruise missile testing. (b) Request that Government allocate day for debate.

GOVERNMENT ORDERS

[*English*]

FAMILY ALLOWANCES ACT, 1973

MEASURE TO LIMIT INDEXATION

The House resumed consideration of Bill C-132, an Act to amend the Family Allowances Act, 1973, as reported (without amendment) from the Standing Committee on Health, Welfare and Social Affairs; and the motion of Mr. Hawkes (p. 21697).

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, I am rather saddened to have to rise to speak to Bill C-132 and the motion which was moved by the Hon. Member for Calgary West (Mr. Hawkes). One would have thought by this time, considering the arguments made by Hon. Members in the House and by the groups which appeared before the Committee, that the case would be very clear to the Members on the Government side that this mad money grab is an act which should be stopped and considered quite disgraceful. This is the time of year when we look forward to joining with our friends and families. It is a time for children, a time when we reflect on the year past and what is coming up. It is the time when we reflect upon the values of our society, of ourselves as individuals, as family units, and as communities and neighbourhoods. It is not the time of year when the Government ought to be trying to jam legislation through the House to grab money out of the hands of the mothers and children of Canada. If there is a Scrooge in this country today, it would have to be considered as being the Minister of National, Health and Welfare (Miss Bégin).

• (1700)

Mr. Nielsen: The Grinch.

Mr. Riis: Here is an individual who is presumably suggesting that the mothers and children of Canada are some of the critical inflation creators in this country, or that, by cutting back on the income to children, we can make significant savings for the Government of Canada.

Let us examine those two premises. First, we find that the amount of money that we are considering, in 1982 terms, amounts to $26.91 per month per child. In other words, the children of Canada receive a cheque through their mothers, on a monthly basis, up until age 18, for $26.91. The Minister of National Health and Welfare says that this must change, that we must reduce the money going to mothers and children in Canada. I would ask, why on earth would anyone put forward that proposal?

We hear from Hon. Members opposite and the Minister herself that, well, this is part of the Government machete to hack away at inflation in this country and that, in fact, by introducing the six and five program to Family Allowances in Canada, it will cause a significant dint in the rate of inflation. Does anyone really believe that the mothers in Canada, who receive $26.91 a month for each child, represent that group in society which has created and fueled this inflationary rate?

When one considers the statistics put forward by Statistics Canada, one finds that 900,000 children in this country are living below the poverty line as defined by the Government. The mothers of Canada and their 6.7 million children under the age of 18 have not created inflation in this country. If we are serious about the inflation creators, we must start considering some of the sloppy Government spending which the Auditor General brought to our attention a few days ago. We must also consider Government agencies which have now been unquestionably identified as the major creators of inflation and which have allowed increases to occur far beyond the rate of inflation, far beyond the typical wage and salary settlements of workers across this country. We must consider how the banks fell over themselves in the pell-mell rush to encourage people to spend and to borrow in the late seventies, in 1980 and in 1981 and, as a result, made massive profits, embarrassingly large profits, and then said, of course, that it was in our best interests to have interest rates of 20 per cent to 22 per cent. They said that was the best thing to happen to Canadians, that same year that the banks of Canada made such massive profits.

We must consider the corporations which borrowed beyond their means and, indeed, individual Canadians who borrowed beyond their means, jumping at a chance to expand their operations without having the necessary capital-debt ratio in hand. I suspect that many of us in the House know of individuals who ran out and borrowed beyond their means to cash in on this inflationary mad dash in an effort to make quick profits. Among these were real estate operators who were flipping properties, daily in some cases and weekly in others. These were the individuals who fueled the rate of inflation, not the mothers and children of Canada.

For the life of me, I cannot imagine why on earth the Minister of National Health and Welfare would be fighting inflation on the backs of Canada's mothers and children. However, I suppose one could make the case, if one stretched logic to unimaginable limits, that, indeed, by capping the increases on Family Allowance payments and by readjusting the Child Tax Credit limit, it would save the Government of Canada money.

However, when one carefully considers the data and calculates what savings will accrue to the Government of Canada, it becomes very interesting. The reduction in Family Allowances will indeed save the Government $320 million over the next two years. However, the increase in the Child Tax Credit will cost the treasury $250 million. If one also calculates the tax loss which will result in the reduced incomes based on the Family Allowance cutbacks, one finds that, indeed, there will be a tax loss to the Government of Canada amounting to about $60 million over the two-year period. Calculated together, we find this six and five capping on Family Allowance will save the Government $10 million over the next two years. That is the financial saving, $10 million over the next two years! That is the price of the wings of one F-18, the value of keeping three or four Senators in place, or the cost of one of the small grants to the multinational oil companies.

One could go on and on concerning the ways and means of seeing this $10 million saving in some context. Good grief! The Government probably spends that amount in three or four weeks on advertising or propaganda, yet that is not where we are seeing the cutbacks. We are not seeing the cutbacks in areas where Government spending could be drastically reduced. Yet we are seeing the Government cutting back on the money going to Canada's mothers and children.

It becomes obvious, then, that the six and five inflation argument is invalid, that the mothers of Canada have not created inflation. If we consider the savings to Government argument, we find that that no longer is appropriate. Obviously, a $10 million savings is hardly reason to bring this kind of program into place. One must closely consider the rhetoric we have heard, particularly from Hon. Members opposite. They say: "We must all share in this six and five program together; it is something we are asking all Canadians to embrace". It is one thing to ask a person with an income of $90,000 to participate in the six and five program, but quite another to ask a single parent trying to raise two or three children and not receiving any decent maintenance payments to restrict her income as well.

The participation in the six and five program of the Minister of National Health and Welfare, herself or any other Minister, will only result in an increase of their salaries next year of $5,400. How many mothers in this country would love to have that as a total package? I think the greatest irony of all is evident when one considers one of the individuals who has been touring the country, talking up the benefits of the six and five program and the need for sharing and caring together, Mr. Ian Sinclair, the chairman of the board of Canadian Pacific Enterprises. He said: "I will volunteer as well; I am prepared to reduce my salary next year to only a 6 per cent increase". For him, of course, that will mean that he will receive an increase of $46,000 next year. But he is prepared to share.

There is no fairness in the way this program has been introduced. Certainly, one can say that as a result of this unfairness, it is the lowest blow of all. It is the lowest political blow that a Government could conflict to ask those who are powerless in terms of lobby groups and so on, those who do not have an effective voice in Parliament in many respects, the children of Canada, to bear this kind of burden.

• (1710)

However, the Minister of National Health and Welfare has said: You should not be too concerned, those of you who are opposed to this particular Bill, because we are going to give a $50 bonus in 1983, an increase in the Child Tax Credit; just

for one year we are going to give that $50. When one looks again carefully at what that means to the average mother receiving Family Allowance payments for her children, it will result, when calculated, in an increase in 1983 of $34 a year; but in 1984 it will result in a loss of $35 per child on a permanent basis. In 1985 it will be a $38 loss per child, and in 1986 a $41 loss per child.

The question has to be asked, will full indexing ever reappear? What happens after 1985? Are we going to see the reintroduction of full indexing? Of course, there is no promise that that will necessarily happen. There is nothing in the Bill that would give that assurance. What about the Child Tax Credit of $50? Are we actually going to see a $50 increase in 1983? That $50 increase requires that Bill C-139 must pass in its entirety and it has barely been introduced in this House. So really the Minister is asking us to buy a pig in a poke. She says they are going to get a $50 increase, but in fact only if that legislation is reintroduced in the House, goes through all the stages, remains intact and passes some time in 1983.

I think one of the most moving experiences that we have had, looking at this particular Bill, was when we heard the various groups come before the committee and give their testimony, to try to bring some sense to the Members of this Government, to indicate clearly what the impact of Bill C-132 would be. I was particularly moved by one piece of testimony, and I want to read just a small part of it. A woman said: "We also need to keep in mind the number of families who have separated, not officially and on paper, but who are living on their own with their children. They may have no maintenance payments, any money they get may be very sporadic, and they are in great difficulty because they do not qualify for any other social benefit program because on paper they are still married and thereby should be receiving part of the father's income, though they may not be receiving any money at all.

We also hear that women in a household receiving Family Allowance presently with spouses maybe in the $40,000 or $50,000 range do not have any financial problems. Again I want to point out a portion of another piece of testimony:

—you cannot assume that because a husband is well off, his wife is well off. If the husband makes $40,000 a year, it could be that the wife is living in poverty; legally, she has no right to the money her husband is making at all, while they are married. This is the law of Canada. Every province in Canada says the husband has to support his wife at home, but he does not have to give her any cash—except in Manitoba where she can have pocket money.

Mr. Speaker, this is the time when as older Canadians our thoughts turn to children and grandchildren and future children. I know as a parent with young children, seeing the costs that accrue today to keep children in winter boots, mitts, winter jackets and hats, and to keep them prepared for their studies at school, they always have to have a little extra here and there. For so many families today that really count on that Family Allowance cheque arriving to get them through the month, even if this Bill results in a single dollar reduction in Family Allowance, that is going to be catastrophic in many family circumstances.

I am thinking of the argument that Members have put forward that with the Child Tax Credit mothers will get $350 at the end of the year. The point is that there are so many families now in this country on unemployment insurance benefits. Many are on walfare because they do not qualify for UI benefits, or they have exhausted UI benefits and cannot wait until the end of the year after they file their tax returns to get these few hundred dollars. That money is not going to make any difference; they need the money now. As a result, as my hon. friend from the Kootenays indicated, people in this country, now more than ever before, are receiving hand-outs from churches and from various giving agencies and societies. It is a tragic situation for tens of thousands of Canadian families, and especially for the tens of thousands of Canadian families where there is only a single parent.

At a time when the families of Canada have never been under so much strain, when mothers are struggling in so many cases just to provide the very basic necessities for their children, when this is the time of year when our thoughts turn to brotherhood, to sharing, caring, loving, this Government is bringing in legislation that is going to be taking money out of the hands of Canada's mothers and children forever. In spite of what many Members opposite have indicated, the base rate on which deindexing will occur for the rest of time will be lower than before the six and five program was introduced. What we are saying is that the mothers and children of Canada will be receiving less support from their Family Allowance payments forever as a result of this callous, thoughtless and uncaring piece of legislation.

We are going to be voting against this particular Bill, and we are going to be speaking against it for as long as we can. In the few hours before us between now and Christmas, I ask Members opposite to think of what this Bill is doing. It is not going to reduce the rate of inflation in this country; it is not going to save the Government money; it is not a fair program. Would some Member opposite please explain why we need to introduce this program now, before Christmas, or at all?

Mr. Ted Miller (Nanaimo-Alberni): Mr. Speaker, I am somewhat ashamed that in 1982, in a country with the resources that we have, that I have to stand up and defend Family Allowances, the universality of Family Allowances and the whole principle that the children of Canada should take priority in this country for Government expenditures.

I would like to consider why we are in this position. The situation, I think, was signalled approximately a year ago when a parliamentary delegation went to Europe and I had the pleasure of being with that delegation to visit a number of European organizations. One of those organizations was the Organization for Economic Co-operation and Development. I suppose the signal was given then, and maybe I was remiss at the time in not really seeing the significance of the presentations that were given to us by people associated with the Organization for Economic Co-operation and Development.

One of the things we were told at that time was that for Canadian, U.S. and West German workers in the western industrialized nations, the benefit packages were too rich. We were told we ought to consider our role with regard to world

competition and how those benefits affect the prices of commodities in world trade. Those packages which include holidays, benefits for health care and working conditions were not the cause of unemployment in the western world.

• (1720)

Today some nations have taken action to reduce those benefits to workers. We must consider whether those benefits such as pensions, holidays, working conditions and Family Allowances led to the decline in trade in the western world or whether there were other factors.

Who is controlling the destiny of workers in the western world, Canada in particular? Is it Government, Government policy, the financial institutions which are becoming so powerful, or the multinational corporations which have access to and expenditure of capital? Is it the Federal Reserve Bank in the United States or the Bank of Canada which has led to the situation where Members of Parliament are now in this House to debate whether the Family Allowance increases should be kept to six and five over the next two years? Is it Government policy or is the policy which led to the high unemployment in the western world a policy generated in the United States by the Federal Reserve Bank and the administration there, supported in Canada by the Conservative and Liberal Governments?

That interest rate policy has driven a great number of businesses into bankruptcy, caused massive unemployment and the loss of homes, farms and fishing vessels. That policy, which was to cool inflation by high interest rates and monetarism, has carried western nations, including Canada, to the point that we now have such difficulty that we do not know how to balance budgets and put people back to work. In fact, we are starting to attack those least responsible for inflation more than anyone else.

I have talked about the old age pensioners whose pensions will be deindexed over the next two years to six and five. As well, we are attacking the retired public servants, RCMP personnel and Armed Forces personnel who paid for their pensions and made extra contributions. The Government is attacking them because it does not know where else to go. Obviously the federal Government has no indication and cannot indicate to Canadians how long we will be faced with high inflation and high unemployment.

Bills C-131, 132 and 133 have attacked the basis of social programs in this country. They have put into question the principle of universality which this Party fought for and so adamantly supports.

Public servants were the first to feel the wrath of the federal Government under Bill C-124. Their salary increases were capped at six and five with the whole-hearted support of the Conservative Party. The atmosphere in Canada allows Governments to attack programs which in the past have been very beneficial in an electoral sense to the Liberal Party. They were brought in at the insistence of the public and in some cases at the insistence of the New Democratic Party in a minority Government situation.

I sense in my riding a certain amount of support for the six and five program. That is because people are afraid of losing their jobs. They have gained the impression that the only way out of the situation is for Canadians to sacrifice even more. It is not bad enough that we have 15 per cent unemployment in the area I represent or a national average of 12.7 per cent. What is even worse is that those who are employed are afraid of losing their jobs. They are rightfully afraid because of growing unemployment in this nation.

In my Province of British Columbia there are an estimated 100,000 people on social assistance and far more than that are unemployed. There is a growing fear in Canada, caused by high unemployment, high inflation and uncertainty, about the plans of this Government to alleviate the problem.

There is a willingness and an acceptance of the fact that by and large public servants do get too much money, that their salaries should be controlled, that senior citizens do not need total indexation any longer and that Family Allowances are no longer as important as they once were. Mothers who count on the Family Allowance cheque will have to sacrifice in this battle against inflation. We are proud that there is a willingness in our communities to create employment through makeshift and temporary programs. They are making the best of the little bit of money that goes into those communities which suffer very high unemployment.

The Minister of National Health and Welfare (Miss Bégin) likes to indicate that unemployment is coming down because of the six and five program. Inflation is not coming down because of some mythical six and five program which only affects those segments of society such as public servants, Family Allowance recipients and old age pensioners. The six and five program is not working because of the Government's advertising campaign. It is working because the forest industry in British Columbia and the mining and manufacturing industries across this country are on their knees. there is massive unemployment and a massive lack of confidence in the Canadian economy. Those who are lucky enough to be working are putting their money in the bank and saving it because they are uncertain about their job security. We have a recession, if not a depression, in this country.

I am not sure whether the Government knows how to get out of it. The six and five program is simply a PR gesture to satisfy those who are unemployed. It wants them to think it is doing something. However, it is not creating employment or confidence.

The amendment to Bill C-132 before us will be supported by my Party, not because it is all that important and gives the Government one year on this program, but because it might be a slight improvement to the Bill.

This attack on universality and on Family Allowances could only come about now because Canadians are grasping at anything to improve the economy of this country and the situation in their households. It could never have been imposed by this Government unless Canadians had such fear that it would not go away. I am somewhat surprised at my colleagues to my right whose amendment we will be supporting. I am

surprised at the lack of force with which they are fighting this Bill.

• (1730)

I saw the Conservatives stand up and protect the rights of the multinational corporations, and the bells in this House rang for 15 days. They made horrendous noises about how dictatorical the legislation before us was, and in fact made some improvement in terms of having a very massive energy Bill split up because of their determination to protect the profits of their friends in the oil industry. Certainly, that is something which they can use this House to do, and they did it well. I saw last week similar actions to protect the agri-business in Canada under Canagrex, and through points of privilege the Conservative Party was able to delay and waste two days of the time of the House. I hardly see the same kind of determination on Bills C-131, C-132 or C-133, which Bills they are supposedly opposing, but really they are not making any concerned effort to support those witnesses who came before committee to indicate what the damage to the recipients of Family Allowances, old age pensions and superannuates' pensions would be. I do not see the same determination from the Conservative Party regarding that. They are giving some lip service to supporting universality of these programs, however, they are really not too serious about it. Their position, I think, was adequately indicated on Bill C-124 on Public Service wages and in their eargerness to have those capped at six and five. Therefore, I do not think they are really fooling anyone in this Party as to their real motives on these particular Bills.

The Family Allowances which goes to mothers is used by them to provide for young children, whether in the form of food or clothing, or maybe even to provide their children with some social experience they would otherwise not be able to have. I think it is important that children in our country be not only well fed, well clothed and well sheltered, but it is important for them to have some experiences, whether cultural or recreational in terms of sports or arts and crafts. Mothers should be able to have within their own income some access to money to provide an opportunity to take their children to swimming lessons, or art lessons outside of school, and to provide those kinds of experiences which children of parents with higher incomes accept as something natural in their homes. That is not always true of low-income families. It is certainly not true of single-parent families where mothers, if they are working, are normally not in highly paid occupations and have to scrape any kinds of money they can together to provide for their children. The principle of universality in Family Allowances is something that we in this House of Commons should not have to be debating. It should be sacrosanct. The mother's allowance, which is basically the only income she has in many cases, goes to the upbringing of her children.

I would just say, Mr. Speaker, that I will be very pleased to stand up and vote against Bill C-132. I will be supporting the amendment that is before us, although I am not enamoured with it or its intentions, or its eventual contribution if, indeed, accepted, but at this time the Government has an opportunity to change its mind on Bill C-132. It is not a Bill which is going to gain a great deal of revenue for the Government, but it is going to do irreparable harm to the principle of universality and it jeopardizes the whole concept of universality, not only for Family Allowances, but for pensions. And if the Government gets away with the Bill before us now, there is nothing to stop it from whittling away at other social programs and cutting back on expenditures just at a time when this society needs these programs to support families, senior citizens and all Canadians. I would implore the Government to reconsider what it is about to do under Bill C-132.

Mr. D. M. Collenette (York East): Mr. Speaker, it had not been my intention to speak this afternoon.

An Hon. Member: Filibuster.

Mr. Collenette: I notice that the Hon. Members of the New Democratic Party are charging me with being part of a filibuster, but we have just listened to three or four NDP Members in a row. It had not been my intention to speak, but after listening to such gall and hypocrisy from the NDP I felt compelled to get on my feet.

Mr. Smith: The truth must come out.

Mr. Collenette: We are prepared to vote on this measure, Mr. Speaker. We are prepared to vote on it before six o'clock. We are prepared to vote on it at eight o'clock. But, obviously, the NDP is trying to prolong matters.

An Hon. Member: Of course we are.

Mr. Collenette: They are force-feeding Canadians with a lot of drivel, and it is time someone got up and refuted it, and I hope some of my colleagues will do the same, if they persist this evening. First of all, we have had the allegorical meanderings of people like the Hon. Member for Saskatoon East (Mr. Ogle) and the Hon. Member for Kamloops-Shuswap (Mr. Riis) going back to Dickensian England. To compare Dickensian England with Canada today is absolute nonsense. In Dickensian England they did not have universal medicare. They did not have universal old age pensions or family benefits. They did not have a generous system of unemployment insurance benefits.

An Hon. Member: They did not have Liberals, either.

Mr. Collenette: I am waiting for the Hon. Members of the NDP to start talking about poor houses and forced labour, and the chimney sweep going down the chimneys at the age of eight. This is what they are trying to sell Canadians on.

Mr. Nielsen: You will get us there.

Mr. Collenette: What they are trying to sell Canadians on, Mr. Speaker, is that conditions in Canada are much worse than they really are. We have a serious economic crisis. We have real problems in this country. But for the Opposition Parties to use such hysteria, such hyperbole, as they are doing

in the debate on Bill C-132 on Family Allowances is really to do a disservice, I believe, to Canadians. I think it is about time that some Hon. Members in this House set the record straight. We heard from the Hon. Member for Saskatoon East, a great man, a great humanitarian. I have great respect for him, but he had the unmitigated gall to say that family breakdown in Canada today is due to the six and five program—

An Hon. Member: He did not say that. You were not listening again.

Mr. Collenette: —which is only just now being implemented. I agree with him that there has been a breakdown in family life in Canada in the post-war era, and it is something that we all lament, but what it had to do with, Mr. Speaker, is the inflationary avarice, which we are trying to end by the six and five program. It is the rapid rise in expectations, the inflationary psychology, which has contributed a lot to social instability in this country, and we are trying to rectify that by the six and five program.

The Hon. Member who spoke last—I think he represents Nanaimo-Alberni (Mr. Miller)—at least was honest and admitted on the record that his constituents support this program. I would submit that his constituents are somewhat more intelligent than he is, because they realize that the six and five program is essential to reduce inflation and to try to restore some economic balance in this country.

The Members of the NDP talk about universality. We have dealt with this red herring throughout this debate. This Bill has nothing whatsoever to do with universality. Universality is not under attack. Not at all. What will happen, Mr. Speaker, is that next June, on the anniversary of the six and five program being announced in this House, we will see inflation down to 6 per cent. The recipients of Family Allowances and old age pensions will not have lost anything because inflation will have been brought down to the 6 per cent level.

• (1740)

Now they say: why introduce it? Because, Mr. Speaker, the Government had to show a way of bringing inflation down. How could we do it? The only means at our disposal, without provoking needless confrontations with the Provinces and other elements of Canadian society, was to show the way in our own jurisdiction as best we could. If any of the Members opposite can tell me next June that women and children in this country have suffered as the result of the six and five program because inflation will be down to 5 per cent, then they are better than I.

Inflation is coming down, Mr. Speaker. The Governor of the Bank of Canada gave a speech in the last couple of weeks where he said that inflation is now running at about 8.5 per cent. That is only about 2.5 per cent away from the 6 per cent. We will be there next June, Mr. Speaker, because in fact inflation is coming down more rapidly than we thought. The six and five program is being adopted by the private sector across this land. It is being adopted in the daily lives of individuals. People are restraining their expectations.

Now let us talk about the universality aspect from another angle. I said this is not a debate about universality, but the Hon. Member for Athabasca (Mr. Shields) has talked about universality and he does not want it in social programs. He is at odds with his Leader who has been stomping across this country saying the Progressive Conservative Party does not believe in ending universality. But one of his own Members this afternoon has just torn that to shreds. This is again an example of the Official Opposition being at odds with itself. It is another example of their having two or three policy positions, pulling them out of their hip pocket and delivering them in speeches depending on their audience. That is what the Conservative Party is doing, not just on the six and five program but on every issue in the country. They are pandering to the biases of respective communities. They are not consistent in their logic. They hope to form a government on that? My goodness, I would think that the Canadian public has more intelligence than to accept that kind of faulty logic.

However, Mr. Speaker, while we have the spectre of the Official Opposition arguing against this program, in the amendment before us at report stage we see that there has been tacit acceptance. The Hon. Member for Calgary West (Mr. Hawkes) has accepted the 6 per cent solution. Then why not, Mr. Speaker, continue it to its logical conclusion and make sure inflation is squeezed even more by continuing this program for another year? In fact, I would give some of my time to the Hon. Member for Calgary West to stand up and defend his logic. I know he has spoken once, but with unanimous consent let him try and defend his faulty logic.

Mr. Hawkes: Mr. Speaker, in my speech I made it clear that my Party would vote against 6 per cent at third reading stage; because of procedural limitations we could only deal with the 5 per cent year—in report stage. We are encouraging Liberal backbenchers to get rid of the 5 per cent year because it will be 1984. We do not know what the economic situation will be in 1984, and surely the other side should have enough conscience to take that uncertainty away. We intend to vote against the 6 per cent and the 5 per cent on third reading.

Mr. Collenette: Mr. Speaker, I was trying to give a preview of our new rule changes by yielding the floor to the Hon. Member to allow him to demonstrate some true cut and thrust, but all we got was just a flapping in the air. The Hon. Member did not defend his logic. He said he was going to vote against six and five at third reading stage, yet in this amendment he wants to restrict it to one year. I do not see the logic. The Hon. Member for Yukon (Mr. Nielsen) is accusing me of a filibuster but it is quite obvious that a Member of his own Party is seriously engaging in meaningful debate on this particular issue. I think it is rather insulting for his House Leader to accuse me of filibustering and thereby intimidating his own Members from getting up to participate in this debate. Shame on him.

Mr. Nielsen: You will not let us vote.

Mr. Collenette: Shame on him. I do not think I need to speak any longer, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Collenette: I have made my point. I have always noticed in my years in the Chamber, Mr. Speaker, that when you provoke a storm on the other side it is because the point that you are making is hitting the truth.

Mr. Riis: Remember why you jumped up, David.

Mr. Collenette: If I was talking a bunch of nonsense, if I had nothing to contribute, there would be silence in the Chamber. It is obvious that we have them on the defensive because of the faulty logic which has been used in this debate.

Anyway, to summarize, the six and five program is the best damn program to come along in a long time. It is the first step in economic recovery in this country.

Mr. Riis: Talk about Family Allowances, Dave.

Mr. Collenette: It in itself will not do the trick. The Prime Minister (Mr. Trudeau) and members of the Government have acknowledged that, and that is why we had the economic statement on October 27; that is why we will have a budget in the new year as well as a speech from the Throne. The six and five program is but the first step to economic recovery in this country. As I said before, Mr. Speaker, when I spoke earlier on second reading, the Opposition Parties do not want the six and five program to succeed. The NDP in particular thrive in an inflationary society. You know why? They have no concept of economic reality. They have never been in a position of government in this country and are never likely to be. So they can throw good economics to the wind. They do not have to think about responsible economic policy.

Miss Jewett: You do not know anything about the West.

Mr. Collenette: It is because they thrive—listen to this roar, Mr. Speaker.

Mr. Riis: We are trying to drown out the drivel.

Mr. Collenette: It is because I have hit a sore point.

Mr. Blaikie: Mr. Speaker, I wonder if the Hon. Member, in the spirit of parliamentary reform to which we both subscribe as Members of the Committee on Standing Orders and Procedure, would submit to a question?

Mr. Irwin: Take the easy ones first.

Mr. Blaikie: Mr. Speaker, I wonder if the Hon. Member is aware, given his remarks about the NDP never having been in government, that there have been NDP governments in B.C., Manitoba and Saskatchewan—

Mr. Cullen: All defeated.

Mr. Blaikie: —and whether or not he might want to repent of this particular Ontario view of reality.

Mr. Collenette: I am glad the Hon. Member for Winnipeg Birds Hill (Mr. Blaikie) asked a question because it just substantiates the point I have made. He has resorted to the picayune to point out—

Miss Jewett: Picayune?

Mr. Collenette: —to point out a mere oversight. Obviously the NDP has been in power in some of the Provinces. I was talking about the federal Government. But the fact that they have picked up on that small oversight just substantiates my position. I defy the Hon. Member to ask a substantive question about what I have said in my speech. Let him stand up and ask a decent and intelligent question.

Mr. Blaikie: Mr. Speaker, first of all it is the first time in my life I have been called picayune. Secondly, if I could find anything of substance in the Hon. Member's speech, I would have asked a substantive question.

Mr. Collenette: Well, Mr. Speaker, I think it is about time that I wrapped this up.

Some Hon. Members: Hear, hear!

• (1750)

Mr. Collenette: I do not think Hon. Members know what they are doing to me. Here we have the whole phalanx of the NDP. If only our viewers at home were permitted by the rules to see this panoply of tired Socialists imbedded in the rhetoric of the 1930s who are not willing to face the challenges of the 1980s. If the people at home could see this tired group, they would know that the policies advocated by the Government in this program and in this Bill are the only sane and rational ones, and that the Opposition in this country is flailing around. It is not really serious about attacking our policies. It is making small points—I call them picayune—but it does not address the major issues: to get inflation down, to get Canadians back to work, and to get the economy going again.

Some Hon. Members: Hear, hear!

Mr. Mark Rose (Mission-Port Moody): Mr. Speaker, if the previous speaker suggested that there was a particular Party here interested in sandbagging, holding up or otherwise blocking this Bill and that it was the New Democratic Party, he was absolutely right.

Some Hon. Members: Hear, hear!

Mr. Rose: He accused us of lack of idealism, vision, lack of imagination, lack of brains, lack of everything. From where I come, in terms of the Liberal Party there is a distinct lack of Members. It is because of his expression of attitudes like this that there are no Liberal Members in the West. There is no one in the West, as far as he is concerned, who is not picayune.

Tragically, on every street corner in this festive season—and he talked about getting people back to work—as we indulge in lights, Christmas trees, Christmas cards and Christmas cheer, we find in virtually every community across the land that radio

stations and newspapers are launching plaintive yet urgent appeals for help for the very people that Bills C-131, C-132 and C-133 are designed to cripple. This what the Liberal Party is doing, and everyone should know it.

An Hon. Member: They are Grinches.

Mr. Rose: I do not know about that. I am sorry the Hon. Member for North Vancouver-Burnaby (Mr. Cook) is not here, but let me point out that appeals have been made frequently over the radio by the same right-wing hotliners who fought every progressive attempt to build a social system in the country so that the poor could at least reach up to the poverty line. They fight all year, every year, against progressive social legislation, and then they get on the air at Christmastime and beg for charity. They beg and beg and beg because they do not believe in Government intervention or Government intrusion into these matters. They would rather go into an orgy at Christmastime of giving, and guilt-tripping, begging and saying what nice fellows they are. Yet when it comes to supporting a social system that would prevent poverty, unrest, unsettlement, tragedy, crime and all other things which plague society, they are not there then as they do not believe in social support systems because there is no money in it.

What they really need to remember is that problems exist in our social system which private enterprise or private charity, no matter how well-intentioned, cannot solve. They have not learned that yet. I hope they will learn it by suffering along with the people who are frequently held down by their archaic attitude.

There are Sally Ann officers in front of every liquor store, there are Santa Clauses on every street corner ringing their bells for donations to help the needy, and tonight ironically the House has chosen these festive days to cut back on the old, young, weak and unorganized. We shouldn't be proud of ourselves for that, all in the name of beating back inflation! What nonsense, what drivel.

The general public knows what it is like out there. The people whom I represent, and the people whom Members on both sides of the House represent, know how tough times are. They need a little encouragement and leadership from their Government. When it comes to their own personal donations, commitments and generosity, they are right there. I did a little checking today; I did some telephoning. While the Liberals are cutting back on Family Allowances, which is often a major source of income most women have, the Salvation Army has found that its street contributions are up 30 per cent over last year and that its mail-in contributions are up 38 per cent. The Scrooges over there are cutting everyone back by 5 per cent. People instinctively know that if their Government is cutting them back, they have to give, through their own resources and initiatives, not because of any drive or advertising, gifts to the Salvation Army rather than Christmas gifts to one another. Donors should be congratulated for it.

Let us put that in the light of what we are doing with the three Bills which we have been debating for the last couple of weeks. My Party will not let them through before Christmas; we are determined not to let them through before Christmas if there is anything physically we can do to prevent their passage. The United Way, on a national level, indicated that its contributions are up 5 per cent over last year but that in places like Ottawa, where the recession has not hit quite as hard, they are up 20 per cent and 30 per cent, while total corporate donations have not increased at all. Representatives of the Kamloops food branch, according to the Hon. Member for Kamloops-Shuswap (Mr. Riis), indicated that it is going very well. The food bank cannot qualify as a complete success, but many people are donating food and money. The sponsors are really pleased that they are getting such a tremendous and positive response. The community services of Mission City in my constituency reported as late as Friday that its donations are running at $1 per capita, which is more than double the giving of last year. More support is desperately needed.

Mr. Benjamin: They cannot get to everyone.

Mr. Rose: Charities certainly cannot get to everyone, and no one should pretend for one minute that they can. We should congratulate those people who give their money, talent, effort and energy so that others with less can have more. While they give more generously, why should the Government be so cringingly parsimonious? It should not. It is unacceptable.

It is fair to admit, as the Hon. Member for Nanaimo-Alberni (Mr. Miller) said, that there is probably not a great deal of fuss being generated by the deindexing of the OAS or Family Allowances. In fairness, we should be prepared to admit that there has not been a great deal of fuss. I think there are a couple of reasons for the silence. One reason is that people who receive Family Allowances and old age pensions will get a raise in January. The only difference is that it will not be as big as it should be. They will not really know what happened to them because they have not taken the time, nor are they able in many instances, to study what the differences will be to them as individuals. Further, they will not know until it catches up with them. Nobody told them that they were supposed to get $10 or $11 more next year and that they will only get $6. No one told them, but they will find out.

The second reason is that there has been a very strong propaganda battle launched against indexing itself over the last number of years. I think there is a powerful lobby led by some political interests. I think there is also an investment lobby and an insurance lobby, financed by those people who control the investment plans and the private pension plans. These interests do not want indexing because they would be forced to provide it in their plans. They have mounted a tremendous attack on indexing. I think some people have responded to this lobby and feel that if indexing is not illegal perhaps it is only slightly immoral. These are two reasons there has been no real, large public outcry so far over what the Government is attempting to do—to scapegoat low income people.

I would like to develop that subject in somewhat greater depth, if I may now call it six o'clock and reappear here in a later reincarnation at eight o'clock this evening.

Family Allowances Act, 1973

The Acting Speaker (Mr. Blaker): It being six o'clock and the Hon. Member for Mission-Port Moody (Mr. Rose) requiring two hours in order to reincarnate himself, I do now leave the chair until eight o'clock this evening.

At 6 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Deputy Speaker: When the House rose at 6 p.m., the Hon. Member for Mission-Port Moody (Mr. Rose) had the floor.

Mr. Rose: Mr. Speaker, I am pleased to rise, again after being interrupted by the dinner hour, to the thunderous applause of my caucus behind me.

What I was attempting to say earlier is that I agree that there has not been a massive outcry against the deindexing of the various pensions, perhaps with the exception of the Public Service pensions. I was advancing the argument that I believe the outcry did not occur for two reasons. First, parents or pensioners have not yet realized what has happened to them and therefore they are unaware of the consequences. Second, I believe that there has been a somewhat powerful and significant lobby operating against indexation in Canada which has fostered the belief that indexing is somehow unclean or perhaps even mildly immoral.

I think that the savage attacks on the indexed pension plans by open-line hosts, employers and others, are shoddy and fraudulent. I believe that full indexation is crucial because without it our incomes would fall in proportion to the inflation rate. I first learned about the word indexing from Robert Stanfield when he was the Leader of the Tory Party. He recognized, as did his Party, that unless indexation was provided each year, incomes would fall in proportion to the inflation rate, which is unfair. Simply put, without indexing, the dollar that I or my constituent received last year is really only worth 90 cents this year since the inflation rate is running at approximately 10 per cent. In five short years, with the value of a person's dollar being reduced by 10 per cent, the dollar would only be worth 65 cents. This means that the dollar is shrinking to the point where people earning the same income fail to receive the same purchasing power. Therefore, I am opposed to deindexing on a matter of principle.

Indexation is the only way one can protect oneself from the ravages of inflation. That is why I and my Party are absolutely opposed to the Government's capping proposals under Bills C-131, C-132 and C-133.

The main argument against indexed pensions seems to stem from the opinion that while Public Service pensions, whether federal, provincial or through Crown Corporations pensions, are indexed, the majority of private pension plans are not. I suggest that this is no valid argument for being against indexing. First, approximately half of working Canadians do not have any pension other than the Canada Pension Plan or the old age pension. The majority of the other half of working Canadians are working in the private sector and are denied indexed pensions. Rather than wiping out indexing in the public sector, I believe that Parliament should be making a pronounced effort to require indexing to apply in the private plans. I do not believe in the logic that, since indexation exists in the public sector and not in the private sector, it should be eliminated from the public sector. Instead, we should be encouraging indexation in the private sector. This is where the problem presents itself. Many private pension plans exist on an actuarial assumption that if one spends his entire working life investing in the high cost dollars, due to inflation, one should happily retire and be paid back, in cheap dollars. We do not believe that that is acceptable or equitable.

I do not want to involve you in this, Mr. Speaker, but I can see that you accept the logic of my argument. If I cannot convince any of the Members across the aisle, I am quite certain that I have reached you and the general public. I am pleased that you have nodded sagely in this matter, as you do in your rulings on many occasions.

I am concerned that this Family Allowance legislation is not an isolated example. The Family Allowance legislation, Bill C-132, which we are debating tonight, is only one in a package which includes the deindexation to 6 per cent of Old Age Security, the Family Allowance and the public service pension.

The first and probably least publicized Bill, C-131, deals with people on old age pensions, such as my mother. My mother does not receive the supplement.

Mr. Benjamin: Or the Family Allowance.

Mr. Rose: My friend says nor the Family Allowance, but that is irrelevant. The full impact of the 6 per cent limitation on old age pensions next year has not hit pensioners yet. In 1984, the pension of senior citizens will be cut back by $77. The following year it could be $219. This is a total cutback of approximately $300.

When we consider that the base pension has been diminished, when indexation is reintroduced following this two-year period—there is no assurance that it will happen—we will see that senior citizens will have lost a total of approximately $1,000 per family. Of the approximately 2 million people on Old Age Security, over half receive the supplement. In this light, one can readily appreciate that this program will cause great difficulties for close to a million people, and not just a few thousand.

Let me return to the Family Allowance legislation. The Family Allowances will be given the same treatment as old age pensions. There has been some kite-flying that there will not be a means test openly applied to the universal Family Allowance; it will continue to be paid to everyone who has children, regardless of income. However, what are the results of capping the increases in Family Allowances in 1983 and 1984? If you face an increase in the cost of shoes for your children of $10, you will receive $6 to help meet that cost. For many people who depend almost entirely on Family Allowance—not

entirely but, rather, immeasurably—capping is, in a time of inflation, a very severe blow. Therefore, if shoes for the children cost $10 more next year and one only receives $6 in terms of one's increase to meet that cost, that will mean, according to the figures of our research department, a total of $102 for a family with two children over the next two years. Who is the person who will be hit most by that, the single parent? Perhaps it will be the low income people, of all kinds, some of whom are native people in Indian reservations, and it is at this group that the Government is stricking. Therefore, it is another example of hitting the poor. It is not the poor who fill out income tax forms for tax credit, by and large. Some of those people cannot fill out any form. Some people do not have either the knowledge or the counselling to assist them in applying for the tax credit. Anyway, this is the second element in the package.

• (2010)

The other element in the package involves hitting the retired public servant. I would like to tell Your Honour of someone who has been affected by circumstances which are very dear to your heart. We received a letter from a retired public servant in a community known as Maple Ridge, which I represent. This man has served his community, not only in his capacity as a civil servant but also as a volunteer, with great distinction. He wrote, "Over the years I contributed 6.5 per cent of my salary, plus 1 per cent for special funds, to cover the cost of indexing." To me, he wrote, "This is a breaking of faith. This is a breaking of contract, and this is the kind of thing that makes me very cynical of my government".

I would like to tell Your Honour in the one minute remaining to me that we will oppose this Bill for all the reasons we have discussed. This cut against the poor, the old and the unorganized will not bring inflation down, any more than will the admission of the Prime Minister (Mr. Trudeau) last night when he said, "I do not think that our job creation program will bring unemployment down". Therefore, what I am asserting here is that what the Government is doing here is scapegoating. What we should be doing, when, for example, one out of 13 people in my Province is facing welfare this winter, is to provide a massive job producing program so that people can get to work, pay taxes and collect wages instead of welfare. Then they would begin to purchase again and contribute to society. This is a much worthier objective than cutting their throats, as this Bill would tend to do. Therefore, we will vote against it, and I thank Your Honour very much for your kind attention.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, in speaking against Bill C-132 at report stage, the Bill which would cap indexing of Family Allowances to six and five, as part of the Government's over-all six and five program, I would like to refer to a point made by the Hon. Member for Mission-Port Moody (Mr. Rose) earlier this afternoon when he mentioned the irony of the fact that we are debating this Bill to cap Family Allowances at a time of the year, Christmastime, when so much effort is being put into the raising of money for charitable purposes to aid the many families who ordinarily require that sort of help, and also to meet the needs of the greatly increasing number of families who are requiring it. It seems to me that we have a good opportunity to reflect on the difference between two different world views, if you will. I hoped that we, as a society, had transcended one view, which relies mainly on charity and on voluntary contributions for the alleviation of poverty caused by our economic system. The other view holds that we ought to build mechanisms into our social and economic structures to prevent people from reaching that state where they need help. Of course, even that which we have done so far, in terms of developing the welfare state, has still not created a society in which we have—

Mr. Rose: Insulated.

Mr. Blaikie: —families who need no help at Christmas time. However, it seems to me that we are retreating from the second world view with the six and five program, with the ongoing debate about retreating from universality and with the entire politics of despair, as I like to call it, the politics in which the Liberal Party and Government now wallow, the politics which has it that we have reached the limit of our ability to share; that the pool of funds which we have available for social purposes has reached its limit and that we must now do what we can with what we have left.

What has really happened is not so much that we as a society have reached the limit but, rather, that the Liberal Party has reached the limit of what it is willing to do, because in order to share more in our society it would have to challenge certain financial and economic interests. It would really have to be in favour of fundamental economic change, and that is what it is not able to do and that is why we have the six and five program. That is why we have this attempt to create what is called "a better investment climate", and that is why the Conservatives support the six and five program—

Some Hon. Members: Hear, hear!

Mr. Blaikie: —because they believe in an investment climate. They believe in catering to the profitability of the multinational corporations and others who make their decisions here in Canada based on profit alone. That is why, overall, they support the six and five program. That is why, in particular, they are only putting up token resistance.

Tonight we are speaking on a Bill which will affect Family Allowances. I say, through you, Mr. Speaker, to those who are watching, that the reason they see one New Democrat after another speaking on this particular Bill—

Some Hon. Members: And a Tory amendment.

Mr. Blaikie: —and Tory amendment, is that the Progressive Conservatives have caved in on this matter—

Mrs. Mitchell: Exactly.

Mr. Blaikie: —as they have all along, putting up only token resistance to the six and five program. This is a reflection on

the Tories, because what is it that really irritates the Progressive Conservative Party—

Mr. Clarke: You!

Mr. Blaikie: —besides me? And someone said that I really irritate them.

Mrs. Mitchell: That is a compliment.

Mr. Blaikie: That is a compliment. Indeed, I hope that it was entered into the record. However, the Conservatives become really irritated not when pensioners' income is affected, not when the income of mothers and children through Family Allowances is affected and not when the income of superannuates is affected through Bill C-133. The only time these Conservatives really get up on their hind legs in this House to tie up the place and, I think, to an inappropriate degree, almost to the point at which one could suggest that they do not have enough respect for Parliament, is when the interests of the multinational corporations or the investment community are affected.

Some Hon. Members: Hear, hear!

Mr. Blaikie: Then they really become fired up. However, do they become really fired up concerning pensioners, mothers or children? No, not at all.

Recently the Conservatives threw an ideological tantrum over Canagrex. Some say that the big to-do over Canagrex had more to do with what will happen, whatever that may be, in Winnipeg in January than with Canagrex. However, it was amazing to watch. It was another example of the two faces of the Tory Party with regard to the six and five program. They support six and five in principle. They voted for Bill C-124. However, when it concerns these particular little Bills, when it comes to pensioners and Family Allowances, oh, they are against them. They think they can have it both ways. I will say one thing for Members of the Liberal Party. They decided they will have the six and five program and they have been dumb enough to carry on with it. They are stubborn and they think they are right. They are actually wrong. Nevertheless, there is some consistency in their program. This is unlike the Conservatives who, of late, have become absolutely frantic for power, frantic that power must not escape them as it escaped them once before in the last election. So they are saying anything to anybody, whatever they think will be pleasing to the ear of the people in whose company they happen to be.

• (2020)

With reference to Canagrex, at one time they supported Canagrex; now they do not support it. They changed their mind, apparently, on the basis of the recommendations of the Auditor General that there was not enough accountability of Crown corporations in spite of the fact—

Mr. Stewart: It is communism.

Mr. Blaikie: Someone said over there that Canagrex is communism. I would like that on the record.

An Hon. Member: John Wise.

Mr. Blaikie: —that the Bill that was first introduced by a Progressive Conservative agricultural Minister is communism. What we have just heard from that Hon. Member is the kind of philosophical garbage we have had to listen to, day in and day out.

I do not know what the people to my right would do if they were in another country where there was no elected Government. You can only throw around words "dictatorship", and "communism", and all this sort of thing, for so long before you cheapen the use of the language, Mr. Speaker, and I think that is what is happening in this Parliament. If we ran into a real dictatorship we would not know what to call it because the Conservatives, in their frantic rhetorical search for power, have cheapened every concept that was ever developed in a political science textbook, in the last three or four weeks. Anything they do not like is communism. Anything they do not like is a dictatorship. I do not have any more use for this Liberal Government than anyone else, but I have some respect for the English language. I wish that some people over here on my right would show some respect for the English language and some disciplined intelligence for a change, instead of just ranting on like a bunch of idiots.

Mr. Speaker, I was trying to show that on six and five, as in other areas, we have a case of schizophrenia. In fact it is almost a multiple personality when it comes to the Progressive Conservative Party. We have three or four Parties warring within the bosom of one caucus over here so you can hardly tell just who is speaking for them. There are those who are against universality—and there are many in the Progressive Conservative caucus—and who are against indexation of pensions, period, never mind capping them at six and five. Many of them have been against the indexing of pensions all along. Yet we have them standing up and saying how angry they are that the public service pensions are being capped at six and five when they did not want pensions indexed in the first place, and everyone knows it. How long do we have to put up with this?

We have two faces of the Tory Party on universality, on indexing of pensions, on foreign policy. Who speaks for the Progressive Conservative Party? Is it the Hon. Member for York Peel (Mr. Sinclair) or is it the Hon. Member for Kingston and The Islands (Miss MacDonald)? Is it the Hon. Member for Edmonton South (Mr. Roche) or is it someone who shares the views of the Member for York-Peel?

It is important, in a democracy, that Parties have identifiable and consistent positions so that the voters can at least have a stable target to shoot at, or something to choose. With the Progressive Conservative Party, talk about a moving target! It is moving all around.

Two days before the Progressive Conservatives tied up this House on Canagrex they voted for an amendment of ours to a motion of theirs that said that this House affirms the past and

future role of Crown corporations in Canada as an important instrument of developing an independent and socially responsible Canadian economy.

Two days after that they tied up the whole House on the issue of Canagrex, which would be a Crown corporation with a budget of some $4 million.

Now you tell me, Mr. Speaker, who is playing games around here. Over here they are so desperate not to vote with the Liberal Government that they will vote for anything.

Mr. Clarke: Mr. Speaker, I have the distinct recollection from my memory of Standing Orders that reflecting on past votes is not in order when one is debating, even an amendment. I would respectfully request the Chair to call the Member for Winnipeg-Birds Hill (Mr. Blaikie) to order.

Mr. Deputy Speaker: The Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) has been taking a broad range of an argument concerning the position of one of the Opposition Parties. The Chair has been following the argument, but the Chair cannot in all honesty rule remarks out of order at this point.

Mr. Blaikie: Mr. Speaker, I have some understanding of the Standing Orders and I understand that it would be unparliamentary to reflect on the motive of an individual, but to reflect on the reasons why a whole Party might vote the way they do seems to me to be fair ball, and exactly what I was trying to do.

I was talking about the six and five program, one Bill of which we have before us today, and how the Progressive Conservative position on the six and five is illustrative of a general malaise, a general sickness, which afflicts that particular Party at this point, and that is that they cannot make up their minds, it seems, on anything, except when it comes to a Crown corporation. Then they really go right off the wall to try to stop it.

Would it not be wonderful if members of this Party on my right, who, because they are the Official Opposition, have so much more ability to pressure the Government in many respects, procedurally and in other ways as well, could get as excited about protesting the Cruise missile as they do about Canagrex. When we were asking the other day when the umbrella agreement and the agreement on the Cruise missile was going to be signed, were they tying up Parliament, demanding to see the nature of that agreement? No, instead they were tying up Parliament on Canagrex.

Mr. Deputy Speaker: With all due respect, I think the Member is straying from the subject of the amendment to the motion before us.

Mr. Blaikie: Mr. Speaker, I prefaced every paragraph with the following, that in speaking of six and five, I was trying to show how their position on this Bill which we are debating tonight is illustrative of a general problem. I hope, Mr. Speaker, that as much as you can you will bear with me. What I am trying to do is to draw certain analogies with the position that my colleagues on the right are taking on this particular Bill.

Where do they finally come down on this? I think in the final analysis it will have to be for the Canadian people to judge whether they want to vote for this gaggle of voices, this "Tower of Babel" that has come to be known as the Progressive Conservative Party, which holds every position in the book, from one end of the spectrum to the other, and allows different people to go traipsing about the country saying whatever they like. Something is wrong there, no leadership or something, because they cannot seem to get their act together. One person says one thing and another person says another. But enough of the Tories, Mr. Speaker.

We are opposed to this Bill C-132 because it does erode universality, in spite of many of the arguments that have been advanced by the Government and advanced by Members of the Government who probably really genuinely believe in universality. I think they have convinced themselves that this does not erode universality, but it does. Whenever you act in such a way as to cause the Canadian people to perceive a universal program as something which has to be curtailed in order to solve the economic problems of the day, you are in effect eroding the concept of universality. This is because you are eroding the confidence which Canadian people rightly have in universal programs, as part of the larger social and economic fabric of the country. That is why we are opposed to the capping of the indexing at a political and a conceptual level, apart from the fact that, as many have said, we are opposed to it because of the needless, negative economic impact it will have on families.

We hope, as the Hon. Member for Saskatoon East (Mr. Ogle) said earlier this afternoon, that there might yet be hope, as in the story of Tiny Tim and Scrooge, when at the end Scrooge was converted.

I have not been around here long enough to give up hope entirely. I was going to say, in the combined efforts of the Opposition, but it is really not a combined effort any more, because the Tories are not even here tonight. In fact, there are only two Tories in the Chamber. Let that show on the record. I hope that others will take up where I have left off.

• (2030)

Mr. Rod Murphy (Churchill): Mr. Speaker, tonight we are speaking on a report stage amendment to Bill C-132, an Act to amend the Family Allowances Act, 1973. This Government Bill will in fact limit Family Allowances to a 6 per cent increase this year and a 5 per cent increase the year after that. We have spoken against this Bill. It is consistent with what we have spoken against with regard to the other six and five Bills.

We fought Bill C-124. We kept the House here in July and August to fight Bill C-124. We fought Bill C-131 which would restrict old age pensions to 6 per cent next year and 5 per cent the following year. We continue to fight to prevent he passage of Bill C-133 which will limit pensions of retired civil servants to 6 and 5 per cent increases.

When I say we are continuing to fight, I mean exactly that. Since day one we have been the only ones fighting this legislation. We fought Bill C-124, the original six and five Bill which

limited wage increases to Government workers to 6 per cent next year and 5 per cent the following year. The Bill restricted the right of those workers to bargain. It broke signed collective agreements which this Government had signed with its own workers.

As I said earlier, we fought that Bill in July. We kept the House working through July and into August. Here we are on December 20 fighting Bill C-132, an Act to amend the Family Allowances Act, 1973. This Bill will hurt the women and children of this land. It will not hurt the millionaires, but it will hurt the vast majority of Canadian women and children. This is the only income which many women in this country receive in their own name. For many children, it is the only money that is earmarked for their food, clothing and education. That is very important.

I have made a very big deal about the fact that we are fighting. I wish to make a strong point about the fact that we alone are fighting to prevent this legislation from passing before Christmas. We are the only Party in this House that is fighting this legislation. As would be expected, the Liberal Party is supporting this legislation. We cannot expect much more from the majority of the Liberal backbenchers. As Mr. Speaker well knows, the majority of Liberal backbenchers will support any legislation introduced in this House. Mr. Speaker knows that better than most people.

We have been told by the Leader of the Opposition (Mr. Clark) that he will fight this legislation. We have been told by the Tory critic, who is in the House tonight, and by other critics in the Conservative Party that they will fight this legislation and the Act to restrict the old age pension to 6 and 5 per cent increases.

The Hon. Member for Nepean-Carleton (Mr. Blaker) said at a rally on Friday that his Party would never allow Bill C-133 to pass. He said they will continue to fight to ensure that the legislation is never passed. When I look at the number of speakers who have spoken today, I notice there has been one Conservative Member and one Liberal Member, and I am the seventh New Democrat to speak today. The only reason this legislation has not passed and become the law of the land is that the NDP Members are fighting it. We would like to see the Conservatives get up and fight the Liberals for once.

We do not pretend to fight, we do fight. We do not believe in the rhetoric of fighting the Government. We believe in the action of fighting the Government. When we say we will vote against a Government Bill, we show up in this House to vote against it. As you well know from where you sit, Mr. Speaker, every time a six and five Bill has come forward, with the exception of Bill C-124, the Tories have said they were against it, yet when we have the vote in this House, the Conservative Members were absent in sufficient numbers to ensure that time after time the Liberal Government would get its way. That is the truth of what is happening in this House.

The Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) referred to Canagrex. He spoke of the fact that the business of this House was held up for two and a half days last week because the Conservatives had a great issue of principle. They believed there should not be another Crown corporation even though, as the Hon. Member for Winnipeg-Birds Hill mentioned, it was actually a Bill of the Conservative Minister of Agriculture, the Hon. Member for Elgin (Mr. Wise). It was his Bill, and all of a sudden they are leading the fight against that Bill.

They also held up the Bill on the issue that it was another Crown corporation that would not be controlled by anybody. They forget that the NDP Wheat Board critic introduced a series of amendments which would put that Crown corporation under the restrictions of the Auditor General and that that Crown corporation would be reviewed by the parliamentary Committee responsible for that area. They forgot all about that.

We had the unusual, and I cannot use the word hypocritical, but the unusual situation of the Leader of the Opposition getting up in this House and saying that he is fighting it because it is another Crown corporation, even though it was a suggestion by his own Minister of Agriculture. He said that the measure would not be controlled by Parliament even though this is something that the Auditor General has sought. He said that even though we in the NDP and the Hon. Member for Prince Albert (Mr. Hovdebo) ensured that amendments would be passed to make sure it came under the control of Parliament and under the control of the responsible Committee. What I am saying, Mr. Speaker, is that we will fight where it is necessary, where people are being hurt. We will not make speeches or stall the business of this House to make completely false statements, but that is what is happening with the Official Opposition of this House. They pretend to be fighting, but they are only fighting on Bills they themselves introduced, Bills which they see some political motivation in now opposing.

• (2040)

We will fight, we will speak, and we will introduce motions and amendments, which is our right, where people are being hurt. We will fight for the old age pensioners, for those who receive Family Allowances, for those who have a contractual agreement, a verbal one, but nevertheless a contractual agreement with this Government that they are entitled to indexation of their Government pensions. It is only this Party, Mr. Speaker, in the House of Commons, which will prevent Bill C-131, Bill C-132 and Bill C-133 from passing prior to Christmas.

If I may digress for a few seconds and speak about a similar Bill which is also before this House, it is Bill C-133, because it is relevant. It is part of the same package.

Mr. Clarke: Order.

Mr. Deputy Speaker: The Hon. Member for Vancouver Quadra (Mr. Clarke).

Mr. Clarke: I accepted your ruling, Mr. Speaker, on the comments of the earlier speaker, but the Hon. Member for

Churchill (Mr. Murphy) has referred to false statements of Members of this Party, and I am sure that is unparliamentary. Now he is introducing a totally different Bill into the debate which is on an amendment to Bill C-132. I would hope you would call him to order, Mr. Speaker.

Mr. Deputy Speaker: The second point of the Hon. Member is well taken. The first point with respect to reflections in general on Members of another Party, it seems to me, has been part of the tradition of Parliament for many years. But the second point which the Hon. Member raised appears to have some validity. Would the Hon. Member for Churchill please take note.

Mr. Murphy: Thank you, Mr. Speaker. Basically, why I wish to refer to Bill C-133 is because I believe—

Mr. Clarke: Order.

Mr. Murphy: If I may, Mr. Speaker, I wish to explain that Bills C-131, C-132 and C-133 are not only consequential but are part of the same package, and I wish to explain how we are approaching it, which is not just as one Bill but as one of three Bills which are part of that same package. What I wish to say, and I will be very short, Mr. Speaker, is this: we in the New Democratic Party, the Hon. Member for Kootenay East-Revelstoke (Mr. Parker) and myself, have managed to get the agreement of Conservative and Liberal Members to prevent Bill C-133 from coming back to this House prior to the Christmas break. That is constructive criticism, that is constructive fighting, and that is the type of work which should really be going on in this House of Commons. We have the unanimous agreement of a parliamentary committee studying one of the Bills which brings in the six and five legislation. We not only got the support of the one or two Conservative Members who showed up finally at that meeting, but we got the support of all the Liberal members who showed up for that committee meeting. We had a quorum and we all agreed that that Bill will not come back and will not be voted upon until after Christmas. That is constructive criticism and the way this House should be working. It should not be a matter of rhetoric where the Conservatives say they are going to take the Government to the wall, and then only one to four of their Members are in the House. That is not constructive criticism. It is not a matter of having only one speaker today, December 20, in opposition to a Government measure. If what the various critics for the Conservative Party have said that they would be fighting this Bill, were true, they would have more than one speaker up today. They would be fighting this legislation, because it only takes a few more speakers to kill this Bill.

Mr. Deputy Speaker: The Hon. Member for Calgary West (Mr. Hawkes) rises on a point of order.

Mr. Hawkes: I am sure the Hon. Member would not like to mislead the House. There has been more than one speaker for the Conservative Party today, and we have spent more time in the two days of this debate than the New Democratic Party cumulatively have spent so far.

Mr. Deputy Speaker: The Hon. Member for Calgary West has made the point that there was more than one speaker of his Party today. The Hon. Member for Churchill has the floor.

Mr. Murphy: Mr. Speaker, I do not want to be in the position of giving the wrong impression in this House. If there were two Conservatives who got up today, I am certainly willing to give the Conservative Party credit for putting up two speakers to our seven.

An Hon. Member: One was invisible.

Mr. Murphy: I do wish to point out, Mr. Speaker, that we are the Party which has one-third the membership of the Conservatives, and, therefore, if we put up seven speakers, they should have put up 21. It is not the other way around, that we put up seven and they put up two. And all the previous speaker had pointed out is that the Conservatives have put up two speakers. As my hon. friend, the Hon. Member for Vancouver East (Mrs. Mitchell), our critic on this particular piece of legislation, has pointed out, we are not debating the Government Bill, we are debating the Conservative amendment to the legislation, and they are not even here to speak on their own amendment. They are invisible in this House. And if they continue that, they will be invisible after the next election.

I do not want to spend all my time talking about the absenteeism of the Conservatives, or about the fact they speak big, but not very often. I want to talk about the legislation itself. I am not speaking directly to the amendment, I am speaking to the proposed legislation. This legislation, which my seatmate, the Hon. Member for Saskatoon East (Mr. Ogle), talked about as being a measure which he would expect from Scrooge at Christmas, is also a measure which shows that the Government has come down to a very low level in terms of its Government's policy. It is an example of a Government that no longer talks about economic leadership. It is an example of a Government that no longer talks about providing social justice.

I have mentioned in this House a couple of times, and I am ashamed of it now, but out of pure honesty I will say it, that I voted for the Liberal Party in 1968 because of what it was saying in 1968. Some of my colleagues said that that will probably kill me in Western Canada, and they are probably right, but let me tell you that in those years the Liberals talked about social justice, about a just society. But we look at this legislation now and it is the exact opposite of the platform of the present Prime Minister (Mr. Trudeau) at that time. This legislation is not about those who can afford to sacrifice. It does not talk about those who need help getting help. Instead, it is a program which talks about taking from those who receive Family Allowances, those who receive old age pensions, those who are entitled to Government pensions because they paid for their pensions in the years they worked for the Government. It talks about those people making sacrifice. That, Mr. Speaker, is not a just society, which is why the Liberal Government is losing more and more credibility across Canada.

• (2050)

We do not need Liberal backbenchers and others saying it is up to the NDP to defeat this legislation or prevent it from going to committee. We are certainly willing to do it, as I spent the last 15 minutes saying, but it is up to every individual whatever his or her position in this House to fight this legislation. If the Liberals really believe this, they had better fight against it and make sure that the old age pensioners receive their pensions and do not become victims of Senator "Scrooge" Davey's effort to kill Christmas. Let every Liberal remember that.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I rise to speak on the amendment to Bill C-132 which attempts to reduce the effect of the six and five program on Family Allowances. I think that most Canadians know that the Government is attempting to reduce the indexation of those programs to a level of 6 per cent in 1984, and 5 per cent in 1985. The Family Allowance program has been with us since 1944. It is a unique program because it recognizes the cost of parenting and the role society ought to play in that cost. The program was a good idea, but it has had some problems and I want to spend a little bit of time reviewing those problems.

There have been a number of articles in the press recently the conclusion in which has been that it costs approximately $500,000 to raise a child in today's society. That is made up of the actual out-of-pocket expenses, extra hours of unpaid labour, and it includes the income forgone by the mother when she stays home to raise the children. The recognition of that contribution, and in recognition of the great asset society has in its children, we have the Family Allowance Program. It is not a great deal of money, but it has made the point that society is taking part in the raising of children because they will be assets to the economy in the future.

From 1945 to 1973 the amount per child was approximately $7.50 per month. In 1974 it was upgraded considerably to $20 per child, while at the same time making it a taxable benefit. In addition, it was indexed so that we now have a Family Allowance in the $27 per month range, although there have been interruptions to that indexation. I believe it was 1976 that indexation was stopped as an economy measure. This time it is being stopped to fight inflation. Without these interruptions it would be almost $40 per month instead of $27, and now we have a proposal to reduce the indexation to near six and five for the next couple of years.

I am not convinced, Mr. Speaker, that doing this will do anything to fight the inflationary psychology, which is the government's argument. I will just quote briefly the Minister of National Health and Welfare's (Miss Bégin) explanation of the Government's argument. In a committee hearing she said the idea was to mobilize all Canadians in fighting this battle against inflation. So apparently we are in a war on inflation. A few years ago we were simply wrestling with it, but now we are mobilizing all Canadians, right down to the new-born babies. Everyone is in the act. The Minister said this:

> The government's philosophy in the Cabinet discussion, which is what you want to understand, was made like this: In the June budget, we decided we had reached the time where the phychological dimensions of the too-high inflation we were witnessing in Canada had to be recognized and dealt with by another psychological weapon, which was a sword—

I never studied psychology very extensively, Mr. Speaker, but I do not recall the sword being a great weapon in the understanding of psychology. Apparently it is now with the six and five program. She goes on:

> —and I know the words might make you smile—a sword of a national campaign of solidarity of all Canadians, mobilizing all Canadians toward cutting in half the forecasted rates of inflation of 12 and 10 to 6 and 5. It was an arbitrary—to my knowledge—choice of common purposes for Canadians to try to embark all partners into, as I said—

Well, anyway, the mobilization has gone on and I am not sure just what it is doing. It seems to me that it is having a very real effect on the incomes of the very low income people. We are told later on, in a testimony she gave, that there are about 900,000 children who are living in poverty, whose mothers need every cent of the child allowance to give them food—not just clothing or education or trips to the movies, but food. These are the people we are mobilizing to fight inflation.

It seems to me, Mr. Speaker, to be a phony war. We are fighting inflation at the same time that we are increasing unemployment. It is very likely that a great many of those 900,000 children are being raised by single parents, usually the mothers, who are on welfare. A reduction affects such people in a very real way. Along with its fight against inflation, the Government has been reducing expenditures on items which create jobs. Some people who have fathers in their families are finding that their fathers are unemployed as well. The Government is busy fighting inflation, but at the same time it is creating a situation where the demand of 20 per cent to 25 per cent of the population is being cut to the point where adequate nutrition is difficult to obtain. Also this group is faced with reducing some of its other wants and is having problems finding enough jobs.

• (2100)

Many witnesses appeared before the hearings of other committees. They told us that what was wrong with the country was the lack of demand, yet the Government reduces the incomes of people who will create some of the demand. It is a very backward way of going about it from an economic point of view. From a social point of view, it is abhorrent to reduce incomes, no matter how slightly, for people attempting to live on these kinds of income.

I see no justice in it. I see no way that it can be justified in terms of philosophy or rational thought. It makes no sense from an economic or social point of view. It is a reversal of a longstanding policy which has attempted to assist and recognize the role women play in raising children.

I should like to refer to some of the testimony by the Ottawa-Carleton Low Income Support Service group when it appeared before committee to reinforce the effect this reduction will have upon low-income people. It pointed out that monthly Family Allowance cheques are extremely important

to the people it represents and that any reduction, even $1 per month, would be keenly felt. For those who need these monthly payments just to get by, the increase in the Child Tax Credit, while welcome, will be received in a lump sum at the end of the year and will not help them to meet their monthly expenses. The reduction in the Family Allowance benefit will hurt these people very much. The following testimony appeared:

> We also need to keep in mind the number of families who are separated, not officially on paper, so again for those mothers who are living on their own with their children, may have no maintenance payments and any money they get may be very sporadic, and they are in great difficulty because they do not classify for any other social benefits because on paper they are married and thereby should be receiving part of the father's income and, indeed, may not be.

Some further testimony reads:

> I guess what I could basically talk about is a case example based on a single female self-support parent with two children under the ages of ten who lives basically on $7,000 a year through the provincial federally-sponsored social assistance system which is called family benefits allowance. Under that system, the woman receives a cheque once a month. Now that cheque once a month, I mean basically trying to exist on $7,000 within the Ottawa-Carleton area with the current housing shortage, etc., and the price of food, is impossible at best. That family allowance cheque is not a frill. It is something that puts food on the table and also that family allowance cheque is not something that pays for Christmas presents or for extras. It is absolutely for food.

I think we have made the point that the allowance is absolutely necessary for a large chunk of the Canadian population. The allowance has been attacked a number of times for a number of varying reasons. When it comes right down to it, the main reason for it was to attempt to save money.

During second reading debate we heard the Minister contend in the House that the Government would be saving $320 million over the two-year period for which Bill C-132 would exist. However, deducted from that amount was $250 million, the two-year expenditure on the Child Tax Credit. Thus the real saving is only $70 million. The Government should take note of the fact that forgone revenue, such as the gross payment on Family Allowances, was not included. The federal Government should also take into account that it will be losing those tax revenues. As a rule of thumb, the Department of Finance uses an average marginal rate of between 18 per cent and 20 per cent. If we multiply the $320 million, which the Minister said the Government will be saving, by 18 per cent to 20 per cent, we will find that the federal Government is only losing about $60 million over that two-year period. In reality, the savings from this program will be somewhere in the neighbourhood of $10 million. It is hardly worth the disruption caused, the avoidance of the recognition of the part women play in raising families, or the extra stress which very low income families will be placed under by living in an inflationary world and having their Family Allowance benefits reduced.

For those reasons we will be voting against this Bill. We will support the amendment before us at the moment to set it back, inadequate though it may be since it assumes that the Bill will pass. It simply reduces some of the effects of the Bill. We will support the amendment as a stop-gap measure, but we will oppose the Bill in any way we can.

Some Hon. Members: Hear, hear!

Mr. G. M. Gurbin (Bruce-Grey): Mr. Speaker, I am pleased to have the opportunity to join my colleagues in this debate. We are now discussing the amendment of my colleague, the Hon. Member for Calgary West (Mr. Hawkes), and considering the proposition of the Government to limit the allowances, which have been indexed to this point as part of Government legislation, to whatever the consumer price index will be in any given year. The amendment itself has been well-explained. It simply suggests that we should not go for a two-year period, that we should only approach the first year, and that we omit the second year of the program. That is very reasonable and rational. On any criteria we choose to use, whether it is the Government deficit this year, the expenditures or almost any economic performance, the Government does not have any idea what will happen six months from now, let alone a year from now. It makes consummate sense that we look at a program such as this on a one-year basis. I strongly support the amendment and urge the Government to consider it seriously.

• (2110)

The six and five program is one which has a number of interesting ramifications. As far as I am concerned, the most important and interesting ramification is that this type of legislation would not be necessary if the consumer price index and inflation were not at their present high levels. The main reason for this legislation is the level of inflation and the consumer price index. Measures such as this would not be necessary if inflation were at 6 per cent or 5 per cent, as it is and has been in other countries.

An important fact for Hon. Members to understand is that we are faced with this situation today because the Liberal Governments have led us to this point as a result of their many and various programs which they have introduced since the late 1960s. The consequences of these programs are beginning to catch up with all Canadians, including mothers, children, farmers and businessmen, because we now have to pay for the Government's ill thought out programs over the years which can be no longer maintained. One might say that we have been caught with our hand in the cookie jar. We are now faced with legislation that is designed to withdraw from programs that were introduced at a time when we could afford them.

It is important to note that the main cause for this inflationary increase has been the Government itself. It accounts for the major portion of the inflationary increase that we have seen in the last few years. Its control over spending and price increases have been the main cause of the increased rate of inflation with which the present programs cannot keep pace.

As a result of this Bill and others which the Minister of National Health and Welfare (Miss Begin) is responsible for introducing in the committee and the House, I am interested to know what her priorities are. It appears that we will save approximately $15 million in this specific program. Although the absolute figure may be somewhat higher, the real saving to

the Government, after all calculations are made of what the Minister is achieving through this legislation, is $15 million.

I sat at the committee hearings and listened to the Minister discussing her priorities. In answer to a question from a Member on the committee about whether or not she supported the purchase of BP by Petro-Canada—a $600-million purchase—she very clearly stated that in her mind it was more important than maintaining the same level of indexation on Family Allowance.

Miss Bégin: That is a complete lie.

Mr. Gurbin: The Minister suggests that I may not have been telling the truth. The Minister is a very good politician. She has her own sense of morality and ethics and she will have to read her own words in the committee minutes if she wants to know whether she said that.

Miss Bégin: It is a complete lie. Is that clear enough?

Mr. Gurbin: She may not be concerned if she said that because I do not think she is concerned about very many of her statements. She recently said in the House that she was having negotiations with provincial ministers which were ongoing negotiations. Every provincial minister to whom we have talked has denied having any kind of negotiation with the Minister for some time, except in a negative manner.

This Minister's priorities become clear when she states that in her view it is more important to purchase BP for $600 million to support Petro-Canada's purchase of other oil interests at a greater cost to Canadians, including those from whom she has taken money, than maintaining indexation. Since she has established her priorities in this way, I must question whether she is the most appropriate Minister to act on behalf of the welfare systems in Canada. We have a good welfare system in Canada, but if the Minister responsible for it allows her priorities to support the purchase of a $600-million gas station rather than a Family Allowance system, for which support had been promised by her and others in her Party, I question whether the people of Canada are in the best hands. This is matter which Canadians must seriously question.

The third matter I would like to discuss concerns universality. I have heard the Minister often speak about her concept of universality and dedication to it. I do not know what dictionary the Minister uses because the concept of universality has been gone for a long time. Universality no longer exists in the national health care system, and its concept is disappearing from tax credits. It has disappeared from the Guaranteed Income Supplement. The Minister is supporting in words something to which none of her actions recently have lent any credibility. It may make good political sense to argue for the concept of universality while introducing measures at the same time, particularly this one and the Old Age Security measure, which completely deny that concept.

I realize that some of these programs are not ones we can easily afford, but this brings us back to the question of priorities and the orientation of the Government. I do not believe that the Minister should indicate her support for universality while gradually eroding the base of that universality through measures such as we see before us at this time.

The final point I would like to discuss deals with the pressures being felt by Canadians who receive various forms of social assistance. I originally indicated that one reason for these many pressures is inflation and high interest rates. There are many families experiencing these pressures since many more Canadians have fallen below the poverty line, and the Minister has guaranteed that many more will follow as a result of the measures she is introducing now and the ones she has supported in the past. This pressure comes as a result of various forms of legislation which she has continually supported. For example, she has supported legislation introduced under the National Energy Program. This does not involve legislation for the purchase of service stations. She can support that, if she wishes. It concerns legislation that increases the Government's share of what Canadians pay at the gas pump. Presently, 35 per cent of what Canadians pay at the pump goes to the Government of Canada. That accounts for approximately $12 billion. This amount, which Canadians are paying into the Government coffers, I assume, is used to buy gas stations, among other things. This was done to pay for many years of mismanagement and, I am sorry to say, misrepresentation by the Minister of National Health and Welfare to that constituency which she has an obligation to serve. I believe she is clearly eroding the universality that she professes to support. I think that even she must admit to that fact. I think that this is legislation which, at the very least, should be minimized by the amendment which my colleague, the Hon. Member for Calgary West, has entered.

• (2120)

Mr. Bill Clarke (Vancouver-Quadra): Mr. Speaker, I am feeling the urge to rise in support of the amendment to Bill C-132 as proposed by my colleague, the Hon. Member for Calgary West (Mr. Hawkes), which seeks to remove the 5 per cent cap on the increases to Family Allowances in 1984. I must confess to being at least partially moved by the activity to my left, from the region of the NDP.

An Hon. Member: We'll keep you moving, too.

Mr. Clarke: I suppose I was really a little bit upset and amazed, more than anything, by comments by the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie). He seems to be much less interested in the debate since he has disappeared, along with his Leader and most of his caucus.

Some Hon. Members: Oh, oh!

Mr. Deans: Who? What is this nonsense?

Mr. Clarke: I am pleased to see that—

Mr. Keeper: I rise on a point of order, Mr. Speaker. I wonder if the Hon. Member would explain what he meant when he said that most of our caucus is gone, when there are

more New Democrats in this House than there are Conservatives.

Some Hon. Members: Hear, hear!

Mr. Clarke: I was planning on explaining that, Mr. Speaker.

Mr. Deans: Where are all the Tories? Explain that!

Mr. Clarke: And I do not indulge in false statements, as does the NDP, nor alleged false statements, either, and unless the Speaker cocks his head in wonder at my comments, I challenge the NDP concerning what its Hon. Members said in reference to false statements coming from this side of the House. Your predecessor in the chair, Mr. Speaker, indicated that that was acceptable parliamentary debate. Anyway, I do plan on explaining that I speak in facts whenever I can—

Some Hon. Members: Oh, oh!

Mr. Clarke: Twelve NDP Members were in their seats, and that was after the acting House leader—

Some Hon. Members: Thirteen!

Mr. Clarke: —the Hon. Member for Hamilton Mountain (Mr. Deans)—that was before the Hon. Member for Hamilton Mountain came in. Then, Mr. Speaker—

Mr. Deans: I was listening, too.

Mr. Clarke: —that fits in with what I said, that most of the NDP caucus disappeared along with their Leader, and the Hon. Member for Winnipeg-Birds Hill had been telling us how righteous he and his colleagues were, yet even though they want to agree and several NDP Members have stated they want to support this amendment, they have been here all night, preventing this amendment from coming to a vote in the House.

I am sure there are Hon. Members opposite, those on the Government benches, who will agree, because they have been sitting there faithfully, waiting to vote, that the vote has been prevented from coming to the floor of the House because of the NDP.

Mr. Deans: We prevented it.

Mr. Clarke: Mr. Speaker, the NDP talk a lot. What do Members of the NDP talk about? They talk about the Progressive Conservatives, what the Progressive Conservatives say and where the Progressive Conservatives are. I am glad to say that I have been joined by quite a number of my colleagues and—

Some Hon. Members: Oh, oh!

Mr. Clarke: —it might be worthwhile to put on the record the fact that about 60 per cent of the Progressive Conservative caucus is involved in a very important meeting in this very building, and if the NDP would allow the business of the House to come to the floor of the House and be voted upon, I can assure the House that my colleagues would be here.

I also sat here and listened to the Hon. Member for Churchill (Mr. Murphy), another one of those self-righteous people who has disappeared from the House. He sat here and heard himself speak, or, I guess, he stood here and heard himself speak, and got himself into totally irrelevant remarks.

Mr. Deans: I rise on a point of order. Mr. Speaker, I am sure the Hon. Member who has the floor, notwithstanding his lack of knowledge of the rules, knows full well from previous experience that although one may make reference to a lack of Members in total, one may not make reference to the absence or presence of individual Members in the House.

I suggest to the Hon. Member that he also knows that the two Hon. Members to which he referred are both in committee at the moment, fighting mightily against the Government's legislation, trying their very best to keep the Government from passing in committee, legislation which we frankly know is unacceptable to the people of Canada.

Some Hon. Members: Hear, hear!

Mr. Deans: And so I would ask Your Honour to rule.

Mr. Clarke: Mr. Speaker, I am not aware of any rule—

Mr. Deans: Well, it is there.

Mr. Clarke: —which the Hon. Member for Hamilton Mountain says should be there. However, the Speaker is nodding his head, and I should accept his ruling to that effect. However, I may say something about what the Hon. Member for Churchill said when he was in the House—

Mr. Deans: Before he went to the committee.

Mr. Clarke: Before he left. He was referring to Family Allowance and how necessary it was for food, education and clothing of, presumably, the children whose mothers or single fathers received this benefit. Because I suppose I should declare my conflict of interest, I would like to say that Family Allowance cheques come into our household and, of course, the Liberals, in their usual tricky, clever way, made sure that that amount in my hands was taxable. Therefore, although it is my wife who receives the benefit and, when she is home she carries out the duties of a mother and does not earn income, it is taxed back from me as if it were received by me.

I want to return to that very important point that was mentioned earlier. However, I was forced to make a comparison between the amount of Family Allowance on an annual basis, $322.92, and food costs, which were mentioned by the Hon. Member for Churchill. I suppose that $26.91 might just cover the milk bill of an infant. It certainly would not cover the milk costs of an older child who perhaps has taken to milk in a big way.

Referring to education, and I suppose we must start somewhere, if a working person wants to send a child to a daycare centre, we have a very good one here on the Hill, and I am also

becoming an authority on the costs of daycare. I can tell the House that it amounts to $312.50 a month. Therefore, the Family Allowance for an entire year would barely cover one month of daycare on Parliament Hill. Of course, if one is discussing education for children one can say that once they get into the public school system there is no cost, so the Hon. Member is full of feathers and wet behing the ears, as usual. Concerning the cost of children's clothing, this has been mentioned by some other Members in the House, and the relationship between food, education and clothing, as the Hon. Member for Churchill said, is totally irrelevant to this debate.

The Hon. Member for Churchill said that the NDP was also the only Party in this House that was fighting this Bill.

Mr. Deans: That's right.

Mr. Clarke: Right now we are discussing the amendment, which I notice that not all Hon. Members have addressed, and I also note that this is our amendment. I hope, although there has been no evidence of it, that the NDP will have many amendments to bring forward—

Mr. Deans: No, you can't amend something that is unamendable!

Mr. Clarke: —if its Members will allow this to come to a vote.

Mr. Deans: How do you amend something that is totally wrong?

Mr. Clarke: Mr. Speaker, I notice, and again I speak in facts, that on Fridays the Party over to the righteous left had one Hon. Member to speak on this very important amendment. They could not get anyone else up on Friday, but today they complain that we are not putting anyone else up. The logic of the New Democratic Party is, as usual, just not there.

• (2130)

Again, the Member for Churchill (Mr. Murphy), did not talk about the amendment. He referred to the Bill a couple of times, but he also spent his time talking about the bad performance of the Tory Party, and asking where all the Members were, I think I explained, Mr. Speaker, there are over 60 Members of this caucus in another meeting in this very building.

The Member for Churchill made another false statement, Mr. Speaker, and I say that without fear of contradiction. The Member for Churchill, when called to order on it, admitted that he had made an 100 per cent error in that he had said that precisely half the number of speakers from the Progressive Conservative Party had spoken as was the fact. When this was later pointed out to him, he admitted to that.

If the Party to my left is so indignant and wants to prolong the debate, how is it that in an hour only three or so of them spoke? They must know the rules of the House. The Hon. Member for Hamilton Mountain (Mr. Deans) was trying to tell us what they were, and they should know that short speeches and no amendments is not the way to delay a Bill, if that is what they want to do. Maybe they would like to take lessons from the Hon. Member for Yukon (Mr. Nielsen). I am sure he could give them some ideas.

I want to say a word about restraint, because that is what this Bill which is being modified by this amendment is all about, the six and five. That is restraint, and certainly the Progressive Conservatives are for restraint. I think we have indicated that in our actions in the House, and we have also argued in favour of fewer Crown corporations, for example, less Government expenditure, all of these things that add up to more restraint and lower deficits, which would bring us to a position of lower inflation. If we had lower inflation, then of course we would not have the need for this kind of a capping Bill.

I made reference earlier to the taxing back feature of the Family Allowance Program, and for greater clarity I just want to say that although the mother or principal caretaker of a child gets the amount of money, the amount is deemed to have been received by the person in that household earning more, the higher earning parent, usually the father, but that is immaterial, really. Therefore the maximum benefit from the Family Allowance plan goes to the families and the children and the mothers that need it the most. I think that is fair; I think that is the way it should be.

Having said that, if we analyse what capping does, it means that the higher income people will pay less income tax because they will have less income on which to pay tax. This obviously means—and I can only think that the Minister did not realize this when the whole program was accepted—that the lower income Canadians are the ones who are going to be penalized by this measure, not the higher income Canadians who are suffering already from the tax back feature of the Family Allowance payment.

I have heard it said that the whole capping procedure is going to save $320 million, and then another figure has been introduced into the debate which indicates that it will cost $250 million this year for the higher tax credit that has been given to parents, and a net cost of $70 million is what is being quoted. But that ignores the tax back, Mr. Speaker, and my figures tell me that, considering that the higher income earners do not receive the Child Tax Credit and do pay tax on their Family Allowances, the estimated saving will be something like $15 million. This Government could lose that in about a day and a half, as I recall, the way things go over there.

I think the ultimate aim of my intervention on this amendment of my friend, the Hon. Member for Calgary West would be to try to persuade some of the Members opposite to allow the next session of Parliament—if indeed it ever comes, and that is becoming doubtful now as we carry on through two and half years in this session—to decide what financial mesures should be taken in 1984. If inflation is bad, or if it abates, then maybe the cap should be a different amount. Perhaps it should be higher in 1984; perhaps it should be lower in 1984; perhaps there should not be any cap in 1984.

In fact, in debate in this House in recent days, I have heard Government Members say that they have noticed, they have been told and they are convinced, that the rate of inflation is actually coming down. The other day, talking about the old age pension capping, the Member for Thunder Bay-Nipigon (Mr. Masters) was telling us about how supportive his mother was of that legislation. He said in that debate that inflation was coming down. I said in that debate: if it is, why do we need to bother with the 6 per cent cap on indexing of either the old age pensions or, in this case, the Family Allowance? You cannot have low inflation and a desperate need for a cap. They just do not add up; they are not compatible, those two situations.

I can only conclude therefore that the Members opposite do not really believe what they say when they say that inflation is coming down, or else they do not believe that there is a real necessity for this Bill, because I really think that the Government itself can probably add still, and those two things do not add up together.

I just want to say finally that I appeal to those Government Members to reserve for themselves the right to decide next year, one year from now, what the program for capping Family Allowances—or any other program, but in this case we are talking about Family Allowances—should be in 1984. Let them decide one year from now, not try to decide now, especially in view of the predictions they are making for such a rosy future.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I might say that it is a real pleasure for me tonight to speak following the Member for Bruce-Grey (Mr. Gurbin) and the Member for Vancouver Quadra (Mr. Clarke), who must surely both together be God's Christmas gift to the insomniacs of Canada.

I cannot believe that 60 Conservative Members would be at some other meeting, except maybe at the meeting in Winnipeg, or some other meeting, to get rid of you know who. As a matter of fact, the story is around in Toronto today, I do not know if you have heard it, Mr. Speaker, that the Leader of the Opposition (Mr. Clark) rushed to Toronto last weekend to hear The Who concert. He thought it was for him. He heard there was a retirement party, and he wanted to be at it.

The Member who last spoke did say—and I take this seriously, as I do all his speeches in the House, at least the ones that I can remember—that Family Allowances would be taxed back. He gave himself as an example of a parent who was receiving Family Allowance. Anybody in Canada who is not a millionaire or not in a really high tax bracket can tell you that we have a disgracefully inadequate and unjust tax system, that the poor and the middle income people pay most of the taxes in this country, and that the big companies, especially the oil companies and the taxpayers who earn a large amount, do not pay a fair share. I do not see how he can rely on the kind of a taxation system that we have. Besides, the Canadian Council on Social Welfare has said that the budget specified that the 50 per cent rise in the Child Tax Credit received in 1983 is a one year temporary increase, and that the $50 will not be carried over to subsequent years. It seems to me we have a terribly bad taxation system, and it is not going to be helped here.

• (2140)

The Hon. Member for Vancouver Quadra (Mr. Clarke), whom I know very well because he represents a neighbouring constituency, said that the NDP should have a lot of amendments. How can you have a lot of amendments to a Bill that is entirely wrong? He said that the Conservatives had amendments, and that the logic of the NDP was bad.

I offer this to Hon. Members and to the people of this country. What kind of logic is it for the Conservative party to vote for six and five because they thought the polls reflected what is that people wanted to deal with the terrible problem we face? Suddenly they realize that six and five means penalizing the children, the old people and the poor people of this country. When these Bills started coming down, Bills C-131, C-132 and so on, suddenly they draw back and have to vote against them. Who is logical and who is hypocritical? The Conservatives are illogical and hypocritical in dealing with this. They are trying to get off the hook with this amendment because they want to support the 6 per cent freeze. I have heard some Conservatives say that they would even like to see rollbacks.

I am criticized by my thick-headed friend to my right who says that the NDP voted against the salary increase. Let me put that to rest. We voted against the six and five, and in the six and five Bill salary increases were dealt with. Logically, and it is reflected in this amendment, you had to vote against six and five or support these other Bills all the way down. That is where the Conservatives were illogical. I challenge them on that. They are illogical, hypocritical and not fit to be the alternate Government in Canada.

These are tough times. All Members will agree, including the heckling Members on my right and the silent Members, as they say in French, "les navettes", across the way. The Liberal backbenchers from Quebec who take no part in this Parliament will be replaced, and God help us, in the next Parliament by Péquistes, and then we will have problems. They do not take part and they are prepared to vote against Family Allowances and against helping the poor people in the Province of Quebec. I suspect even they would agree we have tough times.

We have 12.4 per cent unemployment and the growth of our GNP is down. Hon. Members do not have to take that from the socialists. I refer them to the *Financial Post*, not exactly a socialist paper, of December 18. It reads:

> By the third quarter of this year, real GNP was down 6.9 per cent from its peak in the second quarter of 1981. By November, the jobless rate had risen to a seasonally adjusted 12.7 per cent from 7.1 per cent in the summer of 1981, and almost 600,000 jobs had fallen by the wayside.

If one reads this paper, one will see stories about those who are out of work, students, those in the manufacturing industries, people out of work all across the country. I repeat, Members opposite recognize that there is a problem. The Members to my right, as much as they are misguided in their

nineteenth century philosophy, recognized that there is a problem in this country.

Willy Brandt, the former Chancellor of West Germany, former Mayor of Berlin, head of the socialist party, a respected Chairman of the North-South Committee on the problems between the developed and developing world, was here last week.

Mr. Brandt made a good point that all Members should consider when thinking about this amendment, this Bill and the six and five policy. He said that workers and ordinary people are prepared to sacrifice. The people in my riding are prepared to sacrifice, but they want the sacrifice to be just. They want it across the board.

We have been given what I call the Coutts-Davey phony program of six and five, a grasping at straws. As we in this Party said, it will first fall on the public servants, then Public Service pensioners, the old people, and now even the children will have to bear the burden. Under this system, it will be the consumer, the worker, the retired public servant and the children who bear the burden. Is that fair and just? That is what this Bill is about.

This is not complicated. Family Allowances are indexed to help people keep up with the rise in the cost of living. According to the *Financial Post*, not some socialist phamplet, we are going to have an inflation of about 8.9 or 10 per cent. Therefore, families will have to pay 8.9 or 10 per cent more for the boots, clothes, ski suits and everything else for their children while their Family Allowance has been restricted to 6 per cent.

One does not have to be a financial genius to know that if the inflation rate is 9 per cent and the Family Allowance is restricted to 6 per cent, there will be a 3 per cent gap and people will lose. Instead of being better off, they will be poorer. The answer of the Government is that they are helping to fight inflation. Do we want to fight inflation on the backs of the children and retired Government employees? Is that where we want to fight inflation? I am not an expert in this area.

Miss Bégin: It shows.

Mr. Waddell: I heard the Minister. I am giving very simple facts. I acknowledge that. However, I know a little bit about energy and I know that there will be a 30 per cent rise in the cost of energy. I stood up in this House and asked the Energy Minister (Mr. Chrétien) about capping the price of gasoline at 6 per cent. I suggested six and five for that. He said that could not be done. However, they say we can cap the Family Allowance.

[*Translation*]

Mr. Speaker, I see that clause 1 of this Bill would limit the indexation of family allowances to 6 per cent in 1983 and 5 per cent in 1984. Prices will go up 9 per cent, but we are going to increase the indexation of family allowances by only 6 per cent. As an ordinary citizen of Vancouver, I figure that as a result, families in Quebec and elsewhere in Canada will lose money. I am saying to the Liberal Party that they are being unduly harsh with families in Quebec and that they are creating difficulties for them.

Miss Bégin: And as well for families with a $30,000 income. Does the Hon. Member want a kleenex?

[*English*]

Mr. Waddell: The Minister knows that it is difficult for the family. She knows she had to agree to stay in Cabinet. The two great socialists sitting there, at least they think of themselves as socialists in the Cabinet, they are great socialists. I put this directly to the Minister. She is sitting there with the Minister of Public Works (Mr. LeBlanc). They pride themselves as being sort of on the left of the Cabinet. Let me put this to the Minister directly. They have agreed to $8.7 billion in the next five years going into petroleum incentive program grants to the oil companies. They have agreed to a 30 per cent raise each year in the price of heating fuels, which will affect old people. I notice they are not heckling me any more. They have agreed to that raise in the price of heating fuels, which will hurt families with children.

• (2150)

[*Translation*]

Miss Bégin: Mr. Speaker, would the Hon. Member for Vancouver-Kingsway (Mr. Waddell) entertain a question?

Mr. Waddell: Certainly.

Miss Bégin: I thank the Hon. Member. I wish he would tell me why he is against a bill which will increase the rate of indexation, but only by 6 per cent, for one-child families with an income exceeding $26,330 and up to $40,000. I am aware that the New Democratic Party now represents very wealthy people who are protected by strong unions, but not ordinary Canadians. Is he against a bill which will limit to 6 per cent the rate of indexation for families earning more than $26,330? Is that what he has the nerve to tell Canadians this evening?

Mr. Waddell: In French!

[*English*]

Maybe I will explain it in English. There are a number of reasons. One reason is you are taxing it back. That is what I said in my speech, if you had listened at the beginning. There is not a fair system of taxing it back. Another reason is the child tax rates for one year, on a one-year basis. Another reason is that these families will be affected, and they need the money also.

I want to put a question to the Minister. Why would the Minister agree to a program that would give Dome Petroleum $500 million? The Minister has to decide this in Cabinet. You have to get your priorities straight. Why would you give Dome Petroleum $500 million and take away from the families of Canada? I do not understand that.

I would like to ask the Minister this: if you really wanted to have a program which would deal with inflation, why not control prices? Why go after wages? If you go after wages you

are going the reactionary route. You should go after prices. That is the route you should go. I would like to ask the Minister another question. If she wants to ask me questions, I will give her a chance. The *Financial Post*, again, as I said, not a great supporter of my particular position usually, has this to say, and I quote from the issue of December 18 on page 10:

> Listen to consulting economist Michael McCracken, president of Informetrica Ltd., urge Ottawa to stimulate the economy through tax cuts and increased government spending. Says McCracken: 'Further delays run the risk of triggering a major falloff in business investment, a collapse of private and public institutions, and a tearing of Canada's social fabric.'

As the Hon. Member for Humboldt-Lake Centre (Mr. Althouse) pointed out, why would you cut back on giving income to families if you wanted really to prime the economy, because that is the way of priming the economy? If you give them money, they are going to spend it. Instead, you make a choice. You choose to give money for Dome. You choose to give $8.7 billion in grants. You choose to give that kind of bail-out to different companies, Chrysler and other companies. That is the policy you make. The Minister, it seems to me, is hung on that policy.

I want to conclude, Mr. Speaker, by saying that people are afraid in this system, in this economy, and they do want solutions. They want security for their kids and they want solutions. We all agree that there is trouble in the country, that there are economic problems, and we have to make some choices. And the Minister has to make some choices. It really cuts to the heart of our politics where we are going to make the choices. I just got back from Vancouver this morning. Yesterday I was with a group of Philippino people, new immigrants to Canada. It was called the Philippino Diamond Society. There were no judges there. They were a very sincere group, and every one of the speakers there echoed the remark which Pope John Paul made in Manila, and that was that our great hope is in our children. I think most people would agree on this. So then why do we penalize our children? Why, as Willy Brandt said, are we fighting inflation on the backs of the people who can least afford it? Why do we not have a just solution for this? Why, if we are going to stimulate the economy, do we restrict giving money to the very people who it would help by letting them go out and buy things? Why do we give it to the Michael Pitfield's of this country? They are not into the six and five program because they are rich and established. Frank Scott, a great poet, once wrote this poem. He talked about the Canadian dream and he said this:

> Hidden in wonder and snow, or sudden with summer,
> This land stares at the sun in a huge silence
> Endlessly repeating something we cannot hear.
> Inarticulate, arctic,
> Not written on by history, empty as paper.

What Mr. Scott is saying is that we can fill in that country. We can create a country and we can create a just country in which we all bear the burden. That is what the Prime Minister (Mr. Trudeau) started out with in 1968, and now he has fallen into a system where we are faced with this Bill today, with an inadequate Conservative amendment which basically says, "Let's fight inflation on the backs of the children of this country." We in this Party stand here together. Let us all in this House tonight say, no never, and vote against it.

Mr. Cyril Keeper (Winnipeg-St. James): Mr. Speaker, I am glad to be here this evening because I feel that it is really crucial to be involved in this debate. It is by participating in this debate that we hope to buy time so that the Government will wake up and withdraw this Bill rather than keep on trying to ram it through the House of Commons. Bill C-132, is an Act to amend the Family Allowances Act, the essence of which is an application of the Government's six and five policy, its so-called economic policy which it is attempting to merchandise all around this country. The central point which has to be made about the application of the six and five, is that the six and five should not be applied to Family Allowances because, first of all, as an economic policy it is a sham, and as a social policy, as applied to the Family Allowances, as applied to pensions, as applied to Public Service pensions, is socially destructive. The six and five so-called economic policy is no substitute for an equitable social policy as it affects Family Allowances or pensions, and it is no substitute for real economic policy.

Mr. Speaker, I wonder if you want me to call it ten o'clock at this point, and we can reconvene tomorrow afternoon?

The Acting Speaker (Mr. Blaker): The House has agreed to call it ten o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

METRIC CONVERSION—APPLICATION TO MILK PRODUCERS. (B) INCREASE IN COST OF MILK

Mr. Bill Domm (Peterborough): Mr. Speaker, I wish to raise a couple of points relating to a question I asked in the House. I asked the Minister of Consumer and Corporate Affairs (Mr. Ouellet) how he could justify a price increase in milk, which resulted in a 40-cents per package increase, at a time when families were having a difficult time putting enough food and milk on the table to feed themselves.

• (2200)

The businesses that packaged the milk were also experiencing some financial difficulty. They expressed some concern about this added cost due to the fact that this Government is forcing metric by Order in Council on not only the three sectors, but on the milk producers as well. The Minister's answer was nothing; he did not even discuss milk he discussed

a petition which had been presented in the House of Commons and I will deal with that at a later date.

What I would like to deal with now are some of the facts which would substantiate a concern on the part of the people of Canada over the likelihood of an increase in the price of milk because of our change from quarts to litres. I would first like to refer to an article from the Toronto *Star* under the headline "Metric Conversion May Boost Milk Price". Dean Archer, a chairman of the Ontario Dairy Council, is quoted in this article. He said:

> It is going to cost us a lot of money to make the change—
>
> Those expenses are going to have to be either swallowed or passed on to the consumer. And it's been my experience that if they're swallowed today, they'll just be passed on at a later date.
>
> He also said "We really don't know whether we'll succeed," in the fight against the . . . legislated change to metric.
>
> He said the new milk packages will probably cost about 40 cents more—

Even if the increase is not passed on at this point in time it will mean a price increase at a later date. Then his last remark here:

> Shoppers sure aren't going to like that—

That was the chairman of the Ontario Dairy Council.

Let us take a look at the industry. I have here an inter-office memo signed by one of the commissioners of the Metric Commission, a Mr. S. Volk, sent to Mr. Boire, who was Executive Director of the Metric Commission. The document states:

> I called Mr. Lowe, President of Beckers Dairies to review information contained in the above newspaper article.
>
> Mr. Lowe stated he had never seen or heard of the article. He was extremely upset that metric conversion was being forced on his industry by federal bureaucrats, including MCC and Agriculture Canada. He contended there were no benefits for the consumer resulting from the conversion of milk. It was his belief they were being "cheated and ripped off" with the conversion of milk and food products.

He tried to explain that it was a voluntary process and he used as an example the Ontario Dairy Council. Well, there is nothing voluntary about it, Mr. Speaker, because the Ontario Dairy Council is the group I just quoted which is complaining about being forced to go into metric packaging.

He goes on to say that he has since resigned, and due to pressures from the Metric Commission he is resigned to the inevitability of metric bag milk. The president then went on to say:

> Yes, and it's all because of metric conversion.

It continues:

> Judging from the extremely hostile reaction my call solicited from Mr. Lowe, he is not a strong advocate of metric conversion.
>
> He concluded his remarks stating he could supply the names of all the company presidents who are against conversion—with whom he dialogues daily—and maybe he should be "hollering from the rooftops more often".

It is grossly unfair of the Minister of Consumer and Corporate Affairs to call a press conference and say that the move to metric is voluntary except in three sectors, that of gasoline, home furnishings and measured, weighed-out grocery produce because it is obviously mandatory in the milk packaging industry as well.

• (2205)

It should also be noted how grossly unfair it is for the present Government to indiscriminately allow people to use imperial measurement in some parts of the country and at the same time to harass and threaten the same type of retail outlet in another part of the country. It should be noted that in Eckville, Alberta, it is okay to sell in gallons, which they do. Consumer and Corporate Affairs banded the weigh scales and then removed the bands after a period of time and allowed the retailer in Eckville, Alberta, to go ahead and sell in gallons. He is still selling in gallons today, two and a half years after he started to do so.

It is unfair that they threaten prosecutions in Toronto, Etobicoke and Mississauga for selling in gallons, while allowing it to occur in the Province of Alberta. I suggest that that is probably because the Premier of Alberta has asked his Attorney General to defend anyone who is prosecuted for using imperial measurements.

It is grossly unfair of the Government to threaten to prosecute in the Province of Alberta against a retail carpet dealer who has the nerve to sell her carpet in both metric and imperial measurements, while at the same time to ignore dozens of retail outlets in the City of Toronto which advertise daily in the Toronto papers with floor coverings in 12 foot widths and prices per square yard. Sears Limited of Canada has advised the Metric Commission in writing that there are the dealers in Richmond and in Vancouver that have been selling and are continuing to sell in yards, while at the same time the Minister of Consumer and Corporate Affairs said he would proceed to prosecute maybe a dozen, maybe only ten, who are violating the Order in Council.

Not only has Parliament been misled, but the people of Canada have been misled by a Minister who refuses to acknowledge that the process of moving to metric in Canada is difficult at a time when the United States is moving back to imperial. They just converted 19,000 Shell service stations in the United States back to gallons; they just completed it this week. Chevron and Amoco are following suit. Why do we not get the true story out to the people, that an irresponsible Minister refuses to admit the inevitable, that it is too difficult for Canada to be forced into metric at the consumer level at a time when the United States is going back to imperial?

Mr. David Berger (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I point out to the Hon. Member that just because the United States is doing something does not mean it is right. Continuously we hear Members opposite telling us about the horrors of creeping republicanism and how we have to be aware of not becoming too American-like; and now he is saying that just because the Americans do it, it is right. Just because they had 17,000 stations which converted to the metric system and are now converting back, does it mean we have to follow the same process in Canada?

To get to the subject of this evening's discussion, the Hon. Member quoted a number of people in the dairy industry in Ontario. I think it would be interesting to check the accuracy of all those statements, because we know that a number of statements which he has made in the House have proven not to be entirely as originally stated. We must certainly be talking to different people because the information I have is that in the mid-1970s the participants of the dairy industry in Ontario agreed to convert to metric. They chose metric container sizes for the conversion. The industry committee which planned the conversion agreed that the single-quart container would be replaced by one litre, the two-quart container by two litres and the three quart container by four litres.

The key to the planning process for metric conversion in every sector of the economy has been for the industry to ensure a cost efficient and economic conversion. In the case of the dairy industry, because the majority of three-quart sales were at the time in the form of returnable plastic jugs, the industry wanted to be able to use up its stock of three-quart jugs before switching to the four-litre size. Therefore, the conversion to the four-litre size was delayed.

It is not as if we are imposing a draconian change or rule or sudden cost upon the industry. This is something which goes back probably eight or nine years. The conversion, furthermore, of all other container size of fluid milk in Ontario was finished by 1979. That is, the one-litre and two-litre containers have been in use for three years. It is now only four years later that the conversion to four-litre containers is being completed. The date for the conversion, or deadline, is April 1, 1983, again allowing milk processors and dealers sufficient official notice of this long awaited change.

• (2210)

If you understand the simple economics of increasing the volume of the container size, you will realize that if four litres is 17 per cent larger than three quarts, there must be a corresponding increase in the cost to the consumer. I thank you for the opportunity to set the record straight.

FINANCE—ENERGY TAXES PAID BY FARMERS. (B) APPLICATION OF FARM EQUIPMENT PURCHASE TAX CREDIT

Mr. G. M. Gurbin (Bruce-Grey): Mr. Speaker, I rise tonight to get further elaboration on a question which I posed to the Minister of Finance (Mr. Lalonde) on December 7. The basic issue I raised in the question concerned the amount of money that was coming from the agricultural sector, that is the farmers across Canada, into the pockets of the federal Government as a result of the increases in energy prices which had taken place since the February, 1980 election.

Just for farm fuels alone, gasoline and diesel fuel, at least an additional $300 million has come out of the pockets of Canadian agricultural producers and into the federal treasury. The Government has argued that this is not taxation but another form of revenue. However, that was not the point of my question. The Minister of Agriculture (Mr. Whelan) has given that answer.

The essential point is that this money is being taken at a time when the agricultural sector is facing a great amount of pressure. It is possible that the net farm income will go down as much as 30 per cent in some sectors and decrease by 15 per cent over all. Bankruptcies will probably reach 400 this year which is a level that has never been approached before.

Despite all these occurrences, the Minister of Finance responded by talking about the prices that the Conservative Government of 1979 was considering. He also went on to deal with other matters. These did not concern the point of my question. Matters concerning the Conservative Government of 1979 are irrelevant at this time. Certainly, we did not have a signed energy agreement, which the government has pointed out.

What is important is that the Minister of Agriculture has promised energy rebates. Our agricultural sector is presently paying approximately 40 per cent of its energy costs to the federal treasury. That sector is in difficulty and needs to be considered as a primary producer similar to the petrochemical industry. There were questions asked today concerning that industry which is currently not building plants or creating jobs for Canadians because the up-front taxation that the federal Government is taking from the feedstock prevents that industry from being competitive in Canada. That industry is looking elsewhere. Because of the world recession and over all problems in the petrochemical industry, it will not be expanding in the near future.

The manner in which the Government establishes prices at this time for the agricultural sector and petrochemical industry, which produces fertilizer for agriculture, can have an influence on the regeneration of our economy. If we cut them off, if we make it impossible for them to be competitive or put additional pressures on them so that they fail, we will not have that recovery in the economy. We will continually depress our economy with resulting loss of jobs, loss of the productive ability we should have in Canada, and we will never get anywhere. We are, therefore asking the Minister of Finance to consider the energy tax rebate for agriculture which the Minister of Agriculture repeatedly promised, particularly during election time.

• (2215)

I was asking the Minister of Finance whether or not he would respect the promise of cheap gas and oil which he made to all Canadian consumers. His response was that he knew it was hurting, but he would not do anything about it. He went then into a long diatribe about what might have been otherwise, but that is really not the point. I would like to hear what the Parliamentary Secretary to the Minister of Finance (Mr. Fisher) has to say.

Mr. Douglas Fisher (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I appreciate the reminder from the Hon. Member that no one likes taxes, and I agree with him. No one does like taxes. However, I would hope that someone in the House would apply somewhat better logic, and would to distinguish between tax forgiveness on the one hand and

genuine economic activity on the other. We will not automatically create a regeneration of economic activity by forgiving taxes. The Hon. Member has used that argument but I must differ with him on that point.

The role of farmers, across Canada, is of course very important. I visited his riding and had an opportunity to listen to some very concerned and sympathetic people who discussed with me the difficulties they were having raising beef. It seemed to me, as I listened to them, that their problems were not with taxation but, rather, with high interest rates and low consumer prices. I asked whether relief from taxes would give them the relief they needed to survive, and their answer was no. They needed higher prices and some shelter from the economic storms that were hitting everyone.

If we were to follow the line of thought the Hon. Member has just given, we would have to start distinguishing between the activities of Canadians. We would have to say that farmers are a deserving group and should, therefore, be forgiven taxes. However, what about medical doctors? Are they not a useful, important group in our society? They must drive cars. Are they to be forgiven the fuel taxes on their vehicles if they drive to see a sick patient or to a hospital? Many people obviously do these important jobs. What is much more important here is to zero in on the economic problems from which the people are suffering and to try to solve those problems.

Let me point out to the Hon. Member to some of the activities of the Government. The $400 million extra injection into the Farm Credit Corporation is one good example of how we have attacked a basic problem by trying to shelter people from high interest rates, giving them relief under that Corporation. That, it seems to me, is a much better cure than a hodge podge on the tax system which discriminates in favour of one Canadian and against another, or chooses to artificially set taxes for one activity with none for another.

I thank the Hon. Member for reminding me of the importance of the farm community, but I must tell him that the cure he has proposed is not to be a genuine cure for the problems of the farmers.

REQUEST FOR FREE VOTE ON ISSUE OF CRUISE MISSILE TESTING. (B) REQUEST THAT GOVERNMENT ALLOCATE DAY FOR DEBATE

Miss Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, on Wednesday last the Prime Minister (Mr. Trudeau), in response to a question of mine in the House of Commons, said he would welcome a debate on the Cruise missile test plans, yet he refused to allocate a Government day for that debate. He suggested that the New Democratic Party might use an opposition day for such a debate. I think he knew we had no opposition days left before the end of the year. The urgency of the debate is such that I do not believe we can wait until some time in the new year whenever that might be, and whenever the Conservatives might agree that we have such a debate on an opposition day.

• (2220)

The Government has been assuring us, through the Minister of National Defence (Mr. Lamontagne), and the Secretary of State for External Affairs (Mr. MacEachen), that the new weapons agreement being drawn up in secret with the Pentagon is about to be signed—the framework agreement—and that the Cruise missile testing within that agreement has been agreed upon in principle, and the details will be worked out. This is imminent. In fact the Minister of National Defence said a couple of months ago in a letter to me that it would be within a few weeks. It could very well take place, therefore, during the Christmas adjournment. It was for this reason that I urged the Prime Minister to set aside a Government daysince we, as I say, do not have the NDP opposition day left before the end of the year. We have alrady used an opposition day on the Minority Report on Security and Disarmament. That debate did not deal with Cruise missile testing. The Prime Minister on that occasion said, as indeed he says will be true on every opposition day, that he will treat it as a vote of confidence and, therefore, will not allow a free vote.

The purpose of having a Government day with a resolution presented by the Government to the House delineating the framework agreement and the cruise missile testing agreement under it, is that the Government would not have to regard a vote on that as a vote of want of confidence. This would accomplish what the Prime Minister says he wants to accomplish, namely a debate, although I must says I have my doubts. He says he views the Cruise missile testing matter as extremely serious. This would give us the opportunity to have a debate.

I reminded the Prime Minister that the last time such a measure of magnitude in the field of defence was being undertaken, and agreement sought with the United States, was the NORAD agreement in 1958. This weapons testing agreement, nuclear weapons testing in particular, is the most significant matter, in my view and I think the view of all Members of the House, to come before us involving Canadian-American relations in matters of defence. At that time the Government of the day, under Mr. Diefenbaker, first of all said no to the Liberal opposition request for a Government resolution to bring the matter before the House. On May 19, 1958, Mr. Pearson, then the Right Hon. Leader of the Opposition said:

> Is it the intention of the government in respect of this very important intergovernmental agreement to follow the normal procedure of giving the house an opportunity, by the submission of a resolution, to express its views?

The then Secretary of State for External Affairs (Mr. Smith) in answer to that question replied:

> —I would say no.

The next day, however, May 20, 1958, the Prime Minister of the day, Mr. Diefenbaker, did agree that on a matter of this importance there should be a Government resolution, that the matter should be debated and should come to a vote. That indeed, is what happened. That is the precedent I asked the Prime Minister to follow, and he has refused.

[*Translation*]

Mr. Jean Lapierre (Parliamentary Secretary to Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, the Hon. Member for New Westminster-Coquitlam (Miss Jewett) was certainly not here this evening when her own colleagues candidly announced that they intended to use all the time remaining before the Christmas adjournment to debate and indeed to filibuster the Bill now before us. Of course, as she was absent all evening, she may not have heard her colleagues, say this, but if she had heard them, she would have realized that the members of her own Party have decided to use the time remaining until the Christmas adjournment in two days to oppose a Bill which is important to the Government. How can she come before us this evening and seriously ask for a day to discuss the Cruise missiles when all her colleagues vigorously oppose discussing anything but the Bill introduced by the Minister of National Health and Welfare (Miss Bégin)? I believe that she is speaking from both sides of her mouth, which is quite natural for NDP Members. She tells us—

Miss Jewett: We asked for last Wednesday.

Mr. Lapierre: Mr. Speaker, she asked for last Wednesday and she could well ask for next Wednesday also. We had a chance to discuss this issue during the oral question period and on many other occasions, and the Right Hon. Prime Minister (Mr. Trudeau) invited the Hon. Member to use an Opposition day on our return to discuss this issue, and I am convinced . . . The Hon. Member says that her Party does not have any allotted days, but her House Leader could certainly confirm that the NDP will have allotted days next year which they can use—

Miss Jewett: Not before the adjournment.

Mr. Lapierre: I understand that. They will not have any before the adjournment, Mr. Speaker. I am under the impression that the Hon. Member will not get to Christmas at the same time as everyone else. Mr. Speaker, her Party has decided to delay passage of a Bill and resort to filibustering tactics and the Hon. Member is asking us on behalf of her Party for time to debate that issue.

Right after the Christmas break she should ask for a debate on this matter and we shall be happy to consider it. If it is a priority for her Party at that time, we shall be quite willing to debate this issue *ad nauseam* during an allotted day as the Hon. Member probably wishes.

The Acting Speaker (Mr. Blaker): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at two o'clock. I wish to thank all the Hon. Members.

At 10.28 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, December 21, 1982

The House met at 2 p.m.

• (1405)

MOTIONS UNDER S.O. 43

[*English*]

CANADIAN WHEAT BOARD

SUGGESTED ANNUAL ANNOUNCEMENT OF PAYMENTS TO FARMERS

Mr. Len Gustafson (Assiniboia): Madam Speaker, I rise under the provisions of Standing Order 43. Failure on the part of the Minister responsible for the Canadian Wheat Board to announce, on a regular, yearly basis, payments to western farmers with regard to the western grain stabilization and the Canadian Wheat Board payments leaves western farmers with a great deal of uncertainty with respect to their year end business and the operation of their farms. I move, seconded by the Hon. Member for Portage-Marquette (Mr. Mayer):

That this House request the Minister responsible for the Canadian Wheat Board to make regular yearly announcements pertaining to the Canadian Wheat Board payments and the western grain stabilization payments, thereby taking the political manipulation out of the system, by using a reasonable business practice.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

[*Translation*]

HOUSE OF COMMONS

CONDOLENCES TO FAMILY OF LATE HON. RÉMI PAUL

Mr. Antonio Yanakis (Parliamentary Secretary to Minister of Labour): Madam Speaker, I rise under the provisions of Standing Order 43. Yesterday, it was with a sense of shock that we heard of the sudden decease of the Hon. Rémi Paul, Justice of the Provincial Court in Quebec City and illustrious citizen of Louiseville, in the riding of Berthier-Maskinongé-Lanaudière. Rémi Paul was a member of this House from 1958 to 1964, under the Hon. John Diefenbaker who was then Prime Minister of Canada, he represented the same riding of Berthier-Maskinongé-Lanaudière I have the honour of representing today. Mr. Paul is particularly well remembered for his frequent attendance in the House, his speeches and as Vice-Chairman of Committees of the Whole. After a very busy career of more than seven years in the House, Mr. Paul was called to represent his fellow citizens in the Quebec National Assembly from 1966 to 1974, where he was appointed Speaker. Quebec remembers him especially as the Minister of Justice when the Hon. Daniel Johnson was Premier of Quebec. In 1974, Mr. Paul was appointed to the Provincial Court and became known as a conscientious and humanitarian judge, which will not surprise those who knew him. The people of his riding will remember him as a Member who was very close to his constituents and entirely dedicated to their cause. In him, Quebec has lost a great citizen who used all his talents given him by Providence to serve the people.

Madam Speaker, I move, seconded by the Hon. Member for Joliette (Mr. La Salle) and by the entire House:

That this House offer Mrs. Rémi Paul, her children and relatives our heartfelt condolences on this very sad occasion.

Madam Speaker: The feelings expressed by the Hon. Member on behalf of the House will, I am sure, touch the hearts of the family of our former colleague.

* * *

[*English*]

PROVINCIAL AFFAIRS

MANITOBA PAYROLL TAX—EFFECT ON HOSPITALS

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, a 1.5 per cent payroll tax introduced by the NDP Government of Manitoba is severely affecting the operation of Manitoba hospitals. Therefore I move, seconded by the Hon. Member for Provencher (Mr. Epp):

That this House direct the Minister of National Health and Welfare to launch an immediate inquiry into the devastating effects of this cruel and harsh NDP hospital tax, to ensure that health care will not deteriorate and to make certain that hospital staff will not have to be laid off because of this additional NDP hospital tax.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

S.O. 43

CANADIAN TRANSPORT COMMISSION

PRESERVATION OF HISTORIC RAILWAY BUILDINGS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, on November 25 Canadian Pacific's West Toronto station was demolished. This loss to Canada's heritage and the way it was carried out underline the urgency of establishing legislative reform to protect historic railway buildings. Canadian Pacific argues that it is exempt from provincial or municipal regulations pertaining to heritage buildings, but the Canadian Transport Commission states that there is no relevant federal law concerning this matter, either. In view of the fact that the CTC already protects the natural environment, which is threatened by railways, but balks at protecting the built environment because its mandate must be clarified, and because it is important to have a way to halt the demolition of historic railway buildings which are valued by the community, I move, seconded by the Hon. Member for Regina West (Mr. Benjamin):

That the federal Government bring in legislation clarifying the CTC's right to hear argument on the social value of railway property and to block destruction of those assets if necessary.

Some Hon. Members: Hear, hear!

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

GARRISON DIVERSION

RESTORATION OF UNITED STATES FUNDING—REQUEST FOR DIPLOMATIC REPRESENTATIONS

Mr. Jack Murta (Lisgar): Madam Speaker, I rise under the provisions of Standing Order 43 to move a motion on a matter of urgent and pressing necessity, which I believe will receive unanimous consent of the House. This week the Congress of the United States restored $4 million to construction funding for the Garrison Diversion unit, a project which could devastate the marine environment of Manitoba and cause damage to the fishing and tourist industries. Therefore I move, seconded by the Hon. Member for Selkirk-Interlake (Mr. Sargeant) and the Hon. Member for St. Boniface (Mr. Bockstael):

• (1410)

That this House reaffirm its commitment to oppose the construction of the Garrison Diversion unit as originally authorized, and direct our ambassador in Washington to convey to the United States Government our dismay and disappointment that this project is still proceeding.

Madam Speaker: Is there unanimous consent for this motion moved by Mr. Murta, seconded by Mr. Epp?

Some Hon. Members: Agreed.

Madam Speaker: Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

AGRICULTURE

CALL FOR SPECIAL COMMITTEE STUDY OF FAMILY FARMS

Mr. Bud Bradley (Haldimand-Norfolk): Madam Speaker, the Minister of Agriculture (Mr. Whelan) is aware that there have been some 400 bankruptcies in agriculture in 1982, and hundreds of other farmers who just simply sold out. Production costs are continuing to climb at an unbelievable rate, and yet the price of the final product is staying stable or, in fact, in many cases falling. Countless numbers of farmers across the country have lost money in production this past year. They are being told that in 1983 they should plant the crop on which they will lose the least. They are also being told by their financial institutions not to count on operating funds for next year's crop. Between now and spring the family farm in Canada faces the greatest risk to its existence in the history of this country. I therefore move, seconded by the Hon. Member for Erie (Mr. Fretz):

That immediately upon the resumption of this House, in January, the Government strike a special Committee of Agriculture to hear witnesses from the industry and arrive at a program to save the family farm in Canada.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

THE CONSTITUTION

AMENDING FORMULA—AGENDA FOR FIRST MINISTERS' MEETING

Mr. Bill Yurko (Edmonton East): Madam Speaker, the amending formula under Section 38 of the Constitution Act, 1981, permits constitutional change affecting provincial powers without (1), the agreement of any of the three most western Provinces, which are British Columbia, Alberta and Saskatchewan and, (2), without the agreement of the three large Atlantic Provinces, which are Nova Scotia, New Brunswick and Newfoundland, and, (3), without the agreement of Quebec which represents one integral part of the duality of this nation, and, (4), without the agreement of Ontario, which represents 35.5 per cent of the population of this nation. This formula may, in the future, be divisive to national unity. Therefore I move:

That this House request the Prime Minister to place for discussion on the agenda of the Constitutional First Ministers' meeting in March, 1983, the amending formula under Section 38 of the Constitution Act, 1981, and that every effort be made to change the amending formula in this Section to require two-thirds of the Provinces having 80 per cent of the population instead of 50 per cent of the population of the Provinces, and that the opting out feature be deleted.

I do not have a seconder, Madam Speaker, so I do not want you to put the motion.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: No.

* * *

THE LATE DR. LEN COWLEY

EXPRESSION OF CONDOLENCES

Miss Coline Campbell (South West Nova): Madam Speaker, I rise under the provisions of Standing Order 43 and move, seconded by the Hon. Member for St. John's East (Mr. McGrath):

That this House express its sympathy to the family of the Late Dr. Len Cowley, Assistant Deputy Minister of Atlantic Fisheries Service.

I am sure that we express the sympathy of all the Members of the House of Commons who have dealt with him on matters relating to the fishing industry. He will be greatly missed for his outstanding contribution and his dedication to the East Coast fishing industry. I ask unanimous consent on this motion.

Madam Speaker: I am sure the House, through the voice of the Hon. Member, has expressed feelings which will very much touch the family of the late Dr. Cowley.

* * *

EXTERNAL AFFAIRS

THE PHILIPPINES—OPPOSITION TO REQUEST FOR EXTRADITION TREATY

Mr. Dan Heap (Spadina): Madam Speaker, I rise under the provisions of Standing Order 43. Many Canadians of Philippino origin, and others, have protested against President Ferdinand Marcos' oppressive dictatorship in the Philippines. Producers of opposition newspapers, clergy and lay leaders of the Churches, and officers of labour unions, have been intimidated, arrested, and held without trial, even though martial law was supposedly lifted. Marcos has asked Canada for an extradition treaty so that he can bring back residents of Canada to the Philippines to be arrested for opposing him. Now Prime Minister Trudeau (Mr. Trudeau) has announced that he will visit Marcos in January. Therefore I move, seconded by the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie):

• (1415)

That the Prime Minister assure this Parliament that when he visits President Marcos he will refuse to discuss an extradition treaty and will ask President Marcos to release political prisoners and cease intimidation of church leaders, union leaders and opposition leaders.

Madam Speaker: Is there unanimous consent?

Some Hon. Members: Agreed.

Some Hon. Members: No.

ORAL QUESTION PERIOD

[*English*]

SEARCH AND RESCUE

CROSS REPORT—LACK OF CONTINGENCY PLAN

Hon. James A. McGrath (St. John's East): Madam Speaker, my question is for the Minister of National Defence who yesterday tabled in the House an interdepartmental report on search and rescue in Canada, called the Cross Report. Among other things it describes search and rescue as confused and poorly managed, and in some very strongly worded recommendations it speaks to the fact that Canada lacks a contingency plan to deal with a major marine or air disaster.

Madam Speaker, my question to the Minister of National Defence, who I presume is the lead Minister in this area, is this. The *Ocean Ranger* went down last February with the loss of 84 lives. Off Nova Scotia we will have four rigs with anywhere up to 1,500 men, and off Newfoundland we will have three rigs with anywhere up to 900 men. Given all that, why do we not have in place at the present time a contingency plan to deal with an emergency at sea or in the air?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, first of all I would like to correct the Hon. Member when he said that the search and rescue operation was confused and that the people manning it were not competent or were badly trained. I think the Cross Report, if you have read it, says completely the contrary. The people are very devoted, motivated, well trained and competent people who are risking their lives on many occasions for search and rescue operations. I think that is what it said.

Some Hon. Members: Hear, hear!

Mr. Lamontagne: As far as the East Coast is concerned, I know the concerns of the Hon. Member because he has questioned me in the House quite a few times on this subject, and I have written also to him quite a few times concerning search and rescue on the East Coast. He asked at one point why we would not put fixed wing aircraft in Newfoundland. This I will answer in a moment.

On the second question about our SAR resources on the East Coast, I think in the Cross Report it is well stated on many occasions that the facilities and the capabilities of search and rescue on the East Coast are well located. The Report does not suggest relocating any of our facilities at the present time.

As far as fixed wing aircraft are concerned, following an answer in this House a few months ago I have pursued this request with my Department and other qualified people, asking them what would be the advantages of fixed wing aircraft in Newfoundland. The consensus was that this would not be advantageous, that it would be much more advantageous if they had an increased helicopter capability. That is what we have done. There are now three Labrador helicopters. Among these three are the new Labrador helicopters which have been updated with increased capabilities and which will be much more useful in the Eastern region than could a fixed wing aircraft.

Mr. McGrath: Madam Speaker, the Minister is trying to put words into my mouth. I did not describe our personnel in search and rescue as incompetent; neither did the Report. What the Report says, and what I say, is that this Government has been incompetent in managing search and rescue.

Some Hon. Members: Hear, hear!

Mr. McGrath: That is the point of the Report and that is what the Minister has failed to address in his reply.

PROVISION OF FIXED WING AIRCRAFT

Hon. James A. McGrath (St. John's East): Madam Speaker, the Report refers to, and I quote:

—better fixed wing aircraft coverage is needed for the far reaches of the area—off Newfoundland, the Arctic and offshore to 30 degrees west longitude.

That is in the report and that is quoted from the Minister's own officials in SAR and the RCC in Halifax. In addition, Judge Soper, in his report on the sinking of the *Patrick Morris*, released in April, 1971, asked for wider dispersal of aircraft and personnel. The Minister's own commanding officer at the RCC Centre in Halifax in December, 1980, said we need more fixed wing aircraft in Newfoundland, and more personnel. Given these facts, why does the Minister insist on flying in the face of the recommendations of his own personnel and not provide more dispersal of fixed wing aircraft and more personnel to man the RCC?

• (1420)

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I never said, as the lead Minister for search and rescue, that there would not be a possibility for improvement if we had more resources or more capabilities. I would like to stress the fact to the Hon. Member that the Cross Committee was asked by the Government to evaluate the present situation of search and rescue in Canada and to tell us exactly how we should best handle it. He has referred to 1971; well I am referring to 1982 and to this Government at the moment. We are acting on the three identified issues of search and rescue—that is: improving management, prevention, and the operation itself. I think it is indeed a very positive step forward to try to refine and improve the search and rescue operation across Canada.

When he asked a previous question about a major system by which we could prevent a major disaster at sea, I think the Hon. Member could look at the *Prinzendam* case where all our resources were sent to try to prevent any loss of life. The *Prinzendam* was a success as far as our search and rescue effort was concerned. Many of the incidents which have occurred in the last ten years have been success stories for search and rescue.

Mr. McGrath: Madam Speaker, the Minister will know that the principal recommendations contained in the Cross Report, which he tabled yesterday, were contained in a document by Mr. Cross that was released to Cabinet on February 1, 1982, immediately following the sinking of the *Ocean Ranger*. These recommendations were contained in that report to Cabinet in February of this year.

NECESSITY FOR FUNDING

Hon. James A. McGrath (St. John's East): Madam Speaker, my question to the Minister is threefold. First, why did the Government not act on the recommendations of February of this year, by Mr. Cross? Second, can we now expect that there will be a single envelope to finance search and rescue and that there will be an increase in expenditure to provide the additional equipment and personnel recommended by Cross? Third, will there be a single Minister responsible for search and rescue to try to bring management into this chaos which is costing Canadian lives?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, as far as the last sentence of the Hon. Member is concerned, I would like to correct it also. In the Cross Report it was indicated that in the incidents which have happened so far no increased capabilities or facilities could have saved any lives. In other words, it was telling us that search and rescue reacted, and acted very well, in all incidents, and that additional lives could not have been saved if our SAR authorities had more capabilities and more facilities. I do not think there has been a cost in lives due to search and rescue competence or incompetence. As far as the Hon. Member's other question about—

Mr. McGrath: The budget.

Mr. Lamontagne: —the budget, it is obvious that the Cross Report stated that the lead Minister and the administration were well co-ordinated and that they should have their own envelope as far as resources are concerned. The question of the envelope for search and rescue; this is something we will have to discuss with Cabinet soon, before the end of this fiscal year. I will recommend, instead of having part of the budget come from DND and MOT, that we have a budget which is strictly search and rescue and independent of any other envelope.

REQUEST THAT CONTINGENCY PLAN BE DEVELOPED IMMEDIATELY

Hon. James A. McGrath (St. John's East): Madam Speaker, thank you for the privilege of asking a short supplementary question. Will he, as the lead Minister, act now to put in place a contingency plan which can address a disaster at sea or in the air before more lives are lost?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, if the Hon. Member had been at the press conference this morning, he would know that General Manson answered that question, saying that they were already working on such a plan which could be implemented in the case of disaster.

* * *

MINES AND MINING

PLAN TO TAX NORTHERN BENEFITS

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, my question is directed to the Minister of State for Mines. Now that the plan to tax northern benefits has received scathing criticism from a number of respected organizations, including the Canadian Mining Association, Northern Chambers of Mines, and mine workers, will she give a commitment to the House and to the tens of thousands of unemployed mine workers in Canada that she will fight the Government's plan to phase in this new burden on the troubled mining industry? Or on the other hand, does she still support this regressive plan which the President of the Canadian Mining Association has compared to "throwing an anvil to a drowning man", when the man needs a life preserver?

• (1425)

Hon. Judy Erola (Minister of State (Mines)): Madam Speaker, I do endorse the plan, and I would suggest to the Hon. Member that he have further conversations with people in the mining industry who have accepted the fact that the plan is fair in that the moratorium does last for another year and the taxation benefits will be phased in to allow for contract negotiations.

REQUEST THAT PLAN BE WITHDRAWN

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, it appears that the Hon. Minister does not read her mail. Whatever the magnitude of this tax, it is taking revenue from northerners and the mining industry of Canada.

My supplementary question is addressed to the Minister of Finance. The President of the Mining Association has said that this plan will reduce exploration and new mine development, erode the ability of northern minerals to compete on world markets, result in premature closing of existing mines, create labour unrest, and an exodus of people and capital from the North. In other words, this is a plan to depopulate the North. Will the Minister of Finance accept the advice of the President of the Mining Association and withdraw his December 2 decision to tax the mining industry out of existence?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I disagree totally with the assessment of the President of the Canadian Mining Association. The plan has been announced. It is a generous plan in so far as certain people of the North are concerned in comparison to others. The plan is here to stay and it is not going to be changed. I suggest that the President of the Mining Association should go on to something else.

* * *

PUBLIC SERVICE

PENSION INCREASE DUE TO SUPERANNUATES—GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the President of the Treasury Board. According to the law as passed by this Parliament, retired federal employees would be entitled next month to an increase in their pensions equivalent to the increase in the cost of living. It is reported that the President of the Treasury Board told reporters yesterday that the Government of Canada intends to break the law of Canada by restricting pension increases to some 6.5 per cent. Under what authority does the President of the Treasury Board act when he says the Cabinet of the Government of Canada is going to break the law of Canada?

Hon. Herb Gray (President of the Treasury Board): Madam Speaker, I did not at any time say that this Government intended to break the law. What I did say to the parliamentary committee and reporters was that there are two lines of precedent that could be looked at. One line of precedent suggests that when a Bill of the kind we are talking about receives second reading and approval in principle by the House, the Government could proceed with the ultimate action depending on the final decision by Parliament. The other line of precedent suggests that the measure would have to be passed completely.

In any event, it is certainly not our intention to break the law. The cheques are not ordinarily sent out until after January 25. This House resumes on January 17, and I understand it is the intention of the Government House Leader to ask that the Bill be given priority. I suggest, therefore, that my hon. friend's question is quite hypothetical.

Mr. Broadbent: I suggest to the Minister, Madam Speaker, that respect for the rule of law is not hypothetical, and, given the past practice of this Government, that it is, indeed, a very relevant question.

REQUEST THAT INCREASE BE GRANTED UNDER EXISTING LAW

Hon. Edward Broadbent (Oshawa): I would like to obtain the assurance of the Minister that he is now telling the House

that, unless the Bill in question, and I refer to the Bill pertaining to the pensions of retired federal civil servants, is passed through all stages and becomes the law of Canada, the Government will adhere to existing law? That is to say, until that event occurs, will the Government maintain the law and provide the pension increase under existing law to which those retired civil servants are entitled?

Hon. Herb Gray (President of the Treasury Board): Madam Speaker, it is certainly our intention to respect the rule of law, and our intention not to send out cheques involving amounts in the area recommended in Bill C-133 until that Bill has been passed into law. I would suggest to my hon. friends that they do everything possible to co-operate in allowing the House to make a final decision on the Bill so the concern he is attempting to develop will be, as I said before, totally hypothetical.

• (1430)

Mr. Broadbent: I want the Minister to know that Members of this Party are opposed to all three Bills and we will debate them in terms of all the time that is required.

REQUEST THAT INDEXING OF PENSIONS RESPECT RULE OF LAW

Hon. Edward Broadbent (Oshawa): My final question is for the Minister of Justice. Will he give some assurance to Parliament and, more important, to the people of Canada, that the Parliament of Canada, as represented by the Cabinet, will maintain the principle of the rule of law? Will he, as Minister of Justice, assure the House that increases for family allowances and retired federal civil service pensioners will be increased next month according to existing law? Will he give us that assurance?

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, I would like to assure the hon. gentleman that any advice that I give to Cabinet will respect the rule of law.

* * *

LABOUR CONDITIONS

GOVERNMENT PLANS FOR JOB CREATION

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is directed to the Minister of Finance. It appears from the Minister's response to questions that I put to him last week, as well as from other statements arising from the provincial Finance Ministers' meeting, that any announcement of federal Government action to create new jobs will take place after a budget next year which is expected some time in late February or March. Why is the Minister delaying any action on job creation until half way through what will undoubtedly be the worst winter of unemployment since 1933?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I would remind my hon. friend that the Government has put forward several billions of dollars in projects involving jobs, some of which are direct job creation, and some for job creation by the private sector. Some of those jobs will result from the implementation of Bills that are currently before the House—

Mr. Siddon: Where did the jobs go in the first place?

Mr. Lalonde: —in particular from the Income Tax Act that the Opposition has refused to debate up until now. The Opposition has dragged its feet and has let the bells ring rather than debate this Bill so that Canadian taxpayers will get their refunds and the companies will get their benefits.

I suggest to my hon. friend that, before asking for more, he should at least let Parliament decide on what has already been announced and is awaiting Parliamentary approval.

Mr. Wilson: The Minister of Finance knows full well that we have not refused to debate that Income Tax Act. If he or his predecessor had brought that Bill forward when it should have been brought forward in June, July, or September or October this year, it would have been passed by now. He also knows that that Bill will reduce the number of jobs in this country instead of increasing them.

FEDERAL-PROVINCIAL MEETING OF FINANCE MINISTERS

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, it is clear that the Minister is opting for more high visibility programs which make it appear that jobs are being created, rather than looking to the economic benefit of acting now to create jobs that are desperately needed today. Since there is no definite date for another meeting of provincial Finance Ministers, and since this meeting, if called, will not take place until some time in February, will the Minister today show some concern for those who are without a job and set a specific date for the next Finance Minister's meeting with the Provinces so that he can put forward a direct action plan to create jobs?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I would just remind my hon. friend that, at the time we were supposed to debate the Income Tax Act, the Official Opposition decided to resort to the childish game of hiding behind the curtains rather than being in the House—

Some Hon. Members: Oh, oh!

Mr. Lalonde: —to debate the legislation. They decided to waste time by letting the bells ring again. It is up to them to decide whether they want to do it or not, but they should have the honesty to recognize what actually happened in the House when the Official Opposition refused to assume its responsibility and debate the legislation that is before the House.

As far as the programs are concerned, I indicated in my October 27 statement that $1.1 billion of expenditure will have a considerable job creation impact. Out of this expenditure there is a special program called NEED, to which we have allocated $500 million and with which the Provinces have co-operated so that we will have more than $700 million allocated to this very Program and its funds will begin to be expended in the course of this winter.

I invite my hon. friend to look at the facts and see that programs are being implemented at the present time to come to the rescue of those unemployed in the country, and I invite him to show real concern and attention to the problems of these people by beginning to get Parliament working to pass the legislation that these people need.

* * *

TRADE

PURCHASE OF F-18 FIGHTER AIRCRAFT—MANUFACTURE OF COMPONENTS IN CANADA

Mr. Ron Stewart (Simcoe South): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce. When Canada ordered its $5 billion fleet of F-18 fighter aircraft, we were to get approximately $3 billion in industrial offsets. This was to create 24,000 aerospace jobs based on the United States production run of 1,366 planes. Is it not true, if the U.S. production total is lowered, that the contractors' obligation to buy F-18 components and assemblies in Canada, and their over-all industrial benefits obligations, will be proportionately lowered? Would the Minister comment on the present status of that proposed $3 billion offset package and if the expected creation of 24,000 jobs is assured?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, I believe my colleagues, the Minister of Supply and Services and the Minister of National Defence, indicated in a press conference several weeks ago that, with respect to industrial offset benefits as a result of the purchase of the F-18 aircraft, we already were ahead of our initial forecast and it is fully expected that we will meet the guidelines that we set down for ourselves before we purchased the aircraft.

POSSIBLE REDUCTION IN SIZE OF PURCHASE BY UNITED STATES NAVY

Mr. Ron Stewart (Simcoe South): Madam Speaker, my supplementary question is for the same Minister, or for the Minister of National Defence. In a press interview last week, the U.S. Chief of Naval Operations said that the American production target was now unrealistic and that the number would likely be reduced to a total of 700. What impact will this reduction have on the Canadian industrial offset package and on the $5 billion contract that we offered the United States on a controversial airplane? Why did the Government agree to accept an offset package based on a specific production total, and why did the Government not negotiate for a firm and fixed amount? How many jobs will be lost now?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, I am not aware of the alleged statement of the officer of the U.S. Naval Operations cited by the Hon. Member. I will check that statement and get back to him.

IMMIGRATION

GOVERNMENT POSITION ON AMNESTY FOR ILLEGAL IMMIGRANTS

Mr. D. M. Collenette (York East): Madam Speaker, my question is addressed to the Minister of Employment and Immigration. Last week my colleague from Sarnia-Lambton asked the Minister whether or not he would accept the recommendation made by the Canada Employment and Immigration Advisory Council for a limited amnesty with respect to illegal immigrants resident in Canada. In view of the concern which this recommendation has generated in the country, especially in Metropolitan Toronto, can he assure the House that the Government will not accept this recommendation?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, let me first indicate that, in response to that particular report, I have appointed a special adviser who will undertake consultation with a number of groups since the report contained a number of recommendations concerning enforcement actions, and others related to the control of illegal immigration. I would underline that at the present time the Government has no plans for amnesty. It was simply a recommendation from the Advisory Council. We would not take any kind of action until the special adviser reports back to me in April.

* * *

GARRISON DIVERSION

RESTORATION OF UNITED STATES FUNDING—REQUEST THAT MINISTER TAKE ACTION

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, my question is directed to the Secretary of State for External Affairs. Since the bi-level government delegation to Washington, headed by the Minister of Employment and Immigration and the Manitoba NDP Minister of Natural Resources, to oppose continued development of the Garrison Diversion Project has obviously failed, due to the fact that the U.S. Senate has just reinstated $4 million of interim funding to proceed with the project, will the Minister tell the House what he will do about this failure, and what his immediate plans are to try to get the message across to the U.S. Senate?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, as the Hon. Member has mentioned, it is true that the funds which have been removed in Congress have now been restored by a joint meeting of the Senate and the House. But I think the Hon. Member can draw some comfort from the fact that there is an explicit assurance in the provision of those funds that none of the money will be used in a way that will affect the flow of waters into Canada, affect Manitoba waters or the Manitoba fisheries. That seems to me to be the important objective that has been sought by the Minister of Employment and Immigration and by his counterpart in Manitoba. That has been the aim of the Government of Canada for many years

in opposing the development of the Garrison Diversion in a way that would have an adverse impact on Canadian waters or fisheries. That will not happen as a result of the funds that have been added to the project.

Mr. McKenzie: I hope the Minister will consider another representation to Washington.

REPORTED STATEMENTS MADE BY NORTH DAKOTA OFFICIAL

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, the Attorney General of North Dakota has stated that the Garrison Diversion Project will not be stopped by the Canadian Government and that the recommendations of the International Joint Commission will be ignored. Has the Minister made representations to the Government of North Dakota to protest these outrageous statements?

• (1440)

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, I have not considered protesting these statements which I would regard as unacceptable, as the Hon. Member does.

I think it is important to bear in mind that the new Bill to which he has referred includes a very definite stipulation that none of the funds can be used for the construction of project features affecting waters flowing into Canada. That really looks after the concern of the Hon. Member, at least at this point, and the concern of the Canadian Government. We would have been much happier if the funds had not been reappropriated, but there is a provision that provides they will not be used in the way I have described.

* * *

PENSIONS

REQUEST THAT GOVERNMENT WITHDRAW BILL C-131

Mr. Les Benjamin (Regina West): Madam Speaker, thank you for recognizing me. Due to the kindness and thoughtfulness of my colleagues in my caucus who thought I should ask two important questions today—

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: At least it will be for the first time.

Madam Speaker: Order. The Hon. Member has been recognized for the purpose of asking a question. I wish he would proceed.

Mr. Benjamin: I just wanted to make sure you could hear me. It is also because my mother is in the Gallery today, on her 78th birthday.

Some Hon. Members: Hear, hear!

Mr. Benjamin: In the absence of the Minister of National Health and Welfare I direct my question to the Prime Minister. I would like to know, 2.4 million Canadian pensioners would like to know, and my mother would like to know why he is going to reduce the increase in her Old Age Pension, and would he give an undertaking to the House that he will ask his Cabinet colleagues to reconsider, repent and relent, and withdraw Bill C-131?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am sure the Hon. Member would want his mother to know the truth about this Bill.

Some Hon. Members: Hear, hear!

Mr. Trudeau: It is reassuring that he would ask the Government to speak the truth so that his mother can understand it. I want to point out to the Hon. Member that there is no intention of reducing the Old Age Pension.

Mr. Benjamin: Reducing the increase.

Mr. Trudeau: On the contrary it will continue—yes, those were the words which the Hon. Member used. The Government will continue to increase the Old Age Pension. We intend seeing it increased by a rate of 6 per cent in 1983 and 5 per cent in 1984 and since we hope that inflation will be at 6 per cent or below in 1983 and at 5 per cent in 1984, hopefully, with the co-operation of all Members and of the provincial Governments, we will be able to establish a 6 per cent rate of inflation, in which case the old age pensioners will be reimbursed for the exact amount of CPI.

POSITION OF WIDOWS OF RAILWAY PENSIONERS

Mr. Les Benjamin (Regina West): Madam Speaker, a minor correction to the Prime Minister—I said a reduction in the increase of the pensions.

Some Hon. Members: Oh, oh!

Mr. Benjamin: My supplementary is directed to the Minister of Transport. I would like to know, and thousands of railway pensioners would like to know, and my mother, a widow of a railway pensioner, would like to know, whether or not he will prevent the railways from cutting off widows' pensions at age 70 and cancelling their railway passes.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I am quite sure that the Hon. Member's mother is a very intelligent person and also that she negotiated very hard, either herself or her representative, with CP on those pension terms. I might meet her afterwards to get to know more about the actual agreement that exists between CP and herself, her group of employees. All this is to say that the Government does not tell CP what pensions to give. This is the result of a collective agreement, I presume, and consequently we have no right to intervene in these matters and force CP to pay more or pay less.

[*Translation*]

AIR TRANSPORT

AIR CANADA DECISION ON LOCATION OF NEW HEADQUARTERS—GOVERNMENT POSITION

Hon. Roch La Salle (Joliette): Madam Speaker, my question is directed to the Minister of Transport. The Minister will recall that on December 9 of this year, regarding the new Air Canada headquarters building, I asked the Minister whether he had asked for an investigation, considering the enormous difference between the two tenders. The Minister's answer was that the fourteen criteria established by Air Canada were enough for him to let Air Canada go ahead. Yesterday, he admitted to the Leader of the Official Opposition that he had warned the President of Air Canada of an RCMP investigation. In the circumstances, could the Minister inform us today, considering the fact that he had already warned the President of Air Canada that the RCMP was going to investigate the contract, could he inform us why—and I think that the Canadian people have the right to know this—he did not recommend, as I asked him to, that Air Canada suspend its decision made on December 9 of this year?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, of course I would like to tell the Hon. Member today what this investigation is about, and he would probably understand . . . But whatever I say, it will be misinterpreted. I am under orders by the Minister of Justice not to divulge the purpose of this investigation, and I intend to follow these orders.

Mr. La Salle: Madam Speaker, my question is directed to the Right Hon. Prime Minister of Canada. Now it seems that there are figures that prove there is a difference of $12 million between the first and second tender. For the Prime Minister's information, the Minister had warned the President of Air Canada that the RCMP was going to investigate. I asked the Minister, on behalf of the Canadian people, to ask Air Canada to postpone this very important decision. In the circumstances, will the Right Hon. Prime Minister, in the interests of Canada and after informing the President of Air Canada, suspend the President of Air Canada until the RCMP investigation is able to shed some light on this particular contract?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, there is one rule I have always followed since I became Prime Minister, and it has always served me well: Never interfere in any way with investigations being conducted by the Royal Canadian Mounted Police. I would appreciate it if the Hon. Member would take the same position and let the RCMP continue its investigation without our intervening of interfering.

[*English*]

THE DISABLED AND THE HANDICAPPED

REQUEST FOR DESIGNATION OF RESPONSIBLE MINISTER

Mr. Bruce Halliday (Oxford): Madam Speaker, my question is directed to the Right Hon. Prime Minister. Could the Prime Minister tell the House what his intentions are with respect to the implementation of recommendation No. 130 of the Special Committee on the Disabled and the Handicapped, which calls for the designation of a Minister of State for the status of disabled persons, who would be directly responsible for the affairs of disabled persons, in addition to his major portfolio?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am considering that question. The Hon. Member will know that a great number of the recommendations, I believe two-thirds of them, have already been acted upon. We are examining what we should be doing and how to respond to the other one-third, and as we are doing that I would consider the opportunity of designating a Minister, as the Hon. Member suggests.

REQUEST FOR EARLY DECISION

Mr. Bruce Halliday (Oxford): Madam Speaker, if I could just remind the Prime Minister, we appreciate the work that has been done by his various Ministers, and particularly by the Secretary of State, but we recognize the fact that he is able only to co-ordinate the efforts of his various Departments. It now being almost two years since the report came out we hope that the Prime Minister will be willing to recognize the fact that disabled people have been waiting for some while, and would he make this change as quickly as possible?

• (1450)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, it seems to me that the Hon. Member is asking the same question in another form. I will eventually consider designating a Minister. However, the Hon. Member recognizes, in his question, that the co-ordination has been proceeding well. I do not think, from the point of view of the disabled, that it is all that important whether one Minister or another is responsible for that particular area of government concern. The important thing is that we have acted and will continue to act on that report.

* * *

[*Translation*]

AIR TRANSPORT

PROGRESS OF DISCUSSIONS BETWEEN QUEBECAIR AND AIR CANADA—GOVERNMENT POSITION

Mrs. Éva Côté (Rimouski-Témiscouata): Madam Speaker, my question is directed to the Minister of Transport and concerns Quebecair. Could the Minister give the House a

progress report on the discussions being held by Air Canada and his Department with representatives of the Government of Quebec and Quebecair?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I am pleased to say that discussions between our negotiators and provincial spokesmen have been sufficiently realistic to pave the way for negotiations on restructuring Quebecair rather than creating a new company, Quebecair 2.

* * *

[*English*]

RESEARCH AND DEVELOPMENT

THREAT TO JOBS IN PHARMACEUTICAL LABORATORY

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my question is directed to the Minister of State for Economic Development. On November 1 I asked the Minister about a decision made by the foreign owned or American owned Ayerst Company to transfer its pharmaceutical laboratory facilities from Canada to New Jersey, thus threatening about 300 jobs in our country, and which would also mean the loss of about half of Canada's pharmaceutical laboratory facilities. At that time he said he would look into the matter. This morning, seven weeks later, the workers were told that the federal Government would be starting a feasibility study which might run about two or three months.

Can the Minister assure and guarantee the House, either today or tomorrow, before we recess for the Christmas holidays, that those 300 jobs will remain here in Canada and not be transferred to the United States through the manipulations of a foreign-owned company in this country?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, I believe the situation is somewhat more complicated than described by the Hon. Member for Yorkton-Melville. However, I will look into the allegations which he raised with respect to representations that were made to the workers this morning. I, in fact, met with some representatives of the laboratory in question, together with another institution in the Province of Quebec which is interested in integrating some of the activities of the laboratory with its own. The matter is also being examined, I understand, by the Department of Regional Economic Expansion, and if there have been any developments I will be happy to convey them to the Hon. Member.

* * *

SEARCH AND RESCUE

AVAILABILITY OF CONTINGENCY PLANS

Hon. Erik Nielsen (Yukon): Madam Speaker, I would like to direct a question to the Minister of National Defence, concerning which I gave him notice a few minutes ago. Did I understand the Minister correctly, when he was responding to a question from the Hon. Member for St. John's East a few moments ago, to say that there were contingency plans in place whereby the SAR system could meet major marine disasters similar to the sinking of the *Ocean Ranger* oil rig off the coast of Newfoundland last February, which claimed 84 lives? Are contingency plans now in place?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I did not say that they were in place. I said that ICSAR, which is the interdepartmental committee, when asked at the press conference this morning if there was such a plan in existence for major marine disasters, stated that it recognized the need for a plan and that it was already working on it to make sure that it is better than what is now in existence. There is not necessarily a contingency plan in existence, but there are of course some facilities that we can use. For instance, concerning the *Prinzendam*, we used every resource available to try to save the lives there, and we succeeded. However, ICSAR recognizes that this is not enough, and it is indeed working on a plan to improve our capabilities in this regard.

Mr. Nielsen: I am glad to hear that because, as the Minister well knows, that was one of the observations made in the report, that such a contingency plan is absolutely essential.

TIME NEEDED TO FORMULATE CONTINGENCY PLAN

Hon. Erik Nielsen (Yukon): In view of the fact that at 1 p.m. Major General Manson confirmed to reporters, at the press conference of which the Minister spoke that, in fact, no such contingency plans existed, and he did not mention anything about consideration currently under way to bring into existence such contingency plans, would the Minister say what time frame we are considering to the point at which such a plan will have been completed to meet the major disasters which will undoubtedly recur in the regions of the East Coast as well as the West Coast?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, in answer to the question of the Hon. Member for Yukon, I must tell him that most of the 58 recommendations of the Cross Report have been accepted by us as being very logical and should be implemented. Many of them have already been implemented during the last six months or so.

Mr. Nielsen: Where is the contingency plan?

Mr. Lamontagne: And we intend to look immediately into the others which have not been implemented.

Mr. Nielsen: When will the contingency plan be ready?

Mr. Lamontagne: Well, the Hon. Member for Yukon knows very well that it is very hard to put a time frame on a recommendation like this, but I can assure him that two members of ICSAR, the chairman and the vice-chairman of ICSAR,

which is the Interdepartmental Committee on Search And Rescue, are very much aware of the urgency of having a plan such as this just in case such an emergency happens.

PROVISION OF HELICOPTER FACILITIES AT MASSET, B.C.

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, the interesting aspect about the report on search and rescue which is in front of us is that it really means no advancement at all to the system we have in place. The title has been changed and minimum presentation has been reorganized but, in my opinion, the report is really a sham.

The statements by the Minister are largely self-serving. In the winter, the disaster involving the *Prinzendam* would have seen 500 people at the bottom of the sea, and it was largely a question of luck. There are some very notable and very serious problems. Would the Minister give us a commitment as to when he will put the helicopter base and equipment at Masset, which will fill a very large gap? Will he give us an assurance that he will not take that resource from some other base in Canada, robbing Peter to pay Paul? Would he give us an indication of what kind of resources he will put along the Gulf of St. Lawrence which will prevent death in the water, such as on the *Hudson Transport*? Will he hire enough people to—

Madam Speaker: Order.

[*Translation*]

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I think that if saving lives were a matter of luck . . . We have a saying in French that luck is always on the side of those who know how to play, and I think there must have been a lot of knowledgeable people in Search and Rescue.

[*English*]

I know that the Hon. Member is interested in the West Coast, coming from Comox-Powell River. I can tell that he probably has not read the report at all, because, by the question he has asked, he is not aware of what we have done in that area. I can tell him that there have been many improvements in the SAR capabilities on the West Coast. For example, we have a third hovercraft which we did not have last year. We have a 600 class cutter and two—

Mr. Skelly: Those cutters have been taken away. It's not true!

Mr. Lamontagne: Well, even if the Hon. Member does not want to hear the answer, he might as well listen to it. There have been improvements to the different Coast Guard vessels, and there is also a new helicopter in Comox, which is one of the new upgraded SARCUP versions of helicopter. Therefore, I think that, as far as the West is concerned, capabilities have been greatly improved so far as search and rescue is concerned.

Oral Questions

CANADA POST CORPORATION

ISSUANCE OF COMMEMORATIVE STAMP FOR BICENTENNIAL OF UNITED EMPIRE LOYALISTS

Mr. Bill Vankoughnet (Hastings-Frontenac-Lennox and Addington): Madam Speaker, I appreciate your recognition. I direct my question to the Minister of Consumer and Corporate Affairs who is responsible for Canada Post. I wrote to the Minister in September of 1980 concerning the issuance of a stamp to commemorate the arrival of the United Empire Loyalists in Lower Canada in 1783 and Upper Canada in 1784. It would be most fitting to mark this important migration, since it played such a significant role in the development of our nation, as the migration consisted not only of English people, but also of Mohawk Indians, Germans, Swiss, Dutch, French and Spanish people. I would like to ask the Minister why a commemorative stamp has not been issued to mark this bicentennial in 1983 and 1984.

Some Hon. Members: Hear, hear!

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, I take the representation of the Hon. Member, and I will be discussing the matter with the Canada Post Corporation. I understand that the program for 1983 is now complete. I understand that the members of the advisory committee saw fit to retain this proposal for 1984. Therefore, the Hon. Member should expect that such a commemorative, will probably be in the 1984 program.

Some Hon. Members: Hear, hear!

• (1500)

REQUEST FOR ASSURANCE OF SERIOUS CONSIDERATION

Mr. Bill Vankoughnet (Hastings-Frontenac-Lennox and Addington): My supplementary is to the same Minister, Madam Speaker. I appreciate his remarks, but I would just like to say that is why I notified him in 1980, in order to give him enough lead time to consider the stamp. I would like to suggest to the Minister that it seems very disappointing that, in 1976, Canada Post issued a bicentennial stamp recognizing the American revolution, so I would certainly hope that this Minister, as soon as possible, would make this representation. I also ask the Prime Minister to make representation to Canada Post that this be given serious consideration. Could I get that commitment?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, of course I shall transmit the Hon. Member's representations to the Canada Post Corporation.

Point of Order—Mr. Gurbin

[*English*]

PETITIONS

MR. DARLING—PROPOSED INCREASE IN POSTAL RATES

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table the three hundredth and fifty-seventh report of the Clerk of Petitions stating that he has examined the petition presented by the Hon. Member for Parry Sound-Muskoka (Mr. Darling) on Monday, December 20, and finds that the petition meets the requirements of the Standing Orders as to form.

* * *

MESSAGE FROM THE SENATE

Madam Speaker: I have the honour to inform the House that a message has been received from the Senate requesting this House to unite with the Senate in the appointment of a Special Joint Committee to consider ways by which the Senate of Canada could be reformed, and also to select Members of this House to act on the proposed Special Joint Committee.

* * *

BUSINESS OF THE HOUSE

Mr. Nielsen: I would like to ask the Government House Leader, Madam Speaker, to confirm what his office was good enough to inform my office of today, that we will be proceeding with continuation of proceedings on Bill C-131 today and tomorrow as well. Would he please confirm that for the record?

Mr. Pinard: Yes, Madam Speaker, that is exactly what I indicated this morning to my colleague, subject to change with reasonable notice.

* * *

POINTS OF ORDER

MR. MURTA—S.O. 43 MOTION

Mr. Jack Murta (Lisgar): Madam Speaker, I would just like to make sure that *Hansard* records that earlier on under motions under Standing Order 43, I raised a matter and received unanimous consent of the House. The motion was seconded by the Hon. Member for Selkirk-Interlake (Mr. Sargeant) and also the Hon. Member for St. Boniface (Mr. Bockstael). Therefore, it had all-Party agreement.

Madam Speaker: That will be recorded in *Hansard*.

MR. GURBIN—UNPARLIAMENTARY LANGUAGE OF MISS BÉGIN

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, I rise on a point of order which relates to the proceedings of the House last evening. During the course of my speech in the debate on Bill C-132, the Minister of National Health and Welfare (Miss Bégin) made two comments, both of which I believe are unparliamentary language or represent unparliamentary language. On the first occasion her words were: "This is a complete lie", the second intervention was: "It is a complete lie. Is that clear enough?"

First, on the basis of its being unparliamentary language, I think the Minister of National Health and Welfare should be asked to withdraw those interventions. Second, I would like to reserve the opportunity at this time to prepare a case for a question of privilege, which I think is substantiated by the comments I made which caused the Minister to react in the manner she did.

Madam Speaker: This does come under the heading of a point of order. The Hon. Member is making a point of order and I think we can deal with it on a point of order. There is no necessity to bring up a question of privilege once this particular point of order has been settled.

I have *Hansard* here and indeed I see it is confirmed that the Hon. Minister of National Health and Welfare (Miss Bégin) did use those expressions twice. I have to say that these matters should be dealt with at the time at which they occur. It is very difficult for the Chair to adjudicate these matters the next day because it has to do with the proceedings, the normal operations of the House. In the course of these operations, when these things occur I would like Hon. Members to raise them at that time and not 24 hours later. However, that being said, I have to agree with the Hon. Member that this kind of language is considered to be unparliamentary. I suppose the Hon. Minister will probably want to withdraw those words.

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, in the parliamentary spirit, although what I said was true, I will withdraw the words I used.

Some Hon. Members: Oh, oh!

Miss Bégin: And—

[*Translation*]

—I will say that the Hon. Member is a sophist, which happens in the best of families. I therefore take back what I said.

[*English*]

Hon. Erik Nielsen (Yukon): Madam Speaker, when unparliamentary expressions are used, the practice in this place is for an absolute, unqualified withdrawal. It was hardly a withdrawal by the Minister when she said "although the words I used were true, I will withdraw them". That is not good enough in keeping with the practice of this place. The withdrawal should be total and unqualified.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I think the Minister of National Health and Welfare (Mrs. Bégin) has clearly shown that she knows the

rules of parliamentary courtesy. She said that she took back her words, and I think the example in question was set by Members opposite. I think Members who said withdrawals should not be qualified are not exactly paragons themselves. In the case of the Minister of National Health and Welfare, the Minister indicated that the Member could have remained closer to the truth but she withdrew the expression she used, and, I think, thus complied with the Rules of the House.

[*English*]

Mr. Gurbin: Madam Speaker, I appreciate what you said at the beginning concerning the interventions. Those interventions had to be confirmed by *Hansard* before I could present my point of order, and this is the first opportunity since *Hansard* was printed to find out whether it was reported. There are many statements made during the course of debate which may or may not be represented in *Hansard*; therefore, we had to check on that before we could make representations.

Madam Speaker: I understand that, but if those words were heard during the course of the debate, they should be dealt with immediately. I am just warning Hon. Members that these matters should be dealt with at the time they occur. There are two conditions for disallowing unparliamentary language. The idea of disallowing unparliamentary language is because it could create some kind of commotion in the House. Obviously, if these words were not immediately heard, or did not insult the Hon. Member at the particular time, there was no commotion. However, I take the point; the language was unparliamentary. As for the prefacing, I have heard several prefacings of this nature when I pleaded five or six times for Hon. Members to withdraw certain language, which they finally did. Therefore, I have to be fair to the Hon. Minister. I have accepted it in other cases and I have to accept it in her case.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

MR. TAYLOR—CALL FOR REINSTATEMENT OF CAPITAL PUNISHMENT

Mr. Gordon Taylor (Bow River): I have great pleasure in presenting a petition on behalf of some 603 Canadians living in the riding of Bow River, in the Province of Alberta. This petition requests the reinstatement of capital punishment.

This petition is from the High River-Okotoks area of Bow River constituency. Two young women were mutilated and their remains set on fire in this area and the petitioners feel very strongly that capital punishment should be reinstated for deliberately planned murder and where a person is found guilty of same beyond the shadow of a doubt. When the ultimate crime, namely murder, occurs, then the ultimate punishment, namely death, should be enacted.

My petitioners humbly pray that the House of Commons will reflect the thinking of the majority of the people of Canada and reinstate capital punishment.

MR. MURPHY—OPPOSITION TO BILLS C-131 AND C-133

Mr. Rod Murphy (Churchill): Madam Speaker, I have the honour to present a petition on behalf of hundreds of Canadian citizens who now avail themselves of their ancient and undoubted right to thus present a grievance common to your petitioners, and they ask the House honourably to provide a remedy. The petition is that Bill C-133 and Bill C-131 will reduce the pensions of senior citizens through the capping of indexing of pensions of public servants and old age pensioners; and the undersigned humbly pray and call upon all Members of this House to oppose this legislation.

MR. DOMM—IMPOSITION OF METRIC SYSTEM

Mr. Bill Domm (Peterborough): Madam Speaker, I have a petition with 3,699 signatures on it from people right across Canada. It comes from an organization known as "Operation Humbug", which is against forced metric. I present this petition to you, Madam Speaker. This is prompted because the petitioners who have been petitioning this House have been accused by the Minister of Consumer and Corporate Affairs (Mr. Ouellet) of forging signatures. The signatures on this petition bear a printed name, address and signature. If this is not sufficient for the Minister of Consumer and Corporate Affairs, I am prepared to supply the phone numbers on the next petition.

• (1510)

I present this petition on behalf of petitioners from British Columbia to Prince Edward Island and Newfoundland. The petition says:

> We oppose the imposition of the metric system and request that this system be continued on a strictly voluntary basis.

That is the same motion as in the petition presented by the 135,000 petitioners just a short time ago.

MR. SARGEANT—TESTING OF CRUISE MISSILE ON CANADIAN SOIL

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, I rise to present a petition signed by 1,714 people in Manitoba who are opposed to the Government's plans to test the Cruise missile in Canada.

Cruise missile testing has been the subject of much debate outside Parliament. In fact, on October 30, 1982, 15,000 people marched on the streets of Ottawa to protest the proposed testing of this vehicle of annihilation. Canadians have made their views clear on the steps of Parliament; they urged the Government to refuse the Cruise. Unfortunately this matter has never been debated inside Parliament. As the representative of the people of Selkirk-Interlake and as the New Democratic Party spokesperson on defence issues, I am

pleased to be able to table this petition against the Cruise missile in the House today.

Mr. Sid Parker (Kootenay East-Revelstoke): Madam Speaker, I also wish to present a petition today calling upon the House to oppose the testing of the Cruise missile on Canadian soil. I am presenting this petition to express the views of over 560 residents of Kootenay East-Revelstoke, who feel that the Cruise missile is a new and dangerous weapon in the nuclear arms race and as such is a threat to all peoples and nations of the world. The undersigned petitioners humbly pray and call upon this House to oppose the testing of the Cruise missile on Canadian soil.

MR. WENMAN—THEORIES OF EVOLUTION AND CREATION

Mr. Robert Wenman (Fraser Valley West): Madam Speaker, like other petitioners I, too, rise and present my petition with the words that I have the duty to present a petition on behalf of concerned residents of the Lower Mainland of British Columbia. The purpose of the petition is to ensure that a balanced portrayal of two competing theories, namely evolution and creation, be given fair and representative time in our public institutions, and specifically on the CBC.

MR. TAYLOR—CALL FOR REINSTATEMENT OF CAPITAL PUNISHMENT

Mr. Gordon Taylor (Bow River): Madam Speaker, I have great pleasure in presenting a petition on behalf of 37 Canadians who reside in various places in the constituency of Bow River. The petition requests capital punishment be reinstated for crimes of first degree murder where a person is found guilty beyond the shadow of a doubt. The Government has a responsibility to reflect the thinking of the people in its legislation, and these petitioners pray that the Government will bring a Bill to the House of Commons reinstating the death sentence for anyone found guilty of deliberating taking the life of another human being.

* * *

POINT OF ORDER

MR. SHIELDS—PARLIAMENT OF U.S.S.R.

Mr. Jack Shields (Athabasca): Madam Speaker, I wonder if there would be any possible way to find out how many petitions are presented in the Russian Parliament concerning deployment of the SS 20 missile?

Madam Speaker: I am afraid I cannot help the Hon. Member. He might ask a question on the Order Paper or somewhere else.

Mr. Towers: Ask the NDP.

MOTION TO ADJOURN UNDER S.O. 26

[*English*]

Madam Speaker: I have notice of a motion to adjourn the House under Standing Order 26 by the Hon. Member for Oshawa (Mr. Broadbent).

* * *

NATIONAL DEFENCE

TESTING OF CRUISE MISSILE ON CANADIAN SOIL

Hon. Edward Broadbent (Oshawa): Madam Speaker, the House has just had presented to it petitions coming from thousands of Canadians opposed to the testing of the Cruise missile on Canadian soil. Just before I move the motion, Madam Speaker, I would say that this matter is of considerable urgency because a deal of some kind has been negotiated between the Government of Canada and the Government of the United States of America, the details of which will be announced before Parliament comes back after the Christmas recess. It is therefore our view that such a matter of profound importance ought to be debated here in Parliament.

Under the provisions of Standing Order 26, Madam Speaker, I move the adjournment of the House to discuss a specific and important matter requiring urgent consideration, namely the advisability of the Government of Canada concluding an agreement with the Government of the United States of America to test Cruise missile weaponry in Canada.

Madam Speaker: The Hon. Member has given the Chair a statement, as required by Standing Order 26, of the matter proposed to be discussed. The Hon. Member argues that the matter is a genuine emergency because he has been advised that the text of the agreement has been agreed upon, that the House will recess tomorrow and that, in the past, international agreements have been debated in Parliament.

I cannot quarrel with the two last statements, but I do have some difficulty in arriving at the conclusion that there is a genuine emergency because the text of the agreement has been agreed upon and the House will adjourn tomorrow. My predecessors and I have consistently defined "genuine emergency" as a sudden occurrence. That condition is not met in this case.

The matter of an agreement for the testing of the Cruise missile in Canada has been raised in this House under various forms on numerous occasions. More particularly, on April 29, 1982, the Hon. Member proposed a non-confidence motion under supply calling for, *inter alia*, no Cruise missile testing in Canada, which was voted upon and lost.

I would refer the Hon. Member to Beauchesne's Fifth Edition, Citation 288, which reads as follows:

> The Speaker is bound to apply to motions made under S.O.26 the established rules of debate, and to enforce the principle that subjects excluded by those rules cannot be brought forward thereon, such as a matter under adjudication by a court of law, or matters already discussed or appointed for consideration during the current session, whether upon a substantive motion, upon an amendment, or upon an Order of the Day.

Although I recognize the importance of the subject, I cannot find it to be appropriate for debate under Standing Order 26.

In relation to the fact that the House will recess tomorrow, may I finish my ruling by quoting to the House in part a decision rendered by my predecessor on July 24, 1975, on page 7905 of *Hansard* for that year. At that time he said:

Finally, I must also note that the hon. member suggested that a factor involved is the impending adjournment or recess of the House, if that is in fact a reality, and therefore this is a matter which places before the House some problems of critical proportions. Surely the hon. member realizes that if I were to apply that standard to every matter of national importance put forward under that condition as a subject for debate under Standing Order 26, it would be a rather anomalous and difficult situation for the House to deal with. For those reasons, I feel that special time ought not to be set aside for this subject matter.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,325, 4,435, 4,524 and 4,534.

[*Text*]

CANADA'S INTERNATIONAL DEEP SEA TRADE

Question No. 4,325—**Mr. Forrestall:**

1. For each of the past five years for which statistics are available, what was Canada's international deep sea trade in terms of (a) dollar value (b) tons of cargo loaded and unloaded in Canadian ports?

2. For each of these years (a) what was the government's best estimate of the total freight charges for Canada's international deep sea trade (b) what percentage of Canada's international deep sea trade was carried in Canadian registered vessels?

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Transport Canada advises as follows: 1. (a) The value of Canadian deep sea trade totalled $24.2 billion in 1976, $25.9 billion in 1977, $30.5 billion in 1978, $38.4 billion in 1979 and $48.5 billion in 1980.

Deep sea trade is defined here as including all Canada's international trade except with the United States; it includes all modes of transport, including air, with other countries. It should be noted, however, that air cargo data are considered to be relatively minimal. On deep sea exports, air cargo represents less than 10 per cent of the value of the trade. A split of imports by mode of transport was not available at the time this reply was prepared.

(b) Deep sea trade loaded in Canadian ports, including transshipment, in metric tons, amounted to 71.9 million in 1976, 73.6 million in 1977, 75.5 million in 1978, 92.2 million in 1979 and 101.5 million in 1980. The deep sea trade unloaded in Canadian ports, including transshipment, in metric tons, amounted to 26.9 million in 1976, 29.0 million in 1977, 29.1 million in 1978, 26.8 million in 1979 and 28.9 million in 1980. In this case, deep sea trade is defined as all Canada's international trade except with the U.S. and covers only waterborne movements.

2. (a) The Government did not make any estimate of this kind. Statistics Canada collects data on earnings and freight payments for purposes of constructing the Canadian balance of international payments. These data, however, exclude freight payments to non-resident operators for export, and for resident operators for imports and therefore, do not fully answer the question raised.

Taking these limitations into account, it is noted that gross payments on imports to foreign ocean shipping operators recorded in the Canadian balance of international payments amounted to $561 million in 1976, $611 million in 1977, $615 million in 1978, $759 million in 1979 and $829 million in 1980.

Gross payments on exports to Canadian ocean shipping operators amounted to $189 million in 1976, $200 million in 1977, $231 million in 1978, $328 million in 1979 and $370 million in 1980. These two sets of figures both exclude payments collected within Canada/U.S. trade. The table below provides more complete data.

(b) In terms of tonnage, Canadian registered vessels carried 0.2 per cent of our deep sea trade in 1976, 0.3 per cent in 1977, 0.2 per cent in 1978, 0.5 per cent in 1979 and 1.0 per cent in 1980. Statistics on Canadian registered vessels only, underestimate Canadian participation in deep sea trades since Canadian companies own and/or charter ships registered in foreign countries.

Freight Bill on Canadian Deep Sea Trade
Partial Figures
($ millions)

Year	1974	1975	1976	1977	1978	1979	1980
Transaction							
Freight Payments							
Gross earnings of Canadian operators on exports (1)	219	177	189	200	231	328	370
Gross earnings of foreign operators on imports (1)	570	582	561	611	615	759	829
Sub-total	789	759	750	811	846	1,087	1,199
Index (1974 = 100)	100	96	95	103	107	138	152
Value of Deep Sea Trade							
Exports	11,058	11,637	12,557	13,428	15,796	21,077	27,871

Order Paper Questions

Imports	10,335	11,138	11,692	12,521	14,674	17,299	20,652
Total	21,393	22,775	24,249	25,949	30,470	38,376	48,523
Index (1974 = 100)	100	106	113	121	142	179	227
Freight sub-total/trade (Per cent)	3.7%	3.3%	3.1%	3.0%	2.6%	2.8%	2.5%

(1) Excluding earnings collected within Canada/U.S. trade.

Source: Statistics Canada, Exports (65-202), Imports (65-203), The Canadian Balance of International Payments (67-201, 1977 and 1978) and Quarterly estimates of the Canadian balance of international payments (67-001, fourth quarter 1981).

BEVERLEY HENDRICKSON

Question No. 4,435—**Miss Carney:**

1. Is Beverley Hendrickson of 700 W. Georgia St., Vancouver, British Columbia an employee of the Government and, if so (a) what are her duties and responsibilities (b) to which Cabinet Minister does she report (c) what is her annual salary?

2. Has she taken trips at Government expense in the last year and, if so, in each case (a) where did she go (b) what was the purpose and nature of the trip?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): 1. No. (a) special assistant, (b) Senator Jack Austin, Minister of State for Social Development, (c) Salary range: up to $36,300.

2. No, trips were paid out of the Minister's budget. (a) Castlegar, Penticton, Dawson Creek, Kelowna, Castlegar, Calgary, Cranbrook, Prince George, Dawson Creek, Victoria, Penticton, Kelowna, Ottawa, Cranbrook. (b) As directed by the Minister.

PRIME MINISTERIAL PHOTOGRAPHS

Question No. 4,524—**Mr. Siddon:**

Did the Government expend any funds for the photographic sessions conducted by Yousuf Karsh with the Prime Minister on October 18, 1982 or thereabouts and, if so, what was the total amount expended and for what purpose will the photographs be used?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): No.

STUDY ON USE OF LEADED GASOLINE

Question No. 4,534—**Mr. Mazankowski:**

Was a study conducted on behalf of the Department of the Environment to "develop a strategy to reduce the use of leaded gasoline" and, if so (a) to whom was the study contracted (b) on what basis was the contractor selected (c) what amount did the study cost (d) what conclusions and/or recommendations were reached (e) what action will be taken or has been taken based on the results of the study?

Hon. John Roberts (Minister of the Environment): Yes.

(a) Several contracts have been awarded to various organizations for detailed study:

Contractor	(b) Selection Basis	(c) Cost ($)
MHG International Limited	competitive bids	86,000
MHG International Limited	competitive bids	32,000
Hickling-Smith Inc.	competitive bids	32,000
Peat, Marwick and Partners	competitive bids	84,000
MHG International Limited	sole source	27,500
Hickling-Smith Inc.	sole source	13,000
Hickling-Smith Inc.	sole source	8,000
National Research Council and Alberta Research Council	sole source	1,800
MHG International Limited	sole source	27,500
Davis Engineering Limited	sole source	15,900
HMW Associates Limited	sole source	4,500
Pilorusso Research Associates Inc.	sole source	9,600
Pilorusso Research Associates Inc.	sole source	14,900
Davis Engineering Limited	sole source	4,500
MHG International Limited	sole source	8,000
Econosult Inc.	competitive bids	42,300
WT Consultants	sole source	4,900
Hickling-Partners Inc.	sole source	12,000
MHG International Limited	sole source	19,000

(d) No final conclusions or recommendations have yet been reached. The studies are part of a detailed socio-economic impact assessment on the use of leaded gasoline which has not been completed. Environment Canada has not yet received the results of all the studies, and the results of those studies which have already been received are now being reviewed by Environment Canada.

(e) No actions will be recommended until the completion of the socio-economic impact assessment.

[*English*]

Mr. Smith: I ask, Madam Speaker, that the remaining questions be allowed to stand.

Madam Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

Mr. Murphy: Madam Speaker, a couple of times now I have asked the Parliamentary Secretary to the President of the Privy Council for an answer to my question related to the Public Service Bill which is in committee today. I have been assured that I would be getting that information; I have been

assured by the Minister that I would get that information. Given that the debate of clause-by-clause study of Bill C-133 starts in ten minutes, when are we going to have that information?

● (1520)

Mr. Smith: Madam Speaker, I assured the Hon. Member that I would make inquiries on his behalf, and I did that. At such time as I receive the answer from the Minister, I will of course deliver it to the House.

Mr. Murphy: We were promised by the Minister in committee that we would have that information. The committee meets in ten minutes. Will the Parliamentary Secretary assure us that the Minister will keep his word and provide that information to us before we have to vote on the Bill?

Mr. Smith: I would be delighted to convey the concerns of the Hon. Member to the Minister.

Mr. Neil: Madam Speaker, in connection with question No. 4,101 which has been on the Order Paper since March 2, it is a very simple question to the Department of Agriculture requesting information as to the names, the courses and so on of individuals who have been given extended leaves of absence to further their education. I cannot understand why it has taken so long for the Department to answer.

Mr. Smith: Madam Speaker, I would be delighted to look into the matter on behalf of the Hon. Member.

GOVERNMENT ORDERS

[*English*]

OLD AGE SECURITY ACT (NO. 2)

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-131, an Act to amend the Old Age Security Act (No. 2), as reported (without amendment) from the Standing Committee on Health, Welfare and Social Affairs.

Mr. Vince Dantzer (Okanagan North) moved:

That Bill C-131, an Act to amend the Old Age Security Act (No. 2), be amended by adding immediately after line 27, at page 5, the following new Clause:

"3. The special (1983 & 1984) supplements to GIS shall be included in the OAS benefits in 1985 and thereafter OAS shall be fully indexed."

He said: Madam Speaker, this is the third time I have had the opportunity, if one cares to call it an opportunity, to speak on Bill C-131. On the first occasion I indicated to the House that I was not very happy with the prospect of speaking to what I consider to be a very rotten Bill. It is a very unpleasant task to have to waste the time of the House speaking to a Bill which should never have come before it.

Before dealing with my proposed amendment, I would like it clearly understood by Hon. Members that having brought forward this amendment in no way indicates that my Party or I will support the Bill when it eventually comes to a vote. We are certainly not in favour of Bill C-131. No amendment whatsoever, could improve the terrible burden it places upon the elderly. This amendment can only perhaps relieve the burden after a period of two years.

The Bill as it now stands before the House mentions nothing about what will happen in 1985. In order that the House understand the intent of my amendment, I should like to read it again. I really propose to add a Clause 3 to the end of the Bill which is really a wrap-up Clause that defines what should happen at the end of 1984 when supposedly full indexation will be brought back. My proposed Clause reads as follows:

The special (1983 & 1984) supplements to GIS shall be included in the OAS benefits in 1985 and thereafter OAS shall be fully indexed.

Under its six and five program and under Bill C-131, the Government proposes to reduce the indexing to a maximum of 6 per cent in 1983. Presumably the inflationary index will be considerably higher than that. At this moment it is just below 10 per cent. If it stays there, presumably old age pensioners will lose purchasing power to the extent of 4 per cent. The Government is saying that it does not want people under the poverty line to lose any purchasing power, so it is adding that 4 per cent to the GIS for the two-year term of the Bill.

The result of that will be to decrease the importance of OAS. At the end of two years, if inflation continues at its present rate, we will find that the importance of the GIS program will be much more than it is now and, correspondingly, the importance of the OAS program will be reduced and indexing will continue in 1985 based upon a reduced OAS and an increased GIS. Therefore, all people just above the poverty line will continue to be indexed on a reduced OAS. It will have a long-term, tremendous effect not only upon elderly people but upon everyone in the country, because ultimately they will receive that much less.

At one time the OAS was a very basic part of our retirement program. Canada was proud to have such a program which was universal in its application. Every person could look forward to receiving that pension when they reached age 65 whether or not they had other pension plans. In 1964, OAS accounted for about 20 per cent of the average wage and salary in the country, but its importance has been downplayed. It has not kept up with inflation or with general salary levels. The rate is now below 14 per cent. Therefore, we can see that that basic program has been decreased in importance. This horrendous Bill C-131, sponsored by the Minister of National Health and Welfare (Miss Bégin), will further reduce the importance of that program.

By my amendment I am really trying to stop this from happening. My amendment cannot possibly completely solve the damage the Bill will do, but to some extent it will help overcome the damage. I do not see how any Government Member can fail to vote for the amendment because it does exactly what they have been saying. On several occasions Hon.

Members and I have attacked the Bill in the House for eroding universality. The Minister of National Health and Welfare became very upset when we did that and was quick to defend it. If she is correct in what she says, if she is honest in what she says—and I am sure she is—and if she wants to help the elderly of Canada—and I think she wants to do that even though she obviously lost her battle in Cabinet—she will support this amendment, as will all Government Members, because it will do what they indicated they wanted done.

Certainly the proposed Bill C-131 affects OAS and universality. To some degree my amendment will correct that imbalance and put the entire pension system in 1985 back on the track on which we are now. That is why I am putting forth the amendment at this time.

Certainly Bill C-131 places us in a very unhappy situation. What is happening here, and most people who attended committee hearings can identify with this, is that through Bill C-131 we are not only saddling the elderly with a reduction in their capacity to spend, but also with the imposition of a regressive tax, particularly those over the age of 65. Several groups have estimated how much the imposition of Bill C-131 will cost each senior citizen. It will reduce the indexation to 6 per cent, and the amount a senior citizen loses will depend, of course, on how you calculate the average inflationary indexation for this year and next year. There are those who have calculated that every pensioner will lose as much as $300 in the next two years. There are others who say they will lose only as much as $50 a year.

• (1530)

Let me take the figure of $100 per year to show how regressive this tax is. First of all, Old Age Security goes to everyone 65 years of age and over. A fairly well-off senior citizen who pays income tax at the top rate will receive only 50 per cent of that indexation. If that person is entitled to $100 in the coming year, he will receive only $50 with the other $50, being taxed away. Under this scheme we are reducing the amount of money a wealthy pensioner would receive by $50.

By comparison, what are we doing to that pensioner who is existing at just above the poverty level? None of the increase to his Old Age Security would be subject to taxation, so that individual would be losing the entire $100. What we are doing to the poor pensioner, therefore, is taking $100 in purchasing power out of his pocket. We are taking only $50 in purchasing power out of the rich pensioner's pocket.

I find this a very unfair approach to retirement income in this country. Surely this is the first time this Government has ever done anything like this. In the past it has not been that bad in terms of its support for the retirement income policy, and when I say "in the past" I mean in the last two years. What has happened in the last two years is almost beyond belief. This Government has attacked every aspect of retirement policy through its taxation and budgetary policies, and now we have this series of Bills before the House. It is for that reason I suggest the Bill is rotten and really regressive taxation at its worst. I hope that before debate is completed the Minister will see fit to withdraw the Bill.

I should now like to refer to another point. I listened very carefully to Hon. Members during this debate, and I have noted that in respect not only of this particular Bill but the ones on Family Allowances and civil service pensions Hon. Members in the NDP to my left have continually referred to Conservative support for the six and five formula. Rather than talking about what this particular Bill will do to pensioners, Hon. Members of that Party have spent much time talking about the inconsistency of Conservative Members who supported the six and five formula and are now objecting to Bill C-131.

Perhaps we should explain to the Canadian public that this Party supported Bill C-124, which started the six and five formula, because it limited indexation for MP's salaries and the salaries of civil servants. Basically what it did was identify to a large degree the fact that Government spending in this country was increasing at a higher rate than inflation. In fact, federal, provincial and municipal spending on services and salary has been feeding inflation to the extent of 14 per cent to 17 per cent. It seems to me that Bill C-124 was perfectly logical because it did attack that feeding of inflation in all those areas where the federal Government could impose that legislation.

I often wonder what prompts Members of the NDP to argue vigorously in support of raising salaries and pensions while at the same time refusing to cut their own salaries.

An Hon. Member: It has nothing to do with salaries.

Mr. Dantzer: I guess that follows real socialist philosophy, because that philosophy is apparently based on back alley slogans such as, "What is yours is mine, and what is mine is my own". That is the kind of socialist philosophy they seem to support. I have had discussions with other people trying to find out why those Members are making this attack on our position in respect of Bill C-124, first of all because we supported it, and secondly because we are now fighting for senior citizens in this country.

I guess it really boils down to the fact that they are reading the opinion polls. They have discovered they are losing out badly, according to those polls, and they have now decided it is better to have policies than slogans. They are very concerned, like the Liberals, and are attacking us as the front runners. Presumably their whole policy regarding the fight against inflation is to spend more money.

They are very much like their socialist counterparts in France who elected a socialist President some time ago. They started off by taking over the banks and spending more money in order to fight their way out of the recession. They found that a little more difficult than they first thought. That is the policy apparently advocated by the NDP to our left.

Let me talk about the misery index. Let me point out to Members of the NDP that as a result of following that policy in France, the misery index there is only slightly less than it is

here in Canada where our Government has been following a similar policy. The misery index in Canada is around 22 per cent, composed of a 10 per cent inflationary rate and an unemployment rate of about 12.7 per cent. In France this misery index is almost as high as ours, being about 18.3 per cent. I point out, therefore, how totally wrong the socialists are in trying to solve the inflationary situation in this way. That is really why those Hon. Members are so upset about any kind of rational policy to put this country back on its feet.

While the six and five policy might have been reasonable, its application to pensioners is the most unreasonable thing this House has ever been exposed to. This is really rotten legislation. It bears no relation to inflation. Pensioners do not cause inflation. About 57 per cent of pensioners live at just about the poverty level. Most of them do not get more than $9,000 or $10,000 a year.

What causes inflation, as everybody should know, is the expectation of higher wage settlements every year and higher prices. It is the result of gouging through certain price rises and the anticipation by the public of what is going to happen in the future.

It is my belief and the belief of my Party that the six and five policy made sense because the Government was taking a lead in this fight against inflation by using its impact on the economy. I do not remember when this Bill was first brought before the House, but it was before the House, was referred to the committee and is now back at report stage.

• (1540)

It reminds me of the battles we had over the energy legislation when it was discussed in Parliament. The energy legislation was introduced and then discussed at length in the committee. The committee heard from a great number of delegations, none of which had anything favourable to say about the legislation. Some of these independent delegations were from other parts of the world, such as Norway and Sweden. Not all the members of those delegations were directly connected with the oil industry. While no one said anything positive about the legislation, the Government simply proceeded to push it through. If we review what has happened to our energy industry in the last year, we can see that those delegations predicted exactly what would happen. The outcome was not unknown to the Government. It was not new to anyone who knew anything about the energy industry.

This is exactly the same situation with Bill C-131. People who are involved in the welfare system, both federally and provincially, as well as other groups who are knowledgeable in this area, have pointed out how bad this legislation is. These measures will not have an effect on the six and five program or reduce inflation, but will only once again place a heavy burden on senior citizens. One of the most unpleasant aspects of Bill C-131 is that once again women are being affected more than anyone else. This is a shame to me because one of the deficiencies of our current pension system is that it does not include women in a retirement income scheme in an equitable manner.

We know that Ontario will not approve the drop-out clause provision in the Canada Pension Plan which allows people to drop out to raise a family and not have their retirement income affected too drastically. As well, we know that there is a problem for homemakers who are not involved in the pension scheme at all. Why does the Government not concern itself with these issues? It is not sufficient for the Minister to say that a green paper is forthcoming, because that does not solve those problems either. Surely we must be putting our energy toward finding solutions to those problems instead of talking about this terrible legislation which is before us now.

We should also be concerned about the involvement of women in private pension schemes. Women are in and out of the work force more often, change their jobs more often and are normally in lower paid jobs. Women are not in the work force for the same period as men. All these factors affect their retirement income. We certainly should be discussing survivorship, portability and vesting. These are the subjects we should be concerned with when discussing pensions in the House. We should not be talking about reducing indexing as a means to solve inflation.

I do not have to tell the Minister about the problems being faced by women under the OAS Program. There are 50,000 women who are under the poverty line and the Minister has publicly called it a national scandal. She is right. This legislation does not help that situation because it affects those people who have modest incomes. For example, it affects single people who have incomes of $8,600 and married people with incomes of $14,500. This means that approximately 35,000 pensioners will have their purchasing power reduced and will consequently qualify for GIS. The Minister herself has said that the GIS is a main support program for our elderly. It is a welfare program. Why should most of our elderly citizens be on welfare? It calls into question this Government's philosophy of what retirement income is.

We begin to have hope that the situation might change as a result of the Government's statements, but it does not follow its statements with action. For this reason we cannot afford Bill C-131. We cannot afford to break the contract which has been established between each generation whereby the following generation promises to look after their elders who have worked hard during their lifetime.

We should be discussing the shortcomings of the Canada Pension Plan. We are reaching a critical year, 1985, when the expenses under that Plan will exceed the revenues. What will happen at that time? What will happen to the people who have paid into the Plan and expect to receive a pension? By 1985, a few years from now, expenditures will exceed revenues. Inflation and unemployment may bring on this occurrence sooner because unemployed Canadians are unable to pay into the scheme. We will reach another critical year in 1993 when the expenditures under the Plan will exceed the revenues plus all the interest payments. We should be concerned with this dilemma instead of debating legislation to index the pensions of senior citizens who are in the lowest income scale and can least afford a cutback.

We should talk about another critical period in our pension scheme which will occur in approximately the year 2003 when our Canada Pension Plan will be bankrupt. This should be of great interest to people who are in their thirties and forties since they will be turning 65 around that time. These are all matters which should be discussed in the House of Commons instead of talking about reducing the purchasing power of those people who can least afford it.

Bill C-131 is bad legislation. It taxes the poor in a regressive manner and it taxes women unduly. It does nothing to stop inflation and breaks the great tradition of a contract which has existed between the generations in this country. We are breaking our contract with our senior citizens to look after them when they are older. This is pointless legislation which I ask the Minister to withdraw so that the House may consider more important matters.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I feel rather hesitant to rise today to speak to Bill C-131. My colleagues and I consider it to be a disgrace that Members of Parliament are rising in the few days before Christmas, 1982 to attack those people who have essentially been the victims of inflation. They are the senior citizens of our country. They are the victims as a result of the introduction of a Bill which will limit the indexation of Old Age Security to 6 per cent in 1983 and 5 per cent in 1984.

I point out that this reduction will only be experienced by those who receive the Old Age Security as opposed to those who receive both the Old Age Security and the Guaranteed Income Supplement. While pensioners will receive an increase in January of 1983, it will be less than what they would normally receive. The senior citizens of Canada will lose out in two respects. Those receiving the old age pension will have reduced incomes in 1983 and 1984 by a collective amount of approximately $300. This is assuming that inflation will remain approximately at the present rate or somewhat lower. Not only will senior citizens lose that $300 in the next two years, but the result of this legislation will have a snowballing effect for years to come.

While full indexation is supposed to return after 1984, there is no reason to believe that this will happen other than what we have heard from Hon. Members opposite that this is the Government's intention. We have experienced too often how the Government's intention can change. However, if full indexation does return in two years, the base upon which that indexation will accumulate will be less as a result of this legislation. Consequently, senior citizens in Canada will be receiving less income than they would normally receive for the rest of their lives.

• (1550)

This legislation, which will take money out of the hands of senior citizens of Canada, will directly affect more than a million senior citizens, and far more than half of those will be women. They will have their disposable incomes reduced as a result of the passing of Bill C-131. I have just done some calculations, assuming that inflation rates for Canada will be in the 10 per cent-9 per cent range over the next three or four years. If that is the case, more than a million senior citizens in Canada will lose nearly $1,000 each over the next four-year period.

I listened with interest as Members of the Government said that they had not received much mail from senior citizens on this measure. They have not been subjected to a lot of lobbying and so on. They have not heard an outcry across the country. I think there is a good reason for that. First of all, I think we all recognize that senior citizens are not well organized, as are other groups in society, such as the Canadian Rubbermakers Association, the Canadian Manufacturers' Association, the Canadian Bankers Association, the Canadian Chamber of Commerce and the Canadian Federation of Independent Business. I could go on and on about very effective organizations that lobby Members of the House on a regular basis to keep them abreast of their concerns; but the senior citizens of Canada do not have that lobbying opportunity. Consequently we have not been hearing the orchestrated outcries that we so often hear. We have not received the strong delegations to Ottawa, raising the concerns that senior citizens obviously have regarding the decreased incomes that they will be experiencing. Also I suspect that senior citizens are rather patient people. They have had hard times before. They have gone through two world wars. They have gone through the depression years. They are patient. I suspect that they find it difficult to believe that the Government of Canada will actually bring in legislation that will reduce their incomes.

I believe that most senior citizens, if we were to sit down and have an informal chat, would find it difficult to believe during these difficult times—and I think we have to admit that this country is poised on the brink of a depression, and in some areas of this country we are well into depression-like conditions—that the Government is going to reduce their incomes. I suspect that many just do not believe that it is happening. When they receive their cheques for January, 1983 and they notice there is a slight increase in those cheques, they will think that indeed their fears were unfounded. But if they look carefully at their cheques they will find that although they receive a cheque in January for $249.23, had this Bill not been introduced, had this deindexing not occurred, they would have received a cheque for $251.73, marginally larger.

I think it begs the question: Why is the Government introducing this legislation? Why is the Government introducing the six and five legislation that will apply to senior citizens? I suppose one could assume that the Government must be blaming senior citizens for being one of the causes of inflation. It must be saying: "These people must be curtailed in their spending". Presumably that is what the six and five program is all about, to curtail spending, to reduce incomes so people will purchase less. So the Government has said: "We have identified one of the culprits of inflation; they are the senior citizens of Canada and they must be restricted".

This raises some interesting questions because just a few days ago we had tabled in the House of Commons by the Minister of National Health and Welfare (Miss Bégin) a

report called "Better Pensions for Canadians". I would just like to quote from page 55 of this Government Report:

> . . . inadequate incomes are too common, particularly among single elderly women. Employer-sponsored pension plans are not available to enough Canadians, and those who do participate in these plans often receive little pension income because poor vesting and a lack of portability hinder pension credit accumulation.

Then it goes on, Mr. Speaker, to say:

> . . . many ordinary Canadians, women in particular, will continue to face a significant decline in their standard of living when they retire.

We are talking about people who have very marginal incomes, and at the same time we are saying that those people on these marginal incomes must be the cause of inflation in this country. We are blaming senior citizens for these incredibly high inflation rates.

A single person receiving Old Age Security as well as the Guaranteed Income Supplement in 1982 received $5,695. That is about $15.60 a day. When we calculate that income and compare it, using data from Statistics Canada, we find that means that 15 per cent of single pensioners fall below the poverty line in the rural parts of Canada, and 37 per cent fall below the poverty line in metropolitan Canada, cities such as Vancouver, Calgary, Edmonton, Winnipeg, Toronto, Montreal, Hamilton, Ottawa and so on.

Thirty-seven per cent of single senior citizens are living at below the poverty line as defined by Statistics Canada! That is hardly the group in society that is causing and fueling inflation in Canada. Especially hard hit, of course, are women who have to rely on pensions that were designed by men, for men, with men in mind. Few women collect from the Canada Pension Plan at all since they did not contribute. They were busy at home being full-time homemakers, with no pay, and as a result no pension benefits. In 1980, two-thirds of the single, widowed or divorced women over the age of 65 lived on incomes of under $6,000 a year, or $475 a month.

As Members of this House, we have agreed that anybody who spends more than 30 per cent of their income on shelter is in a difficult situation and requires assistance and support. It does not take much imagination to recognize that if your monthly income is $475 and you live in a typical city in this country, you are probably paying out closer to 70 per cent or 80 per cent of that income in shelter. Indeed, therein lies, I think, a very clear problem facing the elderly in our country.

Just as an aside, so many of our elderly in Canada require social assistance to get by. People have said that the measure of a country and the measure of the effectiveness of a government of a country is how they treat their seniors, how they treat those who built that country. It is interesting to compare Canada to some other countries that I suspect we would all agree would be much more progressive in terms of how they treat their elderly. In Sweden, for example, how many senior citizens rely on some form of social assistance to get by? Zero, absolutely none. In Norway the same thing. No one relies on social assistance if they are over the age of 65; they are well taken care of. If you are living in West Germany, 2 per cent of the senior citizens of West Germany have to depend on social assistance to help them get by.

In Canada I think that we can consider GIS is in fact a form of social assistance. What percentage of senior citizens in our country rely on social assistance to get by? Nearly 50 per cent. That is a very sad comment on how we treat the senior citizens of our country, particularly now when legislation is brought forward saying: "You folks are getting too much; we have to cut back a bit".

● (1600)

In countries like Sweden, Norway and West Germany, it is considered to be the right of pensioners, a basic human right, if one has worked hard and successfully until age 65, to at least expect to live out one's life in dignity and receive a decent pension. That is something that we still have not achieved in a country as rich as Canada. What is obvious, then, is that the senior citizens of our country did not create or fuel inflation. As a matter of fact, if we consider the real culprits, we must say that it was the federal Government itself.

I noticed with interest today that the latest inflation statistics have been released, and who are the big culprits who are still fueling inflation? They are interest rates and energy costs which directly reflect the policies of the Government. They are the two major inflation creators in this country, not the senior citizens. Why, then, do we have the six and five program? Perhaps it is to save money for the Government. We know that the Government is desperate and out grabbing money from every conceivable source it can find, and it sees this as a chance to save money. However, when one looks at the amount of money which will be saved over the two years of this program, one finds that it will amount to about $50 million a year.

I suspect that there would not be a single Hon. Member of the House who would be prepared to rise and say; "Rather than take $50 million out of the hands of the senior citizens of this country, why not take it out of some of the Government's advertising funds? Why not take $50 million out of some of the grants to the large multinational oil companies? Why not take $50 million from some of the hand-outs or bail-outs that have been given to firms like Dome, Chrysler, Canadair and de Havilland?"

A few months ago, when the then Minister of Finance introduced some new tax legislation, he said: "We will reduce the tax for upper income Canadians by 10 per cent". Let us ask the present Minister of Finance (Mr. Lalonde) to go back to that tax rate. As a result, he could easily collect $50 million rather than by taking it out of the hands of senior citizens. Therefore, it becomes clear that saving $50 million by this desperate grab is unnecessary. It is not required at this time. There are other sources from which the Government could derive the kind of saving in which we are all interested.

I suppose, then, that we might ask why on earth, if it will not really save money, if there are better sources and if senior citizens were not the cause of inflation, the Government is introducing this Bill relating to six and five which will take

money from the senior citizens of Canada. On November 19 the Minister of National Health and Welfare passed a handy little memo around to all Hon. Members to help us understand what Bill C-131 was really all about. It stated: "The Government is asking all Canadians who have the means to lower their expectations over the next two years in order to help bring inflation down to six and five per cent. By some degree of sacrifice on the part of all Canadians, we can bring about economic recovery in Canada." That is interesting. The Minister is calling for fair sacrifice by all.

Do you realize, Mr. Speaker, that the limit to 6 per cent of the wages of some senior public servants in Ottawa means that they will receive in excess of a $6,000 increase in one year? That is more than many senior citizens receive all year long in total, yet many senior public servants will receive in excess of $6,000. A typical Minister on the Government side, when his or her income is capped to 6 per cent, will receive a $5,400 increase. That will be the sacrifice of Ministers.

It has been very interesting to read that various corporate leaders have been asking senior citizens and others to join with them in the six and five program. I noticed that Mr. W. L. Light, the President and chief executive officer of Northern Telephone Limited, only received a 47 per cent increase in 1981, but he said that he is prepared to take a 6 per cent capping of his salary for 1983, which will give him an increase of $32,000 in 1983. Ian Sinclair, the Chairman and chief executive officer of Canadian Pacific Enterprises, has been going around the country saying that the private sector must support the six and five program and that we must all share and sacrifice together. That will be very difficult, because when his salary is capped to only 6 per cent next year he will only receive a $46,000 increase in one year. One could go on and on, listing a whole number of the top income earners in this country who are asking everyone to rally around the six and five program and share and sacrifice equally.

When Hon. Members opposite and many senior employees working with them are asking at least 1.2 million pensioners to take a cut in the incomes that they would normally expect, one must remember that they will receive increases in income next year amounting to in excess of $6,000, and there is no way that one can describe that as being fair and equitable. Some people are being asked to sacrifice a bit more than others. We cannot blame the senior citizens for creating and fueling inflation in our country, so we must dispose of the option of the six and five program. The Government cannot say that we will save that amount of money on the backs of senior citizens because there are all kinds of places where it could find $50 million a year if it were interested in cutting back.

We cannot suggest for a moment that senior citizens should share because, as the Minister's memo itself states, those who have the means to lower their expectations over the next two years ought to. I suspect that when one finds that most or a good portion of the senior citizens of our country are living below the poverty level, one cannot say that they are probably the ones who can really afford to sacrifice for the six and five program. Basically, it is an unjust, inequitable, cruel program, one which asks people to make totally different kinds of sacrifices.

I cannot for the life of me understand why we are debating Bill C-131. For that reason, at a time of peace and co-operation just before Christmas, when one thinks of those other than oneself, I would ask the Government to think of the senior citizens of Canada and to retract this insidious piece of legislation.

Some Hon. Members: Hear, hear!

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, I was just checking the record of November 18 wherein it is reported that Your Honour gave me the floor to speak against the amendment to Bill C-131 proposed by an Hon. Member of the Conservative Party. I was just checking the official figures of the rate of inflation which I gave to the House that day, which is exactly a month ago.

This morning, Canadians were awakened by the good news that, for the first time in ages, inflation is no longer a dougle-digit figure. Inflation is down again. A month ago, when I made the speech on that Bill, I gave the official figure which at that time had gone down from 12.7 per cent inflation a year ago last November to 10 per cent in November, a month ago. It is now below 10 per cent, in a one-digit figure only.

That is the very context of our series of Bills implementing the program that we call the six and five program. That is the very reason why I must oppose the proposed amendment of the Conservative Party. I do it very easily, and I will explain why I say that. I must say that it is a very badly worded amendment, since our Government Bill contains no reference to so-called "special supplements". However, I think the intent of the amendment presented by the Hon. Member opposite is clear and easy to undersand. The Hon. Member for Okanagan North (Mr. Dantzer) proposes an amendment today to ensure that in January, 1985, two years down the road, the old age pension would be exactly as high as if there had never been a six and five program. I believe I can sum up his amendment very easily that way. Change the Government Bill in such a way that it is like there never was a six-five program. In other words, less than half the pensioners in Canada will get a smaller increase than they would have anticipated. They will get an increase next month, but it will only be 6 per cent instead of the full indexed inflation rate.

• (1610)

The Hon. Member wants us to change our Bill drastically, that it is like money put into the bank, and in two years' time they will get the full amount as if our Bill had never existed, as if the six and five program had never existed. There is no need to say I would have to oppose that. It indicates a total misunderstanding of the purpose of the so-called six and five program. Often the Hon. Member who just spoke from the New Democratic Party, as well as the Hon. Member for Okanagan

North, have referred to this Bill, which will limit the indexation of those who do not need the supplement, less than half of the pensioners, as a money-saving measure.

I have once more to indicate to them that this is not the case. It does save some money, but the very purpose of the Bill—I have said this often and I apologize for having to repeat it once more to these two Hon. Members—which the Conservatives are trying to amend today, and they want to change its intent completely, is to cut down inflation by half in the next two years.

[*Translation*]

When we wanted to control inflation in 1975, we decided to take drastic action which was very hard on all Canadians, namely, to control prices and wages through the Anti-Inflation Board. Hon. Members will recall that the program lasted three years. What happened at the end of those three years? While the program lasted, everything went according to plan, but as soon as controls were lifted, unfortunately—and I do not remember the exact figures—there was a sudden inflationary upsurge of prices and wages. That is what we want to avoid. I shall therefore have to explain to the Hon. Member for Okanagan North why I cannot accept his amendment. We are asking all Canadians who, because of specific programs, come directly under Federal jurisdiction, to participate in the 6 and 5 program, that is, to reduce their own expectations. Again, I am referring to all Canadians who are not in the lowest income groups. We have passed bills under which this is mandatory, and one of these measures, which has been in effect since July 1 of this year, if I remember correctly, applies to all Members and Ministers. The same is being asked of many other Canadians affected by Federal programs, including mothers and senior citizens who are not in low income groups, and all taxpayers through the tax system. Next year, basic personal exemptions will be increased by only 6 and 5 per cent. There will be an increase, but only an increase of 6 and 5. Why we are doing this? Because, once and for all—and I think that is why I am opposed to the amendment proposed by the Member for Okanagan North—we want to take the bull by the horns and reduce inflation rates by half. To do this, obviously, all Canadians must be involved in a national campaign, as it were. We cannot do this alone. We cannot ask one group in our society to reduce its spending and expectations to 6 per cent. To get results, everyone must work together and be prepared to support a program of shared responsibilities and shared efforts to put the economy on the road to recovery. I often heard a lot of socialist laughter in committee when I used the expression to mobilize Canadians. Nevertheless, it is not a laughing matter, because we have here a psychological factor that is very important if we are to maintain a healthy economy. It is hard to introduce this psychological factor unless we succeed in mobilizing all Canadians.

I am sure the Member for Okanagan North will agree that by May or even by mid-June or June 20 or 22, a few days before the Minister of Finance brought down his budget at the end of June, no one in Canada had even heard of 6 and 5. No one knew what it meant. We launched this concept of bringing down the rate of inflation, which was expected to be 12 per cent next year and 10 per cent the year after, to half those amounts namely, to 6 and 5. We decided to do this by reaching Canadians through an organized campaign and by using all the tools of our Federal jurisdiction. For instance, the 6 and 5 program will apply to all prices that are federally regulated. I am thinking of telephone and cable rates, for instance. These services are going to keep price increases down, to 6 per cent.

[*English*]

Mr. Deputy Speaker: The Hon. Member for Kamloops-Shuswap (Mr. Riis) rises on a point of order.

Mr. Riis: With all due respect, would the Hon. Minister receive a question at this point? It is a question of clarification more than anything.

[*Translation*]

The Acting Speaker (Mr. Blaker): Does the Minister wish to entertain a question?

Miss Bégin: Mr. Speaker, I should be glad to do so at the end of my speech, if there is time. As I was saying, we also decided to reduce increases in prices that are federally regulated. We are doing so in order to bring the greatest possible pressure to bear on the inflation rate. This morning, people woke up to the happy news that for the first time, inflation is down to a single digit. Only last month, on November 18 when I spoke in the House, we had an inflation rate of 10 per cent. It has now been reduced to a single digit. Now we are expecting to reach the magic figure of 6 per cent by the end of 1983. The amendment proposed today in the House is a way of telling Canadians not to worry. I am, of course, referring to retired Canadians who do not need the supplement. Do not worry. We are going to reduce your increase to 6 per cent. You thought you were going to get a bigger increase but it will only be 6 per cent. Next year, it will only be 5. However, all this is money in the bank. If the inflation rate continues to rise, at the end of the two years, in other words, in January 1985, you will get back the entire amount deducted during 1984 and 1983. All excess indexation is going to be put in the bank and when this ridiculous 6 and 5 plan is done and over with, you will get your money back. What on earth can they be thinking of? This is utterly absurd! First of all, it does not help anyone. The Hon. Member seems to be genuinely concerned about people on low incomes. However, this group is entirely protected under our legislation, because they will be getting full indexation of their pension and pension supplement. There are also those who are in the so-called grey area and are not particularly well off. What will do them the most good? They will benefit if inflation is brought under control, because it means the value of their dollars will be safeguarded. It also means they will get more for their dollar. Since inflation dropped this month to a little over 9 per cent, these people are going to lose only a little

over 3 per cent on next month's cheque. They will get a bigger cheque, but not as big as anticipated. However, we hope to give them—and I suppose Hon. Members are going to laugh if I use the word present, but I am going to use it anyway, for want of a better word—we think that by the end of 1983 and the end of 1984, we will be able to give them a rate of inflation that has been cut by one-half. That is what we expect to be able to offer. We think that in the long run, senior citizens stand to benefit most if inflation is kept as low as possible. That is the basic philosophy behind this Bill. We want inflation to be lower than it has been during the last few years. As I said earlier, an attempt was made to bring inflation down by controlling prices and wages in 1975, but that had just about the same effect as the Hon. Member's amendment would have. As soon as controls are lifted, there is a general scramble and the inflationary spiral starts again. That is what is wrong with the Hon. Member's amendment.

• (1620)

[*English*]

In his amendment the Hon. Member for Okanagan North says let us give them only 6 per cent and 5 per cent; all the pensioners do not need the supplement, but that is money put in the bank. We will give them that full amount back in 1985.

Mr. Dantzer: Mr. Speaker, in her speech the Hon. Minister misinterpreted my amendment. My amendment asks only that the supplements paid into GIS be transferred back into OAS, nothing more and nothing less. That will cost the Government no more money. The monies presently in GIS because of the supplements go back into OAS, and are then invested on that basis. So that all the monies being lost will not be replaced, just that amount.

Miss Bégin: With all due respect, I think the Hon. Member just contradicted himself. I started to say, and I regret I have to say it, that the amendment presented is very badly worded. What I have just expressed is the legal opinion that I received. In trying to correct me, the Hon. Member stated that it was not costing anything and then two minutes later said it was going to cost something but not too much. That is the whole point of the argument. That is why I oppose the amendment, because it would cost millions of dollars and would not bring inflation under control.

Mr. Hawkes: Mr. Speaker, occasionally on the floor of the House there are negotiations. If the wording could be amended to reflect the intent of the Hon. Member for Okanagan North (Mr. Dantzer), is the Minister indicating that with unanimous consent we could agree to such a wording change? Members of our Party would be happy to do it, and I am sure the NDP would as well. If that is what the Minister is implying, we accept that offer and I think you can get something like that from the NDP.

Miss Bégin: That is not what I said, Mr. Speaker. The Hon. Member for Calgary West (Mr. Hawkes) should know better, but I think he is playing politics once more, on the backs of seniors this time. The Hon. Member for Okanagan North has indicated clearly that this Bill will cost money. That is the very simple question I would put to him: Does this Bill cost money? The answer is yes, the Bill will cost millions of dollars. I have a figure of some $65 million which this Bill will cost. Even if it is less than that, it will still cost Canadians millions of dollars to tell seniors who do not need the supplement that after two years of a national campaign to bring down inflation to six and five, well, that was money in the bank; now take the inflationary money and spend it.

That is not the purpose of this Bill and not the purpose of this package of bills which affect as many Canadians as possible to make sure we cut in half the rate of inflation. Now, the Hon. Member may not be pleased with good news, but this morning for the first time in a long time we have single digit inflation.

Some Hon. Members: Hear, hear!

Miss Bégin: That is what counts. That is what we want, what the seniors want. I repeat, all seniors who have need of a supplement are fully protected and will receive full indexation of their pensions. That is what is important.

Mrs. Mitchell: Mr. Speaker, I wonder if the Minister would explain why, if inflation is down, this Bill is necessary?

Miss Bégin: I will answer at the end of my speech if there is time, Mr. Speaker. I will try to explain once more to the Member what I have said often in committee and in this House.

Again, the six and five rate of inflation, half of what we had six months ago, is exactly what we want to see happen. So we are not going to tell Canadians, "You know, do not worry, these crazy Liberals, they have in mind this idea to just put the money in the bank and we will give it to you a little later". We are not going to accept an amendment that does that.

This is not a game we are playing. It is a serious mobilization of all Canadians, including seniors who will not cheat on their responsibilities. During the four weeks of debate on this Bill in committee and in the House I heard unbelievable speeches from the Opposition, trying to make everyone cry for the seniors. Well, my job is to be the special voice of seniors. There are many voices in favor of seniors on this side of the House, of course, but the very special voice of seniors in Cabinet—

Mr. Dantzer: Then speak up.

Miss Bégin: I know seniors, I see them, discuss with them, meet their leaders and receive representations with one purpose in mind: improve their lot. That is the name of the game. What will improve their lot most of all? Bringing down inflation. That is the cost of the food they have to purchase every month, the things which affect their every-day life. They agree, if they are not in need, to be like any other Canadian part of the national battle to bring down inflation. We have signs that it is going to happen.

That, Mr. Speaker, gives me a chance to answer the Hon. Member for Vancouver East (Mrs. Mitchell) of the NDP, who asked a very cute but irresponsible question. She is not irresponsible herself; I suppose it is because she did not think enough about it. She said, well, if inflation is coming down, why implement our program? It is because we want it to continue; we want this to make sense to Canadians and have inflation go down to 6 per cent. I mean, it is extraordinary. We announced our policy, I think, on June 28 in the budget of the then Minister of Finance. That was six months ago. We have made every possible effort to bring down prices under federal regulation, salaries when we could, and benefits like those we are talking about today for those mothers or seniors who do not need any supplement, in order to bring inflation down to half what it is now. We are succeeding. But once more, the New Democratic Party does not live because of success; it lives because of failures. I do not understand that. I am very pleased when I wake up in the morning and hear the CBC tell me that for the first time in years inflation is no longer double-digit.

Mr. Riis: There is a depression in the country, and prices come down during a depression.

Miss Bégin: That proves that as a responsible Government we must implement this Act. We seem to be on the right track and we must continue. I think that is very important.

Now, it will be a pleasure for me to answer the question, if he still has one, of the Hon. Member for Kamloops-Shuswap (Mr. Riis).

Mr. Riis: Mr. Speaker, I appreciate the Hon. Minister providing this opportunity to clarify an issue she raised. She indicated she felt it was appropriate for senior citizens to be asked to share in the six and five program equitably with other Canadians. Again, that is a sacrifice that Canadians ought to be making in this war on inflation.

I would ask the Minister to explain from her perspective the fairness of a program which results in Cabinet Ministers and Members of Parliament receiving thousands and thousands of dollars by way of increases in their incomes as a result of the program, yet senior citizens are receiving only a few hundred dollars increase. Can she explain how she perceives this to be a fair and equitable program?

• (1630)

Miss Bégin: Mr. Speaker, I could try, but it is not easy with an NDP Member who uses rhetoric and ideology instead of facts. The Hon. Member mentioned the fact that in our society everybody does not get the same salary. Well, that is not my fault. If socialism is to give everyone the same salary, I am a socialist at heart but how is that done? I have never heard in my whole life someone give an explanation of that in a free country like ours; I just never heard of it.

I see the Hon. Member rising; surely he will have the courtesy to let me finish my explanation. He criticized the fact that Ministers make more than backbenchers in the Opposition. That is a fact of life. Doctors, engineers, architects and many professional workers make much more. For example, the NDP unionized the membership in the City of Hamilton and other large industrialized cities. They make much more than when I became a backbencher ten years ago. I am very pleased about that.

Everybody is capped. I have not made the exact calculation; I did not even know that I would be receiving a small increase in January. But I do know that the Members and Ministers of the House, as a pro rata of our salary, accepted a capping more than other Canadians because we started on July 1, six months before other Canadians. I think that is part of the game and I accept it fully. Beyond that point, if the Hon. Member is displeased because salaries are different in society, that is the kind of society we have and it is a free one.

Mr. Riis: Mr. Speaker, I know that the Hon. Minister has a few moments of her time remaining. Would she permit one further point?

Miss Bégin: A question, yes.

Mr. Riis: The Minister, in her response, was looking for a way to make the six and five program more equitable, to allow a greater amount of sacrifice of a more equitable nature. If a person were making $100,000 per year, would she not consider that that person might pay a higher percentage of the inflation-fighting program and someone making $10,000 per year might not be asked to make any sacrifice at all? In other words, there could be a scale and, depending upon one's level of income, one would then pay or be deindexed or whatever as a reflection of the difference in incomes.

Miss Bégin: This is exactly the intent of my Bills which are being studied in the House right now. We have used a device different from the one proposed by the Hon. Member. By the way, the Member made one omission; he forgot to speak of somebody who does the job, the income tax department. The income tax department, first of all, does some equalization, but of course it does not make the salary of everyone the same.

The philosophy of six and five applied to pensions and to Family Allowances—and I realize that today we are talking about the pensions Bill—is that we wanted all Canadians not in need to share in the struggle against inflation. For pensions we had the natural mechanism at our disposal, namely the supplement or the so-called GIS. That is why we made very clear that all seniors who receive the supplement, even partial supplements, are not being asked for any sacrifice and receive, of course, the full indexation which protects those most in need in society. That is the way we achieved the same objective.

[*Translation*]

Mr. Jim Hawkes (Calgary West): Mr. Speaker, Bill C-131 constitutes a direct attack on our 1.2 million senior citizens. Seldom has this House seen a piece of legislation as poorly conceived and makeshift and small-minded, and which could have such disastrous consequences, as the Bill we are considering this evening.

Mr. Speaker, this Bill is a clear indication that the Government has no sense of priorities and that it is totally incapable of managing the economy. In fact, the Bill should never have been introduced in the House. It is absolutely inconceivable that the Minister of National Health and Welfare (Miss Bégin) should introduce a Bill like this in the House. I wonder what she told the Minister of Finance (Mr. Lalonde) when this proposal was made. As far as this bill is concerned, Mr. Speaker, I think the Minister does not know where she is going.

[*English*]

Seldom in this Chamber have we had occasion in such a short period of time to stand and try to defend average Canadians who live at or near the poverty line. For anyone, a Minister of the Crown or a backbencher on the Liberal side, to believe that the Government has not at the very least attacked the senior citizens of the country in terms of their psychological comfort is to deny reality.

I was in Winnipeg some two weeks ago and appeared on a hotline radio show with the critic of the New Democratic Party. The subject was health, and the host kept trying to get questions from the listening audience on health. For two solid hours every person who phoned in did so because they were worried about their pension incomes. For the Minister to try to suggest to the House that pensioners are not concerned about their incomes and their standard of living is to mislead the House, because they are. Canadian families are upset about the Government's intention in relation to the Family Allowance; and senior citizens, those in our population who are 65 years of age and older, are concerned about the attack on their pension income.

We heard in committee several attempts by the Minister to reassure its members that the incomes of senior citizens were not being attacked. That is simply not so. When we listened to the parade of witnesses who came before the committee, we were struck by the quality of their testimony and by the concerns they presented. I remember one witness who said that every Canadian who was 15 or 20 years of age should be concerned about Bill C-131.

The Bill is flawed in many ways, but in one way it clearly affects future generations of Canadians. I am referring to the fact that in the Bill before us there is no provision to restore the base of the pension. Liberal Members opposite would like to rob pensioners for the next two years, but having robbed them they have no intention of restoring the base so that future pensioners will no longer be robbed. Instead we have a Bill placed before us which robs Canadians into the future as far as any of us can see, and it robs Canadians to whom we owe the greatest debt because they helped settle the country. Their labour, their initiative and their concern has made the nation what it is today. The people who built this Chamber in which we now debate brought their skills, energies and talents and worked their lives out on behalf of this country. I assume that most of them have now passed on. Many others who have done the same have now reached an age at which they are no longer members of the work force or of a bargaining unit of any kind. They no longer have the skills to offer, and in terms of income they are defenceless. Yet this Minister brings forward a Bill which says to those defenceless people: "We are going to rob you for the next two years and then we are going to rob succeeding generations for the next ten to fifty years down the road". That is the intent of this legislation, because the Bill which deals with taxation will be difficult to amend.

• (1640)

I commend the Hon. Member for Okanagan North for trying to correct this long-term robbery. That Hon. Member has moved an amendment which would restore the Old Age Security base so that once again on January 1, 1985, 50 pensioners would receive what they are entitled to today through full indexation. This would reduce the potential effect of inflation. Surely that is a reasonable amendment, one which Members on all sides of the House could support. It is not the kind of amendment that could bring down the Government.

We heard the Minister stand in the House and suggest that the amendment was badly worded, encouraging Liberal Members to vote against it. When we challenged the Minister to prepare a better worded amendment, indicating that if she did so we would give it our unanimous consent in order to restore the indexation base, she quickly backed down. That was one of the most disappointing things I have experienced in my three and a half years as a Member of this Chamber. If the Minister's problem was with wording but she accepts the principle of the amendment, surely she should at least attempt to seek unanimous approval for a newly worded amendment that would make the proposition acceptable to the Government. To do otherwise forces us to reach one inescapable conclusion; the game of politics is being played by the Minister of the Crown and not by Members of the Opposition.

I have stood before in this Chamber talking about the responsibilities of Government and Members in times of economic difficulty. That responsibility is more difficult to carry out in such times than in times of economic growth, development and surplus. Day after day, week after week, month after month and now year after year, we in this Chamber have been treated to a series of perverse choices, perverse in the sense of stubbornness and because the choices are exactly opposite to those that should be made.

Yesterday a Member of this Party pointed out that the Minister had indicated to the committee that this Government's spending priority was to purchase service stations to protect jobs. She said that was a greater priority than providing money in support of families, senior citizens and medical care. The Hon. Member for Bruce-Grey (Mr. Gurbin) rose on a point of order and put on the record that the Minister of National Health and Welfare (Miss Bégin) had made such a statement. She is reported in *Hansard* as having said that the Hon. Member was lying. The Minister withdrew that remark, but not graciously. She said that she stood by the truth of her statement.

Let me read into the record a few short paragraphs from what was said before the committee, and to facilitate cultural communication let me do so in my second language:

[*Translation*]

MR. HAWKES: That is correct. But you are a member of Cabinet. You give us as your excuse in here that there is no money, and I say there is lots of money, $70 billion, $80 billion is being spent. It is a question of priorities. I believe members of all sides of this committee would prefer to see money in the voluntary sector; prefer to see money in hospitals, rather than money into service stations—

MADAM BÉGIN: No. I am sorry. I will stop you right here.

MR. HAWKES: —and that I think is where the government is going wrong.

MADAM BÉGIN: Job protection for me is key and comes first, and that is job protection.

MR. HAWKES: Buying service stations is job protection?

MADAM BÉGIN: Yes. I am very sorry, but making sure that a company continues happens to be called job protection.

[*English*]

That is a quotation from the evidence before the Committee on Health, Welfare and Social Affairs on December 7. The Minister told the Committee that the Government's priority was to create or protect Canadian jobs. The comments relate to the use of a Crown corporation to purchase service stations at a cost of $650 million. I refer to the purchase by Petro-Canada of British Petroleum. The Minister indicated it was the Government's choice to purchase these existing service stations rather than provide more money for the support of families, senior citizens and medical care. She said the Government was doing this to protect jobs. Where is the evidence that jobs needed protection in the area of service stations? Where is the evidence that the purchase by Petro-Canada will, in fact, protect those jobs which were not threatened in the first place? Surely that is a distorted sense of priority.

Day after day during the Question Period we have heard the Minister of Finance say the Government is going to spend $1.8 billion on job creation. I suggest the Government could have spent this $650 million on job creation had it not purchased these service stations. The money could have been put into job-creation projects, used for pension increases or to increase Family Allowances. Instead the Government purchased these existing service stations at this time when we are experiencing a $24 billion deficit. Minister after Minister has stood in this Chamber and told us the Government does not have the money to do those things that are socially correct and just. This perversity of stubbornness boggles the mind.

A few days following that statement in committee by the Minister I handed out a sheet to all Hon. Members which indicated a hidden subsidy to Petro-Canada last year of $512 million. That hidden subsidy does not appear in the Main Estimates. That amount was given to this one Crown Corporation so its executives could fly first class and its employees could have plush offices with thick carpets and fancy new equipment. There are enough savings to be found from that one Crown Corporation to make this Bill unnecessary. The Government would not even have to consider cutting the pensions of senior Canadians because sufficient control of that Crown Corporation would provide enough savings to the Government.

• (1650)

The Auditor General has told us about several hundred other Crown corporations that are out of control. We can find specific and clear subsidy to those Crown corporations in the Main Estimates which amounts to approximately $2,000 million. Yet we are debating a piece of legislation that proposes to take a few dollars from the pensioners' pockets and make it harder for them to buy nutritious food or enjoy any kind of recreation. It is asking seniors to make the sacrifice and lead the fight. It is focusing its attention on making a saving which will amount to $100 million a year at the most. In the meantime, there are $2,000 million in subsidies to Crown corporations alone. The logic of the Government is perverse.

In terms of economics, the Minister is making a spirited defence about the need for pensioners to lead the fight on inflation and be soldiers in the war against inflation. She stood in her place some 20 minutes ago to say that inflation is at 9.8 per cent. While we are pleased to see inflation coming down, it is decreasing even before the six and five cap is being put on pensions and Family Allowances and other benefits. Inflation is coming down because there is a surplus of money which people are not borrowing. Jobs are not being created and people are not buying cars, furniture or homes. Consumer confidence has been destroyed. There is a surplus of goods which is causing inflation to come down. Since inflation is decreasing before the six and five, why do we need it? Why is it necessary to attack pensioners and families? The Minister's argument that this is a necessary element in the attack on inflation is destroyed by her own admission that inflation is coming down when none of these caps exist.

After we discuss this Bill today and tomorrow and then go home for Christmas, surely the delay before we return gives the Government an opportunity to reconsider these measures. It simply does not need to bring back the Bill before the House, and then we can proceed as we should with full indexation for pensions and Family Allowances for those people who live on or near the poverty line. These are the people all Members of Parliament should be concerned about. The solution to the majority of their problems is for the Government simply to do nothing and let the Bills die. It can make use of the energy of its backbenchers and its Cabinet Members to review the $2,000 million subsidy to Crown corporations, the hidden subsidy of $512 million to Petro-Canada that does not appear on the books and review the expenditure pattern of the Government. It will find large amounts of money which it can use to help the people in this country who need it and take that money from those who waste it and spend it unproductively.

I hope the Government and the backbenchers of the Government Party will reconsider its intentions during its caucus meeting tomorrow with respect to these Bills. The Government can find the money elsewhere; it does not need to take it from the pockets of pensioners and families.

Old Age Security Act (No. 2)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Blaker): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Hamilton-Wentworth (Mr. Scott)—Metric Conversion—Compulsory aspect of law on advertising. (b) Request that measurements be permitted in both imperial and metric systems; the Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen)—Income Tax—Review of tax assessments for Youth for Christ workers. (b) Attitude of tax officials; the Hon. Member for Erie (Mr. Fretz)—Status of negotiations on European Airbus project. (b) Reasons for selection of Airbus project.

GOVERNMENT ORDERS

[*English*]

OLD AGE SECURITY ACT (NO. 2)

MEASURE TO AMEND

The House resumed consideration of Bill C-131, to amend the Old Age Security Act (No. 2), as reported (without amendment) from the Standing Committee on Health, Welfare and Social Affairs; and the motion of Mr. Dantzer (p. 21795).

Mr. Robert Daudlin (Essex-Kent): Mr. Speaker, I want to join my colleagues for a few moments this afternoon and comment on the amendment and some of the presumptions about the particular Bill before us this afternoon.

Given the intervention by the Hon. Member for Calgary West (Mr. Hawkes), I thought it important to point out that there is no question that families and senior citizens across Canada are very anxious in terms of their pension and Family Allowances. If I can rely on what is relayed to me in my constituency office and in my mail, it seems to me that the paramount concern among the senior citizens of Canada is not Bill C-132 and C-131 but what inflation has done to their spending power and to the money which they have put away and receive from their pensions and GIS. Judging from the mail I have received, the prime concern among the retired in this country is that their Government take steps to ensure that their savings and pension incomes will be secure from the constant erosion month after month of their buying power through inflation. That spending, in their view, cannot be continually protected by increases or indexation; they want us to fight the battle against inflation on their behalf.

If there is a solidarity among the seniors of this nation, it would seem to me that that solidarity is to be found in their commitment to join with other Canadians and the Government in this fight. I do not find a willingness among pensioners in my riding, and I doubt that other Members find this in their ridings, somehow to exempt themselves from this fight. The Hon. Member for Calgary West tried to make the point a few moments ago that, since inflation is in a downward trend as announced today, these capping Bills have had no influence since they have not yet come into effect.

I suggest that a mentality and an environment to fight inflation was created from the very moment that the announcement to undertake a six and five program was made in this country. There was a commitment then, and a growing commitment now, that people want to join in this fight. They see the object of the fight as being worthy and worthwhile. They consider it reasonable to be asked as individuals to join in and do their share.

Quite frankly, if there is any group in my constituency who wants to do their share and more, while no one is asking for them to do more than their share through these Bills, it is the senior citizens. They have given and have shown that they know what it is to share both in the good times and the bad times. When they come to see me in my constituency, quite frankly many of them tell me: "Notwithstanding the difficulties that we have in terms of spending and the money that we have available to us, we find that, having gone through difficult times, the likes of which young people in this country have not yet seen, we are able to deal quite nicely with the money that we have coming in, with the money that we put away toward our retirement".

• (1700)

It seems to me that one of the presumptions that we hear in this House from much of what is said is that the seniors who Members purport to represent somehow believe that there is an obligation on the working people of this nation to look after them in their retirement. That does not represent the view of people in my riding. Quite frankly, I do not think it represents the view of seniors in most ridings. There is an understanding, I think, among the seniors that they are expected, as are we all, to put something away for themselves, in addition to the pensions that will be made available after their working lives are over.

It is true there will be some who will have more difficulties than others in so doing and it will be necessary to have targeted programs that will somehow benefit some more than others. But if there is the presumption behind what Members are saying in this debate and in other places that the only means of income is to be these pensions, and that Government has the obligation to look after all Canadians when they reach the magical age of 65 and from that point on, then I feel this does not reflect either the situation that exists or indeed the belief that senior citizens generally have.

I think the last two speakers from the Opposition who have gone before me basically seem to miss the point that six and five as a program, as an idea, has as a goal the reduction of inflation by Canadians generally sharing in the war against inflation, and in reducing expectations in order to achieve that

goal. The mere fact that there is already a movement downward in terms of the inflation rate indicates, in my view, an acceptance by the public generally of the concept, and indicates a support for the activity that the Government launched itself into when it first announced the program. Obviously the movement made in terms of our own salaries in this place was a part of that, and was a necessary part in the sense of showing that we were in earnest in requiring that this be done.

The Member for Calgary West now says the fact that the inflation rate is going down has nothing to do with the thrust of Government, but rather has to do with the lack of people seeking money out of the money markets. As an aside, I find it passing strange that when inflation was increasing it was the fault of Government, in the view of the Member for Calgary West, and had nothing to do with the demand for money and for credit. But when inflation is falling, of course it has nothing to do with what Government has done to try to promote this concept, but rather has to do with the private sector and its demand for money.

It seems to me that the basis of the speeches that have been given by the Opposition Members this afternoon is a presumption that in fact inflation will continue at double-digit figures, 10 per cent, 11 per cent or 12 per cent, and that it is in the interest of those who speak to see that inflation rate maintained. I believe that in their heart of hearts they know that the presumption behind this program is that if we can be successful—and I as a Liberal stand here optimistic that we will be—in getting the inflation rate down to six and five, then the fact is there is no loss, there is no erosion, there is no request that actual dollars be taken out of pocket of any individual, because they will be indexed at a rate that truly represents the rate of inflation, and no loss is suffered at all. It is in the interest of every person on this side of the House that those targets be achieved, not in a purely political sense—although I do not divorce myself from that. That would be nice, and of course it is something that I desire. But more than that, it is important that we get the rate of inflation down to six and five so that those persons who have savings of their own have savings that are meaningful. Those persons who looked after themselves by arranging private pensions, regardless of how small they may be, will be better off than if pensions had gone on beyond the six and gone to ten, and those other rates that we have experienced.

It seems to me that the legislation that we have is a statement of optimism in the sense that we believe that this nation wishes to achieve those goals and wants to get down to six and five. I believe the amendment that has been put is a statement of the pessimism that is represented on the other side of the House in the sense that they would not believe that six and five are achievable. Indeed, they would state that it is in their interest that it not be achieved. I think it is important as well—this was repeated by the Minister and I want to repeat it too, however briefly—that we are not talking about a reduction in the sense of the delivery of money to individuals. We are talking about establishing a cap on an increase. We are talking about increased funds in the hands of pensioners. We are not talking about somehow trying to take away funds. I become just a little bit concerned at the rhetoric that we throw about in this House and that I am sure must be delivered in constituencies abroad, suggesting somehow, as the Hon. Member for Calgary West did, that a robbery is taking place. Implicit in those words is the removal of money. When we are talking about an increase it is playing with the truth to suggest that somehow we are taking money away.

I am satisfied that my constituents want to participate in this program and believe that in fact—

Mrs. Mitchell: How dare you!

Mr. Daudlin: How dare I?

Mrs. Mitchell: Arrogance!

Mr. Daudlin: How arrogant. Well, when persons can sit in their place and suggest that it is arrogant to represent what people are indicating in my constituency, then I suggest to them that they are so out of touch that they had better return to their constituents and find out what they are saying, rather than presume to speak when they do not have any foundation wherewith to talk. But it is the kind of thing we expect from across the way, and I suppose I should not rise to the bait.

Let me just suggest that if indeed I am correct, and I believe that I am, people across this nation are not so selfish and self-centred as to believe that whenever a program comes forward to try, on a national basis, to come to grips with an issue, they are going to stand up and suggest that the program is good so long as it does not touch them. I am content that in my constituency and across the breadth of this land people are saying: "We wish to be involved. We recognize this as a national issue and we don't want to be exempted. We want to be treated fairly and equally and we will do our share."

It is from that deep sense of conviction and from having spoken with my constituents that I am satisfied that I am neither arrogant nor non-representative when I stand and tell the House that the majority of the people in my constituency are telling me: "Go forward with this program; it is working. Distribute it fairly and equally, see that in fact we get to the six and five, continue the reduction in inflation as reported today. We are satisfied that it is working. We want you to do more, dont't let up."

• (1710)

We should ensure that the legislation is passed and that in fact the targets which the people believe are achievable, and which we believe with them are achievable, are accomplished. In that sense we will benefit all Canadians.

Mr. Joe Reid (St. Catharines): Mr. Speaker, I am pleased and happy to be able to rise this afternoon to speak in favour of the amendment put forward by my colleague, the Hon. Member for Okanagan North (Mr. Dantzer). It is rather disturbing that I must rise again, on the twenty-first day of December, to speak with regard to a Bill which is not in the spirit of Christmas but, rather, one which takes away from a

segment of our populace something which they would have and could have if it were not for the application of this particular Bill. Someone has even used the terms "robbing" or "theft". The Bill, I suggest to Your Honour, is not in the spirit of Christmas, and the amendment which has been brought forward by my colleague is one which can only do the very least which can be expected for our senior citizens, a group of people which has been trampled upon by Bill C-131.

Put simply, the amendment asks the Government to put into words, into some form of substance, what it has been saying. If, as the Government Members claim, this Bill seeks only a two-year sacrifice on the part of our senior citizens, then let it cast that limitation in stone and not leave them in a position of doubt, or in any doubt whatsoever, as to the nature, time and extent of the sacrifice that it is asking this group whose working days are over to bear. No doubt they are being asked to bear a load which they should not be asked to bear when it comes to fighting inflation.

As is often the case, examples speak much louder than words or any other form of argument, and should this Bill pass without my colleague's amendment, senior citizens receiving the Old Age Security will be limited to a 6 per cent cost of living increase in the year 1983 and 5 per cent in 1984, regardless of what the inflation rate might be. In 1985 it has been said that full indexation will be restored. That is the issue which is before us this afternoon.

The Minister, in rather harsh words, has ridiculed the amendment brought forward by my colleague in our attempt to minimize the impact of this Bill on senior citizens. Today she pointed out, with some personal pride, that inflation is below 10 per cent. For whatever reason the inflation rate has been reduced to a single-digit rate, it is still more than the rate of six and five.

In response to the comments of the Hon. Member who spoke previously this afternoon, I want to say that, of course, senior citizens are not so selfish that they are not concerned with the affairs and problems of other Canadians. They want to share the fight against inflation with all of us, but they want all of us to fight that battle of inflation equally, and they should not be in the forefront of the Government fight against inflation. The point, which I emphasize again, is that the inflation rate is not yet down to 6 per cent, to say that they will not suffer any loss is an absolute absurdity.

The level of assistance which the Government is fixing for senior citizens is below the present level of inflation and below the level anticipated by any Hon. Member in the House for the next two years, so that there will be a cost to our senior citizens. It has been emphasized again, so many times, that costs among our senior citizens vary. The application of a flat percentage rate on income leaves a disparity in purchasing power which, as was mentioned here this afternoon, amounts to the difference between the Minister and myself as a backbencher. That 6 per cent rate has a bearing on my purchasing power. However, our concern and that of my colleague, the Hon. Member for Okanagan North, is with the great number of persons who are at or near the poverty line. It is this group of people whom we want to protect by means of this amendment.

This amendment seeks to put those seniors, in the year 1985, in the same position as they would be if this Bill were not implemented. If the Bill is implemented, then they will be hurt for years after 1985 by reason of the application of the six and five formula which Government Members so proudly echo and present to the public across the country. This amendment calls on the Government to restore the Old Age Security recipient to the position he would be in as of January, 1985 if the Bill does not go into effect. What could be more fair than that? We have asked the senior citizens to bear the sacrifice for two years, but the Government should at least put them back in the position, as of January, 1985, that they would be in without the Bill. In other words, the amendment would write "Paid" on the senior citizens' invoice, and would let those senior citizens carry on without the drag of the continuing, battered, damaged luggage of the Trudeau years through the rest of their years by reason of the Government's action here at Christmas time in 1982.

Surely the amendment is in keeping with the Government's intentions, as has been expressed by all. It is a two-year program, it is said. However, I have not heard one statement from any Government Member to the effect that senior citizens would not and should not go on hurting after that two-year period; and if I am wrong, I would like to know which Government Member believes that Old Age Security should be permanently reduced. We on this side would not want to leave the impression that the amendment would be the end of our opposition to the Bill.

I had the opportunity of speaking in opposition to the Bill at second reading and, after reading the minutes of the committee meetings which have taken place from that time until today, I am even more strongly opposed today than I was then. At second reading I made the point that the money being taken from senior citizens could and should come from a wholesale war on Government waste, and that point still stands. We have yet to see any meaningful program of effort on the part of Government to cut the frivolous advertising, the parties, the JetStar extravangances or the public relations exercises.

While the Government asks senior citizens to take six and five, all MPs received a large binder of high quality reproductions of very dusty old news or press releases issued on the six and five program, which binder itself has no greater use than to gather dust on the shelves of so many. And at what cost? It was at the cost of thousands of dollars which, much more readily and to a greater national benefit, could have gone on to protecting our senior citizens. Rather than imposing the Bill which is being proposed today, the Government should cease wasteful spending.

Last June, when the six and five program was announced, we on this side were hopeful, anticipating that the Government was serious in its attempt to fight inflation and bolster the economy. We thought that that restraint would be the order of

the day, that it was only the forerunner of many such programs still to come. However, how badly we were mistaken! We should have known better. The six and five program is nothing more than a slogan to sell the Liberal Party, with selected, specific segments of our economy being asked to carry the brunt of the Government's attack on its program of restraint. Bill C-131 is a heinous example.

• (1720)

Senior citizens are not organized in this country, at least not as well as they might be. They do not have a union to lobby and fight on their behalf. They are not going to get any tax compensation, as will be the case for the Family Allowance recipient. In other words, the Government has picked on one of the most defenceless segments of our society, and that, Mr. Speaker, is offensive to us on this side of the House.

I would like to indicate why I feel this Bill should be withdrawn, and if the Government refuses to withdraw the Bill why my colleague's amendment should pass and why it is so important that it should pass. It was learned in committee that the June forecasts about this measure were wrong. This is not the first time this Government has goofed, has been found to be wrong. We all remember the 1980 forecast of cheap gas and low interest rates, not to mention the great disparity in the budget deficit proposals and forecasts. This is just one more of this Government's goofs. Last June, and I emphasize this, the budget forecast a saving to the treasury of some $105 million by limiting the Old Age Security increase to six and five. Now the Government claims that the saving will be only $84 million. That is $32 million next year and $52 million in 1984.

This amount may not be much in the Government's program of expenditure, and if it is not much, then why do they want to introduce the Bill at all? But I want to emphasize with all the force at my command that $84 million, when broken down, has a great impact on the standard of living of senior citizens. It would only take our Party one hour to eliminate the waste from departmental spending and make up that $84 million. Where is the sense, Mr. Speaker, of putting senior citizens through this kind of misery when far more could be saved by practising a modicum of in-House restraint?

In committee the Minister of National Health and Welfare (Miss Bégin) argued that senior citizens would not be hurt and that the sacrifice which was being asked of them was small. We heard that said again today. I want to assure you, Mr. Speaker, that the jury is still out as to the amount of the sacrifice and how small the impact of this Bill will be on those persons. The point I want to make is there is fear, frustration and anger present among the senior citizens. These senior citizens continue to see their rents go up, food prices rise, gas and oil prices move upward, at the whim of a greedy Government and in response to its own scrambling to make ends meet. Our seniors among us see a Government imposing a six and five program on them for propaganda purposes. They see themselves not only as being abandoned, but abused for political purposes. As the saying goes, "It's not just the money".

What kind of Government is it that would want to leave the impression, as they do with this Bill, that senior citizens can fend for themselves in these difficult times? The Government and the Minister of National Health and Welfare can talk all they want, but what will be the perception which this Bill will leave across our country? Eighty-four million dollars is a paltry sum, yes, to the Government; but compare that to the toll it will take on our senior citizens.

There is another important aspect of this amendment. With an aging population, the federal Government has to be concerned with pensions. Two weeks ago we saw the introduction of the green paper on pension reform, which is an indication that some action is being taken to begin the difficult task of meeting the needs of people in crisis. And fundamental to any pension program is its protection against the ravages of inflation. At second reading, I quoted the Prime Minister (Mr. Trudeau) as being aghast at any thought that any pension program should not have an inflation program included, and this was part of his statement to the pension conference a very short number of years ago. In committee, witness after witness made the same point, expressing some concern at the message that this would give to the private sector. And after all that was said, here is the federal Government throwing indexation out of the window unilaterally, as in the case of Bill C-133, and giving the lie to every utterance which has been made on pension and pension reform and the necessity for protection against inflation. If it is all right for the Government to adjust pensions mid-stream, then why not the private sector? The Government's response to that is yes, these are extraordinary times and this Bill is of limited duration. I must say, Mr. Speaker, that the private sector might be tempted to use that very same argument. There is every incentive here for them to do so. If the Government can do it, why cannot they?

Contrary to what Government Members are saying, the effect of this Bill is to reduce Old Age Security in perpetuity if they do not adopt the amendment put forward. No one knows for certain just how much they might be asked to bear. We do not know what the rates of inflation are going to be in the future, but we all know that senior citizens will be suffering the brunt of this restraint program today and in the next two years, and unless we adjust this Bill they will continue to suffer the disadvantage of these two years.

Therefore, there is only one way to guarantee that the sacrifice is for two years only. There is only one way to guarantee that neither the public nor the private sector will change the rules mid-stream, and that is to adopt the amendment put forward. The message to the private sector should be clear, and it is that this Bill is part of an over-all response to an economic crisis, that after the duration of that response these pensioners will be returned to the status they would have enjoyed in 1985 if it were not for the implementation of this Bill. With this amendment in place, there would be no long-term advantage to cutting pensions, and it would go a long way towards soothing the legitimate concerns of senior citizens. It would demonstrate a modicum of good faith at a time when there is very little faith in this Government's program of words and actions.

Before I conclude, Mr. Speaker, I would be remiss if I did not voice my objection to the concern and anxiety being shown by this Government to find an acceptable accommodation with Public Service pensioners, when no such concern is present for those citizens being hit by this particular Bill. I recognize that there are difficulties, there are technicalities, which permit such a distinction to be made; but surely the principle is the same. Public servants are paying into a superannuation account on the understanding that their pensions will be fully indexed, and taxpayers are remitting tax in the belief that Old Age Security would be fully indexed. In both instances it was the Government of Canada which indicated that such would be the case. I defy any Government Member to go out and tell any old age pensioner that there is a distinction they should be prepared to accept between themselves and a federal public servant now on pension. Why should they? How can we justify treating old age pensioners differently because one worked for the federal Government, and one did not? Yet here are two Bills which seek to break promises made, one Bill receiving the benefit of brinkmanship negotiations, and the other being raced through Parliament these few days before Christmas, and without any effort being made by the Government to act in good faith with respect to old age security recipients. We on this side believe that all pensioners have protection against the ravages of inflation, and therefore we argue that both C-131 and C-133 should be withdrawn.

• (1730)

The amendment, Mr. Speaker, is one of the bright aspects of this whole debate. The Bill is mean and underhanded, and if the Government is sincere about being honest with Old Age Security recipients, then it should adopt that amendment, and I am looking forward to the vote which might be taken on it.

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, in rising to speak in opposition to the Bill before us and to make some comments, although very brief, on the amendment, I would just like, first of all, to comment on the words of the last speaker, the Hon. Member for St. Catharines (Mr. Reid), when he said it was unfortunate that these pensioners do not have a union to represent them. While that is true in the narrow legal sense of certification, representation and right to collective bargaining, pensioners across the country should know now, as they should have for years, that a number of unions in the country and the Canadian Labour Congress strongly support the cause of Canada's pensioners. Not only do they have unions defending their interests. Prior to 1926 and 1927, when the first minimal old age pension was introduced by two independent labour Members of Parliament, J. S. Woodsworth, and I believe it was Mr. Heaps, they were able to strike a bargain with the then Prime Minister, William Lyon Mackenzie King. They agreed to support the Government in return for the first old age pension legislation in Canada. So pensioners have had not only hundreds of individual unions and central labour bodies supporting them, but they have also had the full and continuous support of at least one political party. Pensioners have also had support from the Advisory Council on the Status of Women. I would like to read one very brief paragraph from that organization's submission as regards this Bill and the Bill dealing with the partial deindexation of Family Allowances. It says:

> In both these cases, family allowances and old age pensions, the scenario is the same. On one hand, reductions are made in the real value of benefits of a universal nature which have been advantageous mainly to women and, on the other hand, payments are made to those who belong to low-income families. The CACSW fears that through such measures, a gradual transformation of our income security system is sought in order to force adults to become increasingly dependent on each other within the family and to become eligible for benefits from government income security programs only if they prove they belong to a low-income family.

Now, Mr. Speaker, there is nothing wrong with attempting to strengthen the family, but there is something terribly wrong in forcing people into situations that they might not otherwise choose to be in. This Government, Mr. Speaker, in one way or another, is now attempting to force people off a secure and independent means of living and back into a situation which they would not individually and freely choose.

I mentioned that pensioners have the full support of the Canadian Labour Congress. I have before me a letter from Dennis McDermott, president of the CLC, which presents in great detail the arguments of that Congress and working people all over the country on behalf of our senior citizens. I would like to quote from it briefly. It reads:

> At first blush, the effects of Bill C-131 are quite straightforward. Canadians over 65 whose incomes are high enough that they are not entitled to full or partial benefits under the Guaranteed Income Supplement program will simply be denied the full indexing of OAS benefits. Canadians over 65 whose incomes are low enough that they are entitled to at least some GIS benefits will also have their OAS indexing capped. But for this latter group, supplemental GIS payments will be made that will make up for the capping of the indexing payments under OAS.
>
> These apparently simple arrangements will have several particularly negative effects during 1983 and 1984, and these negative effects may be further accentuated after 1984. In brief these negative effects are:
>
> (1) the pension system as a whole will become even more of an income-tested system;
>
> (2) the value of Old Age Security benefits will be reduced even further in relation to pre-retirement earnings;
>
> (3) promises made to Canada's elderly will be broken.

I would like to dwell on the last sentence of that letter for just a moment, the matter of broken promises to Canada's elderly. In a brief presented to the committee dealing with Bill C-133, the Letter Carriers Union of Canada had something else to say about the trust in the Government. I think this is particularly important in light of the Government's apparent launching of an over-all review of Canada's entire pension system. If people do not have any faith in the ability of the Government to keep its word, what is the sense of all the talk, dollars, time and thousands of pages of printed matter? What is the sense of discussions concerning whether or not the pension system in the future will be believable or whether people can count on it for the security they require from any pension system?

• (1740)

The Letter Carriers' Union of Canada presented a brief to the Committee dealing with Bill C-133 in which it indicated:

According to past custom, it has been the invariable practice of former Presidents of the Treasury Board to consult the Advisory Committee on all matters affecting public service pensions. On this occasion, the President has not done so—

This comment referred to the time when the Public Service superannuation fund was launched, at which point the Government asked that it be excluded from collective bargaining and, in return, the Government of the day promised to make no unilateral changes to the pension plan. It broke that word. It regarded that commitment as a scrap of paper. It was torn up. Later in the brief the union continued:

If the government proceeds with the unilateral appropriation of funds from its former employees and those who are soon to retire, the terms "pension rights", "pension credits" and "entitlements" will cease to have any meaning whatsoever. The raid by the Treasury Board, Canada's largest employer, on the pension fund of its employees provides a truly frightening example for the private sector.

Also it provides a terrible example for the rest of the public sector and for people dependent upon the basic Old Age Security Program and the Canada Pension Plan. Over the past few years all of us have heard grave doubts voiced about the viability of the Canada Pension Plan and its ability to provide the pensions which the Government, Parliament and Canada as a country are committed to providing. If the Government demonstrates once more that its word cannot be believed, where will it leave us?

The Minister talked about the psychological impact of her programs. There is a psychological impact here—total destruction of faith on the part of any Canadian who wants to believe that when his or her representative in Parliament or in Government makes a commitment for the future, in fact it will be kept. They cannot believe that any longer. We have had many examples in Bills C-124, C-131, C-132 and C-133 of a Government which breaches contracts, commitments and its word. I cannot call such activity by its proper name here, but I believe people know what it is. It is not very pleasant.

Finally in its brief the union indicated:

If the Government succeeds in raiding the employee pension fund, how long will it be before it uses the same tactic again?

It concluded:

The Government proposal indicates that Canada is a very bad credit risk.

That is another reputation which we do not really need, particularly at this moment in our history.

I referred to those comments even though some of them were outside the narrow scope of the legislation immediately before us in order to talk about the crisis, the problems and the psychological war, the one the Minister does not intend but which is being waged here.

I should like to refer to an editorial which appeared in *The Vancouver Sun* on December 17, 1982, entitled, "Question of integrity". It referred to upcoming revisions in the Canada Pension Plan and in part read:

It could be argued that the integrity of the Canada Pension Plan was endangered from the time of its inception in 1966—from the moment the federal government compromised the ideal of pay-as-you-go and made it possible for provinces to borrow an amount proportional to the contributions paid by their residents.

But that wouldn't get us out of the crisis we're in today, with every province in debt—and indebted to the CPP for something like $22.4 billion in loans—or protect us from the crunch expected within two years when, without any payback by the provinces, employers and employees will be looking at higher contributions.

Once again the warning is clear. The Government has been in power for almost the entire period, except for that nine-month interlude, encompassing the building of the Canada Pension Plan and all the years since then. It has so mismanaged the affairs of the country that just one or two years down the road we may well face a time when we will have to tax people double in order for them to receive the benefits for which the Government has told them they have already paid.

Is what the Minister and the Government doing today just part of the so-called psychological war? Is it just a wish to find another sword in the arsenal for the six and five war against inflation, or is it a set-up for something broader? I am sure the Minister will say that we have to believe her. Many people believed her and the Government, and it is not doing them much good right now. The Government seems obsessed with this war against inflation and with talking about restraint. Conservative, New Democratic and Liberal Members have said that there is nothing wrong with restraint. We believe in restraint; we also believe in freedom. When the Government sets a goal around which society can unite and it invites people to participate, that is one thing; but when they are conscripted into an army to become involved in a Dieppe raid as part of its so-called war against inflation, that is another story. It is conscription; it is not asking people to join voluntarily in a united national cause. For them to pretend that some people do not like compulsion or Governments which break their words is pretty phony from that bunch over there.

I should like to refer to an article entitled, "They still worry about inflation?" which appeared in the December 7, 1982 edition of *The Gazette* of Montreal. Don McGillivray, the columnist, wrote the article from which I should like to quote four paragraphs because it carried a message about the war against inflation and how it perverted much of what has happened in the country. He wrote:

It will seem grotesque, a few years from now, that in the eighteenth month of the 1980s depression some people were still arguing that the main foe was inflation.

It will seem even more grotesque that these people were not a collection of economic flakes and nuts but ministers of finance and governors of central banks.

We know what has happened to the unemployment figures in the last few months. He continued:

A worldwide economic slump that has continued for a year and a half without an end in sight is the kind of crisis Canada faced in the 1930s.

Although Gerald Bouey, the governor of the Bank of Canada, talks about past years as the time of the Great Inflation, this crisis far outranks anything Canada has faced in the past decade.

Inflation was a puzzle that defied solution.

But it was not destroying jobs, homes, companies, industries and even countries the way this depression is.

I want to reinforce that paragraph and Mr. McGillivray's message. As long as people within society—pensioners, mothers, families, workers and small business people—were keeping

their relative positions to each other, not suffering unduly and seeing themselves fall lower on the totem poll of society, as long as the purchasing power of Canadians was keeping its relative position in terms of the economies of other countries—and that is what indexing was all about in terms of its impact upon people keeping their relative positions in society—then who really gave a damn? Certainly there was a concern because it could get out of line, but as long as we were able to keep that relative position, no one was really being hurt. If Government had done its job a little better, no one would have been hurt.

• (1750)

To go on:

But the menace of depression is much more real. We don't have to go to other countries for examples. We've had depressions in Canada at least four times in our history.

If unemployment near 2 million after an 18-month downturn is not enough to get the Government to fight the slump on an emergency basis, what will it take?

Three million unemployed?

Two years of depression?

Four million in three years?

The excuse that Canada can do little on its own is no longer good enough.

The depression is a common foe and it should be fought unitedly by the industrial countries.

But Canada should both be doing more to fight it at home and be urging other countries to unite against it.

The depression is now gathering momentum as rising unemployment undermines consumer demand.

It's being fought—like the U.S. fought the war in Vietnam—with an attitude of "business as usual".

And if we think that's good enough, we should remember how the Vietnam war turned out.

I see my time is expiring, Mr. Speaker. I would end by saying that, while my colleagues and I have had a quick look at it, I am sure we will be supporting the Conservative amendment in this case and opposing, of course, Bill C-131. We really wish and I want to address this last comment to the Conservative Party to my right—that they would turn out to vote on this occasion. On the last two votes we had on this Bill it was more as if we were discussing the original six and five program they supported, because in each case the Government was sustained by fewer Members than the number of Conservatives who were absent from the House, and that was on both occasions, on December 10 on the six-months hoist and on second reading of the Bill itself. I hope they will show up and I hope they will keep that commitment because that may lend some credibility to those thousands of Canadians who wondered how the Conservatives could support the six and five legislation in Bill C-124 in the beginning and then disclaim responsibility for its offspring. We hope they will show up, we hope they will be united and we hope, finally, that some of the Members on the Government side will look to their consciences and decide to preserve what little credibility that Government has retained by voting to help us defeat this legislation.

[*Translation*]

Mr. Herb Breau (Gloucester): Mr. Speaker, I am pleased to take part in the debate on this amendment which is just another way of saying that members opposite are in favour of the six and five program. But, of course, those who do support the amendment fail to say whether they will vote for Bill C-131 after we have disposed of the amendments at the report stage. In fact, they are saying that they are more or less in agreement, but that in 1985 they will go back to the basic old age pension of 1984 as if the six and five program had never existed. In other words, members opposite are playing games again by saying that they are in favour of the principle, but that Government spending must come down. They accept the principle, but they have said on many occasions that Canadians must lower their salary demands. They agree that Bill C-131 will not restrict or limit the indexation for all old age pensioners, but only that it will limit to 6 per cent the indexation of basic old age security pensions without affecting in any way those who get the supplement. They will continue to benefit from full indexation and they will also get an increase to offset their loss due to the capping of the indexation of their basic pension.

Mr. Speaker, I took part in the debates on other bills related to the six and five program and I pointed out that some opposition members are less than honest when they keep saying that we must have budget cutbacks, lower incomes for Canadians and less Government spending but, the moment we mention a specific item which will indeed affect Canadians, they claim they are against it. I would suggest that they are being dishonest when they take that approach, because one is either in favour of or against Government cutbacks. How can they possibly advocate less Government spending without at the same time cutting down some of the programs designed for individual Canadians? For years, this was the position of the Progressive Conservative Party. The Conservatives always said: The federal budget is too high; Government spending must come down. We now have Bill C-131 which limits very reasonably Government spending and has no impact whatsoever on those who depend on the supplement, but the Opposition, especially the Progressive Conservative Party, now says: A restrictive policy is required, a Conservative policy designed to restrict expenditures and incomes in Canada, but no one should be affected. It is somewhat like people who say: I want to go to heaven, but I do not want to die. Of course, the New Democrats do not say that. They say that no program or income should ever be capped in Canada. They probably do not understand that inflationary trends in a modern society such as ours are partly due to psychological factors.

Like all other government levels, the federal Government is an important factor in the incomes of Canadians because of the statutory programs which provide certain benefits for certain people under specific conditions, but governments are

also an important factor because of their own spending. Increased Government spending stimulates the economy and means more income. Less spending means less income somewhere in our society. Government action is therefore an important psychological factor in the economy, and this is the reason for the six and five program, Mr. Speaker. This does not mean that those who support this Bill are determined to take away something from somebody; it means simply that the Government of Canada will provide leadership to the country because it recognizes that it plays an important psychological role and wants to convince Canadians that it is possible to reduce inflation at least to six per cent in 1983 and five per cent in 1984. We are convinced that this is possible, and because we are, we are willing to take a risk and ask those who receive certain social benefits to make sacrifices without affecting the poor, since Bill C-131 will have no effect on those who receive the supplement. We are therefore saying that, without affecting the poor who really need assistance, increases will be capped at six per cent.

Mr. Speaker, may I call it is six o'clock and ask you to recognize me again at eight o'clock?

The Acting Speaker (Mr. Blaker): It being six o'clock, I do now leave the Chair until eight o'clock this evening.

At 6 p.m. the House took recess.

AFTER RECESS

The House resumed at 8.05 p.m.

[*English*]

The Acting Speaker (Mr. Blaker): When the House rose at six o'clock, the Hon. Member for Gloucester (Mr. Breau) had the floor.

[*Translation*]

Mr. Breau: Mr. Speaker, as I was saying when the House took recess at 6 o'clock, it is basically dishonest for a political party to always advocate budgetary cutbacks and less Government spending and to oppose legislation which has a specific impact on a special group because this Party believes that, by so doing, it can score political points.

[*English*]

It is very important that the recipients of Old Age Security realize that all we are doing with this Bill is to indicate that indexation will be limited to 6 pe cent and 5 per cent in the next two years. There is no cutback on Old Age Security. There will be an increase of 6 per cent on January 1 and 5 per cent the year after.

Not only will those whom the legislation has described as being in need, which means those who receive the Guaranteed Income Supplement, receive the full indexation, they will also be compensated for the fact that the indexation will be reduced to 6 per cent. Therefore, it is very important that the recipients of Old Age Security realize this.

I indicated earlier that it was not totally honest for the Members of the Conservative Party to attack any specific measure that is designed to restrict public expenditures or restrict income to Canadians when it is specifically before the House. But then, all I have heard for years from the Progressive Conservative Party is that there should be less Government spending and less social spending. They say we should balance the budget and reduce expenditures in Canada but as soon as you bring a specific measure, they cry wolf. They say, my God, this is going to affect these people, those people and the other ones.

• (2010)

We cannot have a restrictive fiscal policy, if we want to be honest, that is not going to affect anyone. Of course it is going to affect people. What they are trying to do is to say we are for the principle of six and five per cent because that has an element of restriction of public expenditure and also of income. They say we are for that principle but when it is specifically going to affect anyone, we are against it.

I understand that position. If I were in the Opposition maybe I would see some advantage in doing that also. My purpose in speaking this evening is to assure those who receive Old Age Security that what they hear in these debates, that the Government is cutting back on Old age Security, is not true. They alluded, in the debate on Bill C-132 and the debate on Bill C-131, to the fact that there are so many people living at the poverty line, and the Government is going to take something away from people living at the poverty line, but in fact nothing at all will be taken away from people who live at the poverty line with any of the measures arising out of the six and five program. Absolutely nothing will be taken away from poor families by Bill C-132, or from retired people who rely only on old age pensions, if they receive the supplement. Nothing will be taken away from them and they will continue to be fully indexed. It is important that they see the difference between this and what the Official Opposition sees as a way to gain political points.

I do not speak of the NDP, because that Party's position has been well known. It is that Governments should never do anything about inflation, should never take anything away from anybody, should always give more. I do not object to that position, philisophically or intellectually, because sometimes I think Governments should do even more than what the NDP proposes, but it is important for the Canadian public and for those who are recipients of Old Age Security to see the politics in their position. The NDP has always been consistent in saying that we should spend more, we should do more, regardless of what the income to the Government is going to be, we should go into an unlimited deficit. Well, the Canadian public knows better and they know that the Government has to be responsible.

Even the members of the labour unions whose leaders support the NDP—obviously not all the members support the

NDP—are for the six and five program. Their labour leaders have tried since last summer to arouse public opinion, to start demonstrations against the federal Government's wage limitation package of last summer and against these specific measures, and they have not been able to. So even those people realize that in this time of high inflation it is important for the Government to bring in factors that will affect the psychology of the nation, and this is what the Government is doing. It is saying that because the Government spends a lot in the economy there is a need to restrict the increases in some pensions, to loosen up some resources of the Government, in order to divert them to job creation programs and economic development programs. In fact what we are asking Canadians to do is that we all together share in an action, a program of helping those who do not have any protection and helping those who are losing their jobs, who are exhausting their UIC benefits and who have to go on welfare. We are asking all Canadians to restrict themselves to an increase of 6 per cent and 5 per cent, not accept a cutback, so that the Government can try to help those who cannot help themselves.

While the Opposition may speak about the recipients of these pensions being aroused, I speak to many of them when I am in my constituency. These people understand that the Government must act to bring some discipline in the economy, to show leadership, and this is what the Government is doing, it is showing leadership.

Of course we cannot ask the NDP to show leadership; that would be asking too much of the NDP to show leadership in anything. They do not believe that a Government has to make some tough decisions, some tough choices or the Government has to choose amongst difficult options. Whenever the NDP has had a few months to make decisions, to choose between options, they have shown that they could not last more than a few months. That is what happened in the minority Parliament from 1972 to 1974. They supported the Government in confidence motions until it was impossible for them to live with the responsibility of making decisions. At one point, they could not accept that responsibility, so we cannot ask them to be responsible on this measure.

The Official Opposition tried to be on both sides of this issue. They say they are for the six and five program but that it should not affect anyone. They say they are for the six and five program, but in this amendment they say they are for it for the first year; they do not know about the second year, and for the third year they do not want a six and five program.

There is a need for the Government to have a coherent message, to be clear in what it does, and I believe it has a duty to the Canadian public, the Canadian electorate, the Canadian taxpayer, to say nothing but the truth.

What we have to signal clearly in this fight against inflation is that the Government is determined that inflation will be brought down to 6 per cent in 1983 and 5 per cent in 1984. And we are getting there. The inflation figures for the last three months and for the last six months show that we are very close to the 6 per cent world. We need to continue on this crusade, this national program, because inflation is partly made up of psychology, and the inflationary push has a psychological factor in it. For that reason it is imporetant for the Government of Canada and all the provincial Governments—

Mr. Fulton: To rip off the elderly.

Mr. Breau: —to say that we should restrict the increases in our income to 6 per cent and 5 per cent.

Somebody over there is saying "to rip off the elderly". That is a very irresponsible statement to make because we are saying there will be an increase on January 1 of 6 per cent to the basic old age pension. Those who are in need will continue to have the full indexation through the GIS, and they will be compensated for the limitation in indexation to the Old Age Security. How can that be called a rip-off, unless one only wants to make political statements to score political points? I do not think that Members of Parliament who are responsible should try to score political points on the backs of pensioners, on the backs of people who are retired. Hon. Members opposite should try to gain their political Brownie points with some other issue than by trying to play with the fears and emotions of people who are retired and those who live on old age pensions. They should be telling them that all we are doing is asking those who are not recipients of the Guaranteed Income Supplement, therefore those who are not, as defined by the legislation, "in need", to make a sacrifice and to accept an increase of 6 per cent instead of the full indexation which would be between 10 per cent and 11 per cent on January 1. Those are the facts. I believe that the matter is important, and that is why I wanted to speak—

• (2020)

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

Mr. Breau: —to say to these people—

The Acting Speaker (Mr. Blaker): The Hon. Member for Kootenay West (Mr. Kristiansen) rises on a point of order.

Mr. Kristiansen: Mr. Speaker, I wonder if the Hon. Member would permit a question either now or at the conclusion of his remarks.

Mr. Breau: Yes, I am just about to conclude my remarks, and I will gladly accept a question after I conclude them.

I think it is important to tell the Canadian public the facts on this issue. What we are trying to do here is to apply some psychology to the nation by showing leadership, by showing we are determined to bring down inflation—

An Hon. Member: Brainwashing!

Mr. Breau: —in the 6 per cent and 5 per cent world. We also want to try to loosen up some fiscal resources of the Government of Canada to help those who are unemployed and those sectors of the economy that need assistance.

The Acting Speaker (Mr. Blaker): The Hon. Member for Kootenay West rises on a point of order.

Mr. Kristiansen: Mr. Speaker, the Hon. Member was referring to the Government's attempt to motivate the country. Why is it that when the national government wants to motivate people toward its goal, it does so by penalizing the relatively poor in society by means of Bills C-124, C-131, C-132 and C-133, but when it wants to motivate the relatively richer parts of society, ed2045;-1 it provides incentives, grants and rewards? Why is there a double standard?

Mr. Breau: Mr. Speaker, if I am permitted to answer, I think that the Hon. Member is grossly misleading the Canadian public by suggesting that—

Mr. Nielsen: Oh, oh!

Mr. Breau: —by these measures, we are hurting the poor more than anyone else, when there is no more divisive a factor in society than inflation. The most divisive factor—

An Hon. Member: In Canada, it is the Liberal Party.

Mr. Breau: The most divisive factor in a society, the one which pits the rich against the poor, weak groups against stronger groups, is inflation. What the Government is trying to do is to show leadership to convince Canadians to bring down the inflation rate to 6 per cent and 5 per cent. There is nothing which is more damaging to the poor than an inflation rate of 10 per cent, 11 per cent, 12 per cent or 13 per cent.

Concerning the measure that we are taking, the Hon. Member is grossly wrong when he says that we are hurting the poor more than the rich, because in all of the legislation which has been brought forward in Bills C-131 and C-132, we do protect the poor. Only those who are not in need will be limited to an indexation factor of 6 per cent. Therefore, the Hon. Member is grossly wrong when he suggests that these measures are hurting the poor more than the rich.

Mr. Gordon Taylor (Bow River): Mr. Speaker, when I listened to the Hon. Member who spoke from the other side of the House, I came to the conclusion that the diagnosis of the condition of Canada is reasonably correct, but the cure which is being recommended is, in my view, only very partially correct. Canada is ill, or one might say that Canada is sick.

Mr. Schroder: The prognosis is good!

Mr. Taylor: The very bad diseases of Canada today are inflation and unemployment.

An Hon. Member: And the Liberals!

Mr. Taylor: And they are serious problems for the body politic called Canada. Tonight, I want to deal with some matters. I will not deal with the diagnosis, because I think we all agree that we have a sick country, with over 1 million people unemployed and with inflation far higher than it should be.

Mr. Schroder: It is going down!

Mr. Taylor: We must check what the Government is doing, because it is the Government's responsibility to deal with these particular problems. In the first place, inflation is an increase in the quantity of money and credit. The money supply and the credit supply are increased in relation to the available goods and services. One definition is "too many dollars chasing too few goods". I am not sure that that is entirely applicable today. Certainly, there is an increase in the quantity of money and credit in relation to the available goods and services. In other words, there is too much money in the country. As a result, the prices soar. The market will bear more, so prices rise. I will not state it so simply that it sounds as though one pushes a button and solves the problem. I realize the seriousness of the problem, but I think that unless we get right down to the fundamentals and understand what we are trying to do, we are not likely to find a solution which will be workable.

One cause of inflation and, consequently, high unemployment, is unbalanced budgets. It does not happen overnight, but Governments which go on spending more than they have, not having the courage or desire to increase their revenue in order to have the money to spend, create a condition which helps to make the country ill. That is exactly one of the things which has been going on. Since the advent of the present Prime Minister (Mr. Trudeau), we have almost ceased hearing about balanced budgets. However, each year the expenditures continue to rise, without the money to pay for them. Therefore, it is no wonder that we finally came to the place where the country could not stand that type of thing. The Government was aggravating the illness, making no attempt to try to clear it at all by raising the revenues which could have been raised in those better years.

If there is no increase in wages for our workers, and producers push up the prices, what happens? Producers simply sell less because the workers are unable to buy goods without increased wages. In that type of situation, there is a reduced output. When there are fewer goods and fewer people are buying, more workmen are put out of work as they are not required.

When we start to point our fingers at the cause, let us not point them at the workers of this country who have been trying to make both ends meet. In my view, it is completely unfair to say that the workers are the cause of inflation. They are affected as a result of inflation. They must have enough to eat, and either they receive increases in their wages, or else they go without many of the things that they would otherwise buy. If they go without, that means there are fewer and fewer demands and more and more people being put out of work. Nor can one blame the producers or the sellers. One cannot point one's finger at the producers, farmers and miners who create wealth in this country and say that they are the cause of inflation. They have been producing. One way of fighting inflation is to increase productivity.

There are two commonly known methods of dealing with inflation. One is to draw off the surplus money through taxes or through the method the Government is using with regard to

Bills C-131, C-132 and C-133. This is an indirect form of taxation. It is trying to draw the money off because the Government has come to the conclusion there is too much money, but I say the cure is wrong because the money is being drawn from the wrong places. Certainly, if there is too much money out there and the price of goods is soaring, then there is a way of taking that money out of circulation, but not from the poor, not from those who are already suffering, but from those who can well afford to pay part of this cost. The other method, and the one which I prefer, is to increase production. This Government has done everything but try to increase production in this country. It has kicked free enterprise in the face right and left. It has made it difficult to invest money, or even to make any kind of profit out of an investment. More and more businesses fail. They go down the tube. Therefore, more and more people are thrown out of work because the employer does not have the money to pay them. We can increase production or—

• (2030)

The Acting Speaker (Mr. Blaker): Order please. The Hon. Parliamentary Secretary to the Minister of National Health and Welfare (Mr. Schroder) rises on a point of order.

Mr. Schroder: I have been listening very carefully to the Hon. Member's speech and I fail to see much relevance in it to the amendment which was proposed by the Opposition.

Mr. Taylor: Mr. Speaker, that is exactly the trouble with this Government. They do not know what they are trying to fight. Surely it is inflation they are trying to fight. If the Hon. Parliamentary Secretary knew what he was trying to fight maybe he would not have helped bring in these three Bills of which he is so proud.

The Government is not attacking the problem. Every one of its speakers over there says inflation is a problem, but unemployment is also a problem. They forget about that, and it is a worse problem than inflation, or just as bad. The Government is not facing up to the issues. It is trying to solve inflation, and the only solution it advances is six and five.

The Acting Speaker (Mr. Blaker): The Hon. Parliamentary Secretary rises on a point of order.

Mr. Schroder: Inflation is the very thing which this program of six and five is attempting to fight, Mr. Speaker.

Mr. Taylor: Mr. Speaker, if the Hon. Parliamentary Secretary would find out what a point of order is, I would not mind so much his constant interruptions. If he would just listen for a while, he might just accidentally learn something.

There are two methods of dealing with inflation which I would like to pound into the heads of the Hon. Members opposite. I think maybe what we should try to do is to cross a pigeon with a woodpecker so the message would not only get over there, but it could be pounded into their heads after it gets there.

Some Hon. Members: Hear, hear!

Mr. Taylor: You asked for it. You got it. If you want to hand it out, you had better be willing to take it. I would like to continue now, Mr. Speaker, because my time is limited and I cannot waste time on these trivialities which the Parliamentary Secretary is raising.

The Government says the solution is six and five. It is a partial solution. It will draw off some money, but it is taking money from the wrong places entirely. If the money was coming from the proper place, it would have a greater effect than the present six and five program. I supported the six and five program when it was affecting the wages—

Some Hon. Members: Hear, hear!

Mr. Taylor: Don't clap until you hear the whole story. I supported the six and five program when it affected the wages of Members of Parliament, Senators—none of us is going without—when it affected the wages of judges, certainly. I approved of that.

Mr. Schroder: Mr. Speaker, I have listened very carefully to the Hon. Member's speech and I have heard not one mention of the amendment which is being discussed tonight by Hon. Members.

The Acting Speaker (Mr. Blaker): I ought to resolve the problem of the Hon. Members. In view of the Bills which are before the House, and the debate which has gone on with respect to what is in shorthand known as "six and five", and the economy generally of Canada, the Chair has been disposed, not only myself but other occupants of the chair, to accord the widest latitude to Hon. Members who wish to debate the issue. Accordingly, unless there is a very finely argued point of order, I will allow the right of the Hon. Member for Bow River (Mr. Taylor) to continue in the manner in which he is now proceeding.

Mr. Taylor: Mr. Speaker, almost every Member in the House, including the Minister herself, spoke about the motion and the amendment. Surely to goodness the Parliamentary Secretary, if he is half awake, would have recognized that.

I want to deal now with some of these problems which are arising because the Government has not created the right cure. The Hon. Member for Gloucester (Mr. Breau) said there would be no cutback. Those were his words. But, Mr. Speaker, it is okay if you have a large enough income and, when part of the increase you expect each year is not forthcoming, you can still get by. But I want to tell the Hon. Members of this House that there are thousands of people who are in the old age pension bracket who need every cent they are receiving in order to continue to live. I imagine there are thousands in this country who are very close to getting the Guaranteed Income Supplement, but they do not qualify. They are in a pretty tough position and they need all the money they get. They do not need it reduced, they need more.

When the Government says it is only taking 4 per cent or 5 per cent off, that they are going to get 6 per cent this year instead of 10 per cent or 11 per cent, is that not a cutback? Of

course, it is. And if anyone thinks they should be able to get by on that, I invite them to visit these people in their homes. There is more than just the fuel, the hydro, the telephone and the groceries which have to be paid for, but year after year the blankets wear out and they eventually have to have more blankets. I do not suppose that ever occurs to people with large incomes, but it certainly occurs to people who have to make every dime count. Their dishes break and they have to get more dishes. The curtains wear out and they need curtains. their blinds wear out and they have to replace them. Their carpets wear out, and they do not change their carpets one-tenth or one-twentieth as much as they do in this building. these things wear out and they all cost money. This is something which people forget; there are always eventualities. I know a person whose hot water heater went on the blink just this week. They had no hot water. The people who look after the repair of hot water heaters were contacted, and they informed this person it was going to cost $60 for a service trip just to find out what was wrong with it.

You tell me these people can do with less because they happen to be superannuates, or they happen to have children for whom they are getting the Family Allowances, or they happen to be old age citizens who do not get the GIS. But even if they get the GIS they still run into these eventualities. There are other things which happen also. Light bulbs burn out. Sometimes the door will not close and you have to find some way of closing a door in the wintertime. There are a countless number of things which cost money. I want to say that the senior citizens of this country, families and the superannuates, the ex-army personnel, the ex-RCMP personnel, the ex-public servants, have these things happening and they do not have enough money to meet all their needs at any one time. They still need to have a little credit. Because they are honest and the grocer trusts them, they are able to get a little credit. Now we are going to say to that group: we want you to bear the brunt of fighting inflation. Well, they did not cause it all. It was caused mostly by Government. There is no government in this world which has caused inflation faster than the present Government of the Right Hon. Prime Minister (Mr. Trudeau). Not one in any country of the world. They have lived off the fat of the land and increased the deficit instead of lowering it. If this Government were reasonable and sensible—

• (2040)

Mr. Schroder: It is.

Mr. Taylor: —and would diagnose the disease we are trying to cure, it would come to the Leaders of the other two Parties and say: here is our problem. Our country is ill. Do you agree with the diagnosis? I think everyone would agree that inflation is a disease and unemployment is a disease. Well, can we work out this problem together? There are countless ways of fighting inflation, but not on the backs of the aged, the retired, or the children; do it on the backs of those who can afford it and who will not even miss it.

Mr. Gimaïel: Mr. Speaker, would the Hon. Member entertain a question?

Mr. Taylor: I will be glad to, Mr. Speaker. The Hon. Member could perhaps wait until I am finished, and I will be glad to try and answer his question then.

What we have to realize today, Mr. Speaker, is that this little pittance they are going to take from the senior citizens of this country, out of the pockets and mouths of the kids, is just a drop in the bucket compared to what they could get if they went into a few other avenues in which this Government operates. I heard of a little girl who got hurt the other day, Mr. Speaker. She came from a home where they did not have very much money. She was taken to the hospital, and when she came to she was in a room where everything was white. The nurse was standing over her and holding a glass of milk. She said to the little girl: "Would you try to drink a little milk?" The little girl took the glass of milk and started to drink, and then she said: "How far down may I drink?" Mr. Speaker, that little girl had never had the pleasure in her whole life to drink a whole glass of milk. Now we are going to take from that type of child the little bit they have—

Mr. Schroder: It is not true.

Mr. Taylor: —and let those who have all kinds get away free. Well, if you want to fight inflation, let us do it together, but not on the backs of our kids or those of the aged.

Mr. Gimaïel: Mr. Speaker, the Hon. Member seems to be a great defender of the social programs introduced by Liberal Governments. Can he tell us how many social programs the Progressive Conservative Party introduced? Can he name one program which has been produced by the Tories in the last 100 years?

Mr. Mazankowski: Go to Alberta and see what they have.

Mr. Taylor: I will be very glad to. For years we asked the Liberal Government to look after the widowed spouses of senior citizens, but the Liberals could not find the money. We found the money and we did not kill an industry to do it. We put people to work, and you would do a lot better if you would do the same thing.

Some Hon. Members: Hear, hear!

Mr. Jack Masters (Thunder Bay-Nipigon): Mr. Speaker, not too long ago I made an intervention on this Act, not because, like other Members of this House, I do not feel this is an area we would rather not have to touch, but to try to make the point that this was part of an over-all program to help bring down inflation, which in turn helps to distribute the wealth of the country more equitably, among all the people of the nation. It also helps to put us in a position not only to enjoy the good life today, but to be in a better position in the very near future, as the world begins to come out of the desperate slump it is in, to be more in line with the rest of the nations of the world. It would be very handy if Canada lived in a vacuum and we would sink or swim by our actions alone. But all thinking Members recognize that this is not so.

However, Mr. Speaker, we have a particular series of Bills before the House on which it is very easy to get up and say, I am for apple pie, motherhood and this kind of thing. Yet the last time I spoke I brought into this discussion my mother, who happens to be a senior citizen, and a Member opposite said: I bet your wrist will be slapped when you get home to see Mom. Well, Mr. Speaker, I have seen Mom since then. She said: "You know, son, I live in a senior citizen's apartment dwelling and I am enjoying my apartment and my way of life. Yes, I would like to have an increase higher than 6 per cent", because, do not forget, we are still speaking of an increase in the new year for senior citizens. "But", she said, "I can understand that I am not on the supplement and I, too, should be part of a battle which encompasses many sectors of society, both by law and the involuntary way by those people who cannot find jobs, and those people who voluntarily come along with the idea of the six and five program". In that vein, a labour leader said to a group of us on the weekend, "I have frozen my salary. I did not take a 6 per cent increase or 5 per cent increase; I have frozen it absolutely. That seems to me to say that even the labour movement recognizes that we all have to make sacrifices and join together in some kind of restraint to help bring inflation down, to help spread the wealth of the country more equitably.

Mr. Kristiansen: That is voluntary.

Mr. Masters: So we say that this Bill is part of the over-all six and five program to help fight inflation and it requires the assistance of everyone to be effective. I believe the results of the last while show that in fact inflation is coming down. I regret very much that in debating on behalf of those people affected by such legislation, Members opposite, inadvertently, I think, are feeding the expectations of inflation forever. It will never, ever change by a point or two downwards because Members opposite keep telling us every day: no, it will never get down to 6 per cent so you, no matter who you are, if you are in business you had better ask for a 10 per cent increase for your product. If you offer a service, you had better ask for 15 per cent because inflation is never going to come down. So it goes, Mr. Speaker, that we hear the gospel of inflation as a fact of life from Members opposite.

I am sure that is not what they want. I am sure they know that we have to bring inflation down and that we have to be in a competitive position with the rest of the world. Current statistics indicate that we have not been doing very well but that now we are beginning to. I honestly believe, as I support the Bill, that we will see a time when the six per cent inflation rate will be the norm rather than the abnormal. But, for goodness sake, it cannot happen by itself. It has to happen with all of us urging people to get behind this country of ours and to bring their expectations into line so that the common good is served.

• (2050)

There are times when we forget what are our Party affiliations in the interests of the people of the country. Senior citizens have a great feeling for the country because they helped build it. Also they have a great feeling for their children and their children's children. They would rather not have to accept less of an increase, but they will. They still say to me that they respect the fact that the Government is doing what it can and that they will join with many other sectors which have voluntarily and involuntarily joined the fight against inflation. They are willing to do their part, to accept their responsibility.

This piece of legislation, as unpalatable as it might be to some of us, is part of the great psychological battle we are fighting to demonstrate unequivocally to the people of Canada that we must have a lower inflation rate. It will be lower if we all accept it, but it will never go down if the leaders of the country keep going around telling people day in and day out that they are living in a dream world, that this will never happen, and that they have to prepare themselves for higher and higher inflation. This is the exact message which has been coming through this debate day in and day out, that inflation will not come down. They do not want it to go down; it is not in their political interests for the inflation rate to go down or for other things to happen in the country. I make a friendly, passionate plea to Hon. Members opposite and to the people of Canada that these are difficult times, but there is a glimmer of light ahead if we all work together to help bring down the inflation rate. If we work together we will enjoy even more this great country of ours.

Some Hon. Members: Hear, hear!

Mrs. Margaret Mitchell (Vancouver East): Mr. Speaker, I rise to speak to the Conservative amendment to Bill C-131. I must say that I have some concern about the amendment. Of course we do not want the Bill to be before the House. In fact, we think it should be withdrawn. There is no time like the present to do it just before Christmas. We understand that the amendment is really a grandfather clause which attempts to restore indexing at the same rate as it would have been in two years' time had there been no Bill C-131.

I am surprised that we have not heard Liberal Members supporting the amendment. It is one thing they could really support. This afternoon we heard the very jubilant Minister of National Health and Welfare (Miss Bégin) announce that inflation was now down to 9.7 per cent in Canada and that the Liberal program was working. Of course this is good news, especially just before Christmas. I am sure most elderly Canadians also felt the same way. These same Canadians, if they were aware of Bill C-131, unfortunately did not have enough time for their organizations to study the Bill. So often there is no adequate time for them to know, to react and to have input in Bills such as these, especially if they live in western Canada.

However, many of them know about this Bill which is designed to cut the indexing on their pensions in the new year. I am sure they sighed a big sigh of relief this afternoon when they heard that inflation was going down. I am sure they thought that now the Government, thank goodness, does not have to use Bill C-131 to fight the war against inflation or to

use senior citizens and their pensions to fight the war. Certainly we can assume, even by Liberal logic, that if inflation is coming down there is absolutely no need for the Bill. I asked the Minister this afternoon that if that was the case, why did she feel the Bill was necessary. Of course those of us who were present heard her ridicule the question, as if I were insincere about it. I was certainly very sincere. I do not have the "blues", but she certainly passed it off as a ridiculous statement to think that she should withdraw the Bill penalizing senior citizens by cutting the indexing of their pensions. She continues to believe that the six and five will somehow win the war on inflation. I cannot grasp the logic of this Liberal policy.

It would have been good sense to withdraw the Bill because it costs a lot to prepare Bills and to go through the administrative procedures of processing and implementing them. I appeal to the Government—and I know the Conservative Party on my right shares our concern in this regard—to withdraw Bill C-131. Inflation is down. It will do nothing to reduce inflation further. Why should senior citizens be penalized in this way? However, I want to tell senior citizens that unfortunately the Government and the Minister in charge of the Bill are not logical. They do not act in a rational manner. They are not even humane at Christmastime. The Government intends to proceed with its very punitive Bill, and we oppose it very strongly.

I happened to hear on the radio today that the Minister of Finance (Mr. Lalonde) is doing his Scrooge act as well. He has declared that he will go ahead regardless of whether or not the Bill is passed. If we have our way, it will certainly not be passed in the House before Christmas, but he will go ahead in his own arrogant way and take this money out of pension cheques and the Family Allowance cheques in January. Imagine that. Certainly I think this would be illegal; it is extremely arrogant and very typical of the Minister of Finance.

I feel very strongly that the Liberal mismanagement of the economy should not be put on the backs of pensioners, families and workers in Canada. We will not let the Tories off with being very nice about the Bill. Anyone who has followed the history of the last few months in the House would know that, if it had not been for the Conservative Party agreeing and supporting the Liberal policy of six and five restraint, we would not be in the position today of having to defend old age pensioners. They started by approving Bill C-124—

Some Hon. Members: Oh, oh!

Mrs. Mitchell: I do not want to hear any more nonsense from that hypocritical Party saying that we voted against that Bill because we did not want our own pensions to be affected. It is absolutely ridiculous and shameful. I find myself quite speechless when I think of it, if you can believe it, Mr. Speaker. I should like to know how many of these same Tories a year or so ago accepted a huge increase in their salaries as Members of Parliament. Also I would like them to know that I did not accept that, nor did I vote for that Bill, so let us not hear any more about it. If the Tories were sincere about old age pensions, Family Allowances and the effect of this six and five restraint program, surely they would also be concerned about the public servants in this country. It seems to me that the Public Service is really a group to be almost pitied because public servants have no rights at all as far as speaking out on their own behalf on such matters is concerned. They are intimidated. They work for the Government and unless they are pensioners they do not even dare show up on Parliament Hill to demonstrate against such Bills as these. It is shameful that the Conservatives did not stand and speak out on their behalf in opposition to Bill C-124.

• (2100)

Let me now again refer to Bill C-131 and the amendment before us. I want to summarize again very quickly why the NDP opposes this Bill and will oppose it after we vote on the amendment.

We believe that old age pensions should not be subject to the six and five index cut in 1983 and 1984. I might also point out, as Liberal Members have not done, that there is absolutely no evidence we have been able to find that these cutbacks will be recovered after the two-year period. The Minister did not affirm that fact at the committee. That is why we have some interest in this amendment. We oppose the six and five restraint policy of this Government in general because it victimizes public servants, imposes an unfair cutback on the indexing of old age pensions, and also imposes the same kind of restriction on the Family Allowance payments to mothers and children.

The principle is the same in all these Bills. It is simply a Liberal policy of making the most vulnerable people pay. Under Bill C-124 the civil servants, who have no free right to speak out in protest, were the victims. Children have no voting powers, and the Minister of National Health and Welfare will not even process the recommendations of the committee to set up a secretariat for children which could at least speak out on their behalf. I am sure such a secretariat, had it existed, would have protested Bill C-132. We have spoken at other times about the unfairness of these Bills to women.

Bill C-131 is perhaps the worst Bill because it threatens to undermine the whole concept of universality of old age pensions. Again the Minister ridicules that suggestion, but I would remind her that practically every organization which had witnesses appear before the committee reaffirmed the position we have been espousing since the Bill first came before us, that is, that it does undermine old age pensions and the universal aspect of them. The Bill sends a signal to pensioners that their pension cheques will no longer be indexed to the real cost of living.

In British Columbia there are something like 285,000 old age pensioners, about 48 per cent of whom will qualify for the Guaranteed Income Supplement. They are the very poor with little or no other source of income. I expect the majority of the other 52 per cent who receive the old age pension and qualify only for that part of the program are also finding it pretty difficult to stretch their incomes. Indeed, many of them are

still living below the recognized poverty level. I have some facts which I will present in a moment that point out that they are finding it difficult to meet the high cost of living, those things they have to pay for out of their budgets. The cutback in the index will definitely take money out of the pockets of the pensioners, most of whom are on fixed and marginal incomes. They are not the very poorest of people, but they are certainly poor by most standards.

We observed some attempt today to get some facts on the cost of living in Vancouver, a part of which I represent. A very small, modest one-bedroom apartment there rents for a little lower than before, but still upward of $286 a month. Utilities cost $60 a month, and for people who have a home, property taxes are up. A telephone costs over $10 a month and food runs at about $180 a month. I think that is a very conservative estimate, if you will pardon that expression. Single pensioners, particularly, who do not have two cheques to cover these costs, with overheads of $540 a month minimum, are finding it very difficult. Most old age pensioners have very little left from their cheques, even if they do have supplementary pensions, so let us not kid ourselves that this cutback is hurting only the people who are not in need. That is a myth, and if the Liberals think that old age pensioners with these kinds of costs with low incomes are not in need, that shows their insensitivity.

The Minister also admitted that the savings from Bill C-131 and Bill C-132 would be relatively small in terms of cash to the federal Government. She has said that this is really not the major concern, but rather it is a means of fighting a psychological war. The Government is fighting this psychological war through old age pensioners in an attempt to bring down inflation. I still cannot figure out the rationale for that particular war. It seems to me what we need is a little psychoanalysis of the Government.

Fiscally the Bill will save only about $84 million over a two-year period. That is the best figure I have been able to get. That seems like a lot of money, particularly to an old age pensioner, but if we consider it in terms of federal budgets it is not a lot as we in this House know. It is not a lot in terms of people in need. It is not a lot in terms of senior citizens who have contributed a lifetime to raising families, building communities, developing our resource industries and, indeed, building Canada. It is certainly not a lot when compared to the expenditure which I quoted earlier in a former speech in terms of fighter planes, amounting to billions of dollars. Let us also consider the $500 million give-away to Dome Petroleum. If we want to find money in the kitty we should consider these areas.

The Liberal Member for Gloucester (Mr. Breau) said earlier that the Liberals are really helping senior citizens through the six and five program to cut back on the indexation of pensions. Can you imagine that, the suggestion that the Government is really helping senior citizens by cutting back on pension indexation?

The Hon. Member also said the Government is showing leadership. It is certainly typical of Liberal leadership: no price controls, no tax reforms to tax back the universal program, which is the best way to make it work, from those who earn over $100,000 and pay absolutely no income tax. Of course, there is no economic strategy. The only leadership the Liberals are showing is in how to hit the public servants who do not have a voice to speak out on their own behalf, the children who do not have a voice on their behalf, the mothers at home raising those children and the senior citizens. I must say that is some kind of leadership.

The other day I spoke about how unfair this Bill is to elderly women who make up over 50 per cent of our old age pensioners. By far the greater proportion of those women are living below the poverty level. This is truly a tragic situation. Because they are poor they are isolated and lonely, not getting out very often, and thus are doubly discriminated against by age and sex. Most of them do not have the Canada Pension Plan or private pensions. They live longer than their husbands so they end up living as widows, single people, with the high costs coming out of one pension cheque. I have said many times in this House that we have heard this story over and over again from the women we visited during the work of the task force on older women. We heard the same story in every Province of Canada. Elderly women are in a desperate situation. Some of them receive the GIS and some are in the marginal group. I can tell you, Mr. Speaker, that they are very poor and do not have the money at the end of the month to put the necessary nourishing food on the table which they need. One woman spoke on a hot line show saying that she had to pay $200 for special medication. In that particular Province she had no means of getting this money back. Even if they have extra income, it is usually below the poverty line. It is much more difficult for single people to pay these costs from a single cheque.

• (2110)

I would also like to say that the Green Paper on pensions does not address this problem at all. There are no recommendations, much less solutions, in that Paper to deal with the poverty which elderly women are suffering from now. Women in two generations from now will not have an adequate pension plan.

As I asked previously, why are the Liberals placing this restraint program on the backs of elderly Canadians and Canadian families? Only a little money will be saved.

I can quote the Minister herself who said to the Canadian Congress on Pensions last spring. She said that senior citizens must have an adequate income and pensions which are fully indexed. She said:

> Many women who previously had little more than a vague, often unreliable notion of what to expect from Canada's pension system have been jolted—

She went on to say:

> It is therefore incumbent upon us to move quickly in meeting the challenges of pension reform.

She then said:

> All pensioners should be protected from inflation; women must be treated more equally.

Of course, Bill C-131 denies those statements. Its effects will achieve the very opposite to what the Minister was advocating last spring.

I have a story which I do not have time to elaborate on about a woman who has several small pensions and must work hard to make the pensions meet her needs. She finds it important to even save 30 cents on coupons.

Mr. Deputy Speaker: I regret to interrupt the Hon. Member but the time allotted to her has expired. She may continue with the unanimous consent of the House.

Some Hon. Members: No.

Mr. Deputy Speaker: There does not seem to be unanimous consent.

[*Translation*]

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

Mr. Deputy Speaker: The Hon. Member for Lotbinière (Mr. Dubois) on a point of order.

Mr. Dubois: Mr. Speaker, I seek the unanimous consent of the House to revert to presenting reports from Standing or Special Committees, for the purpose of tabling a report on Bill C-141.

Mr. Deputy Speaker: Does the Hon. Member have the unanimous consent of the House?

[*English*]

Mr. Nielsen: Mr. Speaker, that will be agreeable.

Mr. Young: Mr. Speaker, that will be agreeable to the NDP also.

Mr. Deputy Speaker: By unanimous consent we revert to presenting report from Standing and Special Committees.

ROUTINE PROCEEDINGS

[*Translation*]

JUSTICE AND LEGAL AFFAIRS

PRESENTATION OF SIXTH REPORT OF STANDING COMMITTEE

Mr. Jean-Guy Dubois (Lotbinière): Mr. Speaker, I have the honour to present the sixth report of the Standing Committee on Justice and Legal Affairs, in both official languages.

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

GOVERNMENT ORDERS

[*Translation*]

OLD AGE SECURITY ACT

MEASURE TO AMEND

The House resumed consideration of Bill C-131, an Act to amend the Old Age Security Act (No. 2), as reported (without

amendment) from the Standing Committee on Health, Welfare and Social Affairs, and the motion of Mr. Dantzer.

Mr. Pierre Gimaïel (Lac-Saint-Jean): Mr. Speaker, with your leave, I wish to rise in the House this evening to speak to Bill C-131—

[*English*]

Mr. Nielsen: Mr. Speaker, I rise on a point of order. Returning to presenting reports of Standing and Special Committees, may I suggest that you accept the report and ask whether it should be read again.

Mr. Deputy Speaker: The Hon. Member for Yukon (Mr. Nielsen) is perfectly right. Is it the desire of the House to proceed to report stage of this Bill at this point?

Mr. Smith: Mr. Speaker, I rise on a point of order. The Minister of Justice (Mr. MacGuigan) has made it quite clear on several occasions that we on this side of the House are prepared to deal with all remaining stages of this Bill certainly tonight, and if the House is disposed to do that, we would certainly consent to do so on this side of the House.

Mr. Nielsen: The Chairman of the Standing Committee on Justice and Legal Affairs had the courtesy to request our consent to revert to this stage of our proceedings so that we could provide the unanimous consent necessary to present that report tonight. Obviously, the Parliamentary Secretary has not had the courtesy of consulting the Chairman, a Member of his own Party, of the Standing Committee on Justice and Legal Affairs because we had agreed between ourselves that we would extend that kind of courtesy to our collective caucuses tomorrow and would anticipate no real difficulty in dealing with the report stage and the third reading stage tomorrow. At least the Members of the House are entitled to that courtesy, which we intend to give them. I would suggest that at the next sitting of the House we will deal with the report and third reading stages.

Mr. Deputy Speaker: The House has received the report of the Committee. There apparently is not unanimous consent to proceed to report stage and third reading stage at this point. Therefore, the House will revert to the item of business we were at before we reverted to Routine Proceedings to deal with the report of the Standing Committee.

[*Translation*]

Mr. Gimaïel: Mr. Speaker, we are lucky to have experienced Members like the Member for Yukon (Mr. Nielsen) to remind

us of the subject at hand, and especially of various points of parliamentary procedure. I wish to thank him for his comments. To get back to what I was saying, I was asking you, Mr. Speaker, to give me the floor this evening, because my youthful ears were shocked by what they heard from Members opposite. The Members of the Official Opposition and the Members of the New Democratic Party are wallowing in rhetoric aimed at condemning what they seem to think is an unconscionable betrayal of Canada's senior citizens.

Mr. Speaker, it is really sad to hear Hon. Members who come here just to try and scare Canadian pensioners. Imagine someone who is receiving a pension and is listening at home to statements being made by the likes of the Hon. Member for Bow River (Mr. Taylor) or the Hon. Member for Vancouver East (Mrs. Mitchell). Of course these people are going to be scared. When I visit my riding, pensioners tell me: Pierre, it seems they are going to cut off our pensions; Pierre, it seems you are going to take our money away from us. Mr. Speaker, I think it is absolutely unconscionable and inconceivable that a so-called political party with a so-called socialist philosophy, set up by and for so-called intellectuals, should try to scare senior citizens just because the Government has said: Next year, inflation is going to be 6 per cent instead of 12. On the Oposition side, they are protesting so strongly against the capping of indexation at 6 per cent that pensioners think their entire pension is going to be cut off. When I go to senior citizens' clubs in my riding, my answer to them is: Do not worry. The Liberal Government of Canada which introduced unemployment insurance, old age security and health insurance is not going to cut off your pensions. The Liberal Government of Canada which continues the philosophy of the Government that introduced the guaranteed income supplement is not going to cut off your income.

• (2120)

[*English*]

Mr. Deputy Speaker: The Hon. Member for Kamloops-Shuswap on a point of order.

Mr. Riis: Mr. Speaker, I do hope the Hon. Member will entertain a question, particularly in light of the inaccurate statement he is making. Would he entertain a question?

[*Translation*]

Mr. Deputy Speaker: Will the Hon. Member for Lac-Saint-Jean (Mr. Gimaïel) entertain a question?

Mr. Gimaïel: As soon as I finish my speech, Mr. Speaker, and only if the Hon. Member refrains from further comments.

To get back to this gang of Members headed by the Member for Oshawa-Whitby (Mr. Broadbent), I can see them running down the street, talking to pensioners and telling them they are in trouble. And as I was saying, Mr. Speaker—

[*English*]

Come on, Fulton, you communist, everybody knows about that.

[*Translation*]

As I was saying, Mr. Speaker—

[*English*]

Mr. Deputy Speaker: The Hon. Member for Skeena rises on a point of order.

Mr. Fulton: Mr. Speaker, the Member just lied to the House of Commons.

[*Translation*]

Mr. Deputy Speaker: The Hon. Member for Lac-Saint-Jean has the floor.

Mr. Gimaïel: Mr. Speaker, I must admit that since my understanding of English is fairly poor . . . Let us say that I did not realize the Hon. Member just informed me that I was lying. Let us just say I did not realize this. To get back to my speech, Mr. Speaker, I particularly want to tell the senior citizens in my riding—

Mr. Munro (Esquimalt-Saanich): Nice speech!

Mr. Gimaïel: —that a Liberal Government that introduced policies such as the guaranteed income supplement and old age security pensions is certainly not going to make any cuts in those programs. I want to tell senior citizens in the riding of Lac-Saint-Jean and elsewhere in Canada, if they are listening, that unlike what the Members of the New Democratic Party would have them believe, or even the Progressive Conservative Members, for that matter, who actually voted with the Government in favor of the 6 and 5 policy, the Canadian Government is actually going to increase the guaranteed income supplement—

[*English*]

Mr. Deputy Speaker: Order, please. There has been an allegation in regard to unparliamentary language on behalf of the Hon. Member for Skeena (Mr. Fulton). Did the Hon. Member for Skeena accuse the Hon. Member for Lac-Saint-Jean (Mr. Gimaïel) of lying.

Mr. Fulton: Yes, I did, Mr. Speaker. He admitted it.

Mr. Deputy Speaker: Such language is obviously unparliamentary, and I invite the Hon. Member for Skeena to observe the customs and practices of this House and to withdraw his remarks.

Mr. Fulton: When I hear an appropriate withdrawal from the Member I will do so as well, Mr. Speaker.

Mr. Deputy Speaker: I invite the Hon. Member for Skeena to withdraw. If the Hon. Member for Skeena has remarks concerning unparliamentary language by other Members of the House, the Chair is prepared to entertain whatever he

considers to be appropriate at that point. But the Chair at this stage requests the Hon. Member for Skeena to withdraw remarks that are unparliamentary.

Mr. Fulton: Perhaps I could get some direction from the Chair, Mr. Speaker. The Member perhaps could stand in his place and admit that what he said was completely unfounded, false, and in fact was a lie to the House of Commons.

Mr. Deputy Speaker: Is the Hon. Member for Skeena withdrawing the unparliamentary language that he used? The Chair invites the Hon. Member for Skeena to withdraw language that is clearly unparliamentary by the standards of this House.

Mr. Fulton: Mr. Speaker, I am sure that the House would not want to be misled in the way that the Member addressed the House of Commons a few moments ago. He raised the situation, Mr. Speaker, and I think it is incumbent on that Member to withdraw what he said first.

Mr. Deputy Speaker: The Hon. Member for Skeena, by his own admission, has used language that is unparliamentary. The Chair repeats a request to the Hon. Member for Skeena to abide by the practices of this House and withdraw expressions that are clearly unparliamentary.

In regard to allegations of other Members, the Chair has indicated that the Chair is prepared to hear representations and to deal accordingly, but at this stage the Chair requests the Hon. Member for Skeena to withdraw his remarks.

Mr. Fulton: I will withdraw what I said in the interest of this House of Commons, but I would hope, although I recognize that he is a Liberal Member, that he will do the same, although he probably will not have the same depth of character to do the same thing.

Mr. Deputy Speaker: The Hon. Member has withdrawn. Is there an allegation that there has been unparliamentary language on the part of the Hon. Member for Lac-Saint-Jean? Is the Hon. Member for Skeena alleging unparliamentary language?

Mr. Fulton: What I am alleging, Mr. Speaker, is a falsehood. I do not doubt that the Member will not withdraw it, Mr. Speaker, but after all he is a Liberal Member.

Mr. Deputy Speaker: The suggestion by the Hon. Member that there be anything other than impartial treatment by the Chair is totally unacceptable. The Chair will attempt to deal with all Hon. Members in regard to matters that are raised concerning unparliamentary conduct.

Again the Chair repeats, is there any evidence of language by the Hon. Member for Lac-Saint-Jean that is unparliamentary?

Mr. Fulton: All that I said, Mr. Speaker, was that it was flatly false.

Mr. Deputy Speaker: At this stage the Chair recognizes the Hon. Member for Lac-Saint-Jean.

[*Translation*]

Mr. Gimaïel: Mr. Speaker, I will try to gather my thoughts and get back to the thrust of my speech. I was saying to senior citizens that, contrary to what certain Members would like them to believe, there is no question of cutbacks by the Canadian Government, the very Government which first came up with those various formulae such as the old age pension guaranteed income supplement. Quite the opposite. In 1983, the guaranteed income supplement will be fully indexed to the inflation rate. In addition, all senior citizens who receive the guaranteed income supplement will also get an extra amount which will compensate them for the difference between the 6 per cent increase in their basic pension and the actual increase in the cost of living recorded throughout the country. Now then, Mr. Speaker, why scare people who are asking for nothing more than security in order to be happy? Why should anyone make those people suffer by telling them that their monthly pensions might be reduced? Your pensions are going to be reduced! That Government is taking the bread out of your mouth! That is inhuman, Mr. Speaker.

It is quite proper for a politician to play politics, but not on the backs of poor people, not on the backs of those who are most in need of Government assistance, not on the backs of those who built our nation. The only thing the Government is asking from those who receive only the basic pension, who have other sources of income and who get at least $9,000 a year is to accept that their pension be indexed at 6 per cent this year instead of 7 per cent, 8 per cent or 9 per cent. It might very well be 6 per cent because, according to the news I heard this morning, for the first time in many months the rate of inflation for the past twelve months was 9.7 per cent, that is below the double digit bracket. And if we keep following our policy, I think that the rate of inflation will drop to 6 per cent or even less within a year. It goes to prove that we are being falsely accused of taking money away from the needy. The target of the Government, supported by Members of the Official Opposition who voted in favour of the six and five program, is to lower the rate of inflation which strikes hard at poor people. Mr. Speaker, does it make any difference to a millionaire whether the rate of inflation is 12 per cent rather than 6 per cent? Not really. Offhand, I would suggest that a millionaire does not know the price of a pound of butter. On the other hand, a senior citizen who has to live off his pension and the man who draws unemployment insurance benefits do know the price of a pound of butter, and they do know what 12 per cent means, Mr. Speaker. It is precisely to fight against misery that the Canadian Government has launched its six and five program. The Government will do its utmost to lower the rate of inflation which harms the poor and often is a boon to the rich. We want to bring it down to a level where poor people will at least be able to cope. Mr. Speaker, as a young Member

of Parliament, I cannot accept that people come here to scare our senior citizens who are already worried enough as it is. Look at them, Mr. Speaker, look at the NDP Members, at these minions of Mr. McDermott, come and see them in committee supposedly fight for a few dollars that the pensioners must give up if they want a lower inflation rate tomorrow. I asked them recently: Are you thinking about the 15,000 residents of the Lac-Saint-Jean constituency who are now unemployed? Are you thinking about the young people of 20 who are having problems?

Mr. Speaker, the only way that we can really protect the most needy is to break the inflation spiral and create jobs, more jobs and still more jobs, and this is what the Government is trying to do. One of the main problems of Canada in the last ten years was that there were not enough Liberal governments in the Provinces. For ten years, Mr. Speaker, the Canadian Government, which is a Liberal Government, has been fighting against flag-wavers in Quebec; it has been fighting against governments much more willing to increase their own powers at the expense of their own people than to defend them. That is the main problem. True liberalism, the liberalism which helped to build Canada during the past 100 years, cares more for man than for an ideology or for symbols. You know, Mr. Speaker, that to be a Liberal Member of Parliament does not mean that you belong to a union. It means that you are the representative of union members, pensioners, workers and unemployed. As for the New Democratic Party, it simply belongs to the unions. This is quite obvious in the various committees, Mr. Speaker. There is always a union advisor behind them. They call each other brothers and comrades. This is really something. We simply have to read last week's minutes of the Committee on Miscellaneous Estimates—

Mr. Deputy Speaker: I am sorry to interrupt the Hon. Member, but I believe he is straying from the subject. I invite him to come back to it.

• (2130)

Mr. Gimaïel: Thank you, Mr. Speaker. I commend your great wisdom. Naturally, my great desire to help the senior citizens who will benefit from this six and five program causes me to stray from the subject under discussion. I admit it and I thank you for calling me to order.

What I wanted to say, Mr. Speaker, is quite simple, and that is that since liberalism is a philosophy which has brought about policies designed to help individual citizens, it is impossible for a Liberal Government to remove benefits, and I am thinking particularly about senior citizens when I say so. The facts are quite the opposite. What the Liberal Government has done this year, what it has done in the past and what it will do in the future is to help those who have built this country, those who have given us everything, and this is what we want to do as effectively as possible, not by giving them a few cents more this year, but by defeating inflation once and for all and getting rid of an inhuman way of life which caused the most needy to be told: If butter is too expensive, do not eat any! Mr. Speaker, it is impossible to imagine that these people who have given so much to our country can today be the victims of prophets of gloom who would have them believe that their income will be cut this winter. That is not true. Why? Because when I myself, took on the duties of a Member of Parliament, when I was elected by my constituents, my only wish was to protect those constituents, especially the most needy, against any action detrimental to their interest and to their welfare. That is what I want to do and what I shall do as well as possible, and to do so, I cannot tolerate that anyone try to scare my constituents. I have already pointed out that, under the National Health and Welfare programs, and the Minister is here in the House, the Canadian Government will pay $21 billion this year to the provinces under cost-shared programs, and I want all senior citizens to realize that all these programs are indexed.

When an elderly person is treated, the Government of Canada pays at least 50 per cent of the bill. When an elderly person is attended by his or her physician, it is the same thing. When a senior citizen receives assistance from the Quebec Department of Social Affairs, for example, the Government of Canada pays at least 50 per cent of the bill. I want this fact to be known. And I want to say to all those individuals, it is not true, the Government of Canada means you no harm. If the Government of Canada has enough courage to say to its own officials, to those, and I hope you will allow me to say so, Mr. Speaker, who had to put up throughout the year with the strong pressures of a shaky economy—You know that the officials who work in our regional offices had to put up with the pressures brought to bear by the many unemployed who went to see them, people who needed a job or some assistance. Those people were asked to make sacrifices and they accepted. Why? They did so because they knew they could help their fellow citizens, the underprivileged, and contribute to reduce the inflation rate.

This is why they accepted, and if the government had the courage to ask them, it was not easy. I did not find it easy myself when I asked my own staff to agree to salary cutbacks and it was not easy either when I cut my own salary. Why was all that done? Because we no longer want our senior citizens to deal with the tremendous problem of inflation. We also realize that those people in need should not be given the bare minimum during a period of runaway inflation. Assistance should have a degree of stability. And I want to say to our senior citizens: Do not worry even though some would have you believe that there will be no spring nor summer next year. It is not true! The Government of Canada, that is the Prime Minister of Canada (Mr. Trudeau) said during a televised interview, "This year we will launch a fight against poverty". If the Liberal Government has set up social programs to help

the needy, it will surely not remove them when more Canadians than ever need help. On the contrary, and this is what is going on now. That is what the Minister of Finance (Mr. Lalonde) has been doing all along with his six and five program, and that is what we are doing now.

As to the Hon. Members who have voted in favour of the six and five program and who, for petty political reasons, are now voting against each and every clause or bill to amend the existing programs, I do not understand them. How is it possible to support a comprehensive policy and then vote against every specific bill? Only through cowardice, Mr. Speaker. Cowardice! It is always easy to hold back and say: I am in favour of this principle, but I cannot accept the fact that it may affect me. It reminds me somewhat of what is going on in the Province of Quebec. While they are imposing a 20 per cent cut on everybody, we are granting an 8 per cent increase. That is just about what the PQ members are saying nowadays. It reminds me also of the stand taken by the Progressive Conservative Party here. They say that they are in favour of the six and five program, that they are against inflation, but don't you dare change anything, you Government Members. That is not the way to build a country, Mr. Speaker, and especially not the way this country was built in the past. And there exist today a tremendous country called Canada, in case some people may have forgotten. Tremendous, indeed!

We are faced with problems today. As you know, because there is inflation, some people find it strange and wonder who is to blame. Ever since I came here, Mr. Speaker, a great many things have happened. I remember hearing Hon. Members of the Progressive Conservative Party say and even shout in the House that the Federal Government would not pay for Alberta oil, that it was not paying enough and should pay more for it. Is that not inflation, Mr. Speaker? Because of the problems we are faced with today, we must tell our senior citizens who are getting only the basic Old Age Security Pension, not those who are getting also the Guaranteed Income Supplement: You must accept an indexation capped at 6 per cent this year and 5 per cent next year of your Old Age Security Pension. Mr. Speaker, there is nothing that says that the inflation rate will not drop to 6 per cent in 1983. As a matter of fact, I am under the impression that the Government's policy is so successful that it might drop even lower. That is what is really great about it. I am dealing with the Canadian people openly and honestly, and I ask my colleagues here to stop frightening the disadvantaged. Let those who have built Canada enjoy a secure old age and retirement, where life will be as pleasant tomorrow as it is today and where they will be able to lead a peaceful and rewarding life.

• (2140)

[*English*]

Mr. Deputy Speaker: The Hon. Member for Kamloops-Shuswap (Mr. Riis) rises on a point of order.

Mr. Riis: Mr. Speaker, I do not want to impinge on the speaker's time, but I did ask if I could place a question before the Hon. Member. I do hope I will be permitted at least a short—

Mr. Deputy Speaker: The time has expired. In fact, he has been allowed two minutes extra in compensation for interruptions. Is there unanimous consent of the House for the Hon. Member—there does not appear to be. The Hon. Member for Bruce-Grey (Mr. Gurbin).

Mr. G. M. Gurbin (Bruce-Grey): Mr. Speaker, there are several themes which are being promoted by different groups in the House as we listen to speeches on Bill C-131 which we have before us now, the effect of which really is to limit the increases which would have been experienced by people receiving Old Age Security to 6 per cent and 5 per cent in two successive years.

The theme we are receiving from the Government Members is that we are somehow trying to create an impression in the minds of people which will frighten them, or will concern them. Indeed, I think there are some basic issues which are of major concern, and those issues I would like to approach in just a moment. On the other hand, we are getting another kind of theme from the New Democratic Party, which is a little bit extraordinary. I see Members of the NDP standing up and criticizing this Party because we supported the six and five program. Indeed, that is true. The Conservative Party has supported in general the six and five program because who would not want inflation to be down at that level and interest rates down to that level? Who in their right minds would even suggest that that is not what would be good for the country at this time when we are experiencing the current economic distress? But I would like to make very clear to the NDP and the Government that what we have supported in the six and five program was the general thrust. We did not give a carte blanche to policies like this, or to policies which would affect the Family Allowances for children. Those types of specific policies, I believe, are a separate issue, and those are things we are very much opposed to, and are in fact debating now. But I find it passing strange that the NDP would stand up on the one hand and talk about not supporting the six and five program, when the only specific thing that program did when it was first introduced, apart from any other legislation which we are getting now or that we will get, was to reduce the salaries of Members of Parliament. And the NDP voted en bloc against that.

I would like to approach this, Mr. Speaker, on the basis of some of the basic issues which we are being presented with by this type of legislation right now. This Bill proposes to reduce the amount, which has been committed by the Government and which was expected by people who are receiving Old Age Security across Canada over the next two years, by an amount that will be equivalent to approximately $300.

I think we have to take several things into consideration. First of all, the population is aging, some us faster than we would like. The fact is that in the last ten years there are over

700,000 fewer Canadians under the age of 20 and 800,000 more over the age of 60. Therefore, we are seeing a basic change in the population in Canada. This is an important factor in how we look at our programs and our social needs in Canada in the coming years. One of the major social problems which we face is the persistence of poverty. At this point in time at least 15.5 per cent of our population can be described, on the basis of certain income levels, as being below the poverty line.

We went through a period of time in the sixties and seventies when there were programs at the provincial and federal level which reversed that trend, where instead of increasing the number of Canadians who could be defined as living in poverty, we reduced that number. We went through a period of time then when there were many more families which had two people earning incomes, a wife starting to work or a husband starting to work, so there were two incomes coming into the family. There were the boom times of the seventies which all of us fondly remember where we reversed the trend of poverty. Now it is swinging the other way for a number of reasons. The economic policies which we have experienced over the last ten years, I would suggest, are one of the most important reasons for that. Apart from that, I think we need to be aware and accept the fact that we are dealing with people who are living in poverty in Canada and that number is going to increase unless we make some very basic changes.

In one of the counties which I represent they are looking at a welfare budget next year which will be 50 per cent higher than the welfare budget this year. In this year alone there are 500 more welfare cases than there were last year. Those changes are not something I am talking about in an abstract way. Those are things which are actually happening at the grassroots level of communities all across Canada. On the basis of national poverty levels, I believe there is an estimate that over 500,000 more Canadians during this next year or so will be facing the need for welfare assistance. That is a large number of people, Mr. Speaker, and it is an important factor in how we approach the eighties.

Another effect of this aging population is that we are looking at the need for significantly increased medical services. This is a question which I think is important and it can be addressed in several ways. It can be addressed by the federal Government trying to administer in a variety of ways the health care system in Canada. There is no question but that the Minister of National Health and Welfare (Miss Bégin) has this kind of thing on her mind. It can also be addressed at the community level and at the individual level in a different fashion. But these are the needs and the circumstances which have arisen because of the aging population. There is one thing which the Minister said in a press release which I would like to read into the record. It reads:

> The budget takes as a given that Canadians who are not in need are entirely prepared to share in serious sacrifices which are required to bring our country out of the economic crisis.

In a broad way, I do not doubt at all that Canadians en masse would support programs and efforts to take this country out of the kind of circumstances we have today, but I think the essential point is that we are dealing now in this Bill, and particularly in this amendment, with a certain segment of Canadians to whom a commitment has been made by this Minister of National Health and Welfare and this Government, in fact by the Parliament of Canada. Now, for whatever reason, we have another proposal which is being championed by the Minister of National Health and Welfare, and which I find extraordinary, which will decrease that commitment. It is not a question of whether it is 3 per cent or 5 per cent, or what that percentage is, but the commitment had been made. People had made financial plans, understanding things to be a certain way as far as the commitment which the Government made is concerned, and now they are presented with a Bill which is going to change that commitment.

I would argue strongly on behalf of the group in our country which is in danger and which does have to make a disproportionate amount of sacrifice if we impose this kind of measure on them, that that commitment is clearly not going to be met by the Government. Now, we hear discussions about this being on the backs of those people. As I go through the areas I represent I think those are precisely the people who would be prepared to make sacrifices. I have to agree with the Government on that point. But I do not really think we can accept some of the Minister's arguments when she talks about the way she is first of all targeting in on those people who really need it. If she uses any kind of logic at all, she cannot deny the fact that what she is really doing is pushing more people into poverty, the people she made a commitment to.

• (2150)

We can get into a lot of political rhetoric at this time, Mr. Speaker. We hear it a lot, and strong political arguments are made by all sides. It is Christmastime and everyone likes to be generous at this time of the year, and we probably have but another 24 hours before most of us will be heading back to our constituencies. However, I think we are leaving while the Minister is reneging on a commitment made to Canadians who have contributed to this country and are now in a very vulnerable position. Now, $300 over two years is not much, but those people will be denied the security of knowing it will be there if needed.

I am not at this point, Mr. Speaker, arguing whether it is right or wrong to have universal programs, but I think it should be made very clear that the Minister has already given up the concept of universality. She can no longer argue that she supports universality. GIS is not a universal program. Health care benefits are not in a universal program. Whether they should be or not is a different argument, but I do not think she should go out and talk about these programs and the social welfare system in Canada as though it were a universal system. Clearly it is not.

The third thing I think we need to do is to consider the priorities of the Minister of National Health and Welfare and her Government. This measure might save $100 million. That is a significant amount of money, but we must balance that off

against other initiatives the Liberal Government has taken. As an example, the amount of advocacy advertising by the Government to promote the six and five program, which is in part a political response to a very serious economic situation, will eat up a considerable amount of the saving. What have we got to show for it at the end? Another high profile reflection of the Liberal Party. I think that is a serious concern, Mr. Speaker, because it extends not just into the six and five program but into the manpower programs, energy programs; indeed it is all around us. It has made the federal Government the largest single advertiser in the country. And all of us have to question seriously the priorities of a Government which decides that it will renege on a commitment for the sake of putting forward advertising slogans in an effort to explain itself, when in many cases the explanations lack even a reasonable degree of accuracy. Those points have been made by many others, but I think it is a serious question which should be answered.

I am going to close my remarks by asking the Minister a question. I wonder if she really believes that she is making any significant contribution to the economic recovery of the country, a contribution to the things which need to be done to create the kind of economic climate we want in Canada? Is she really fulfilling her responsibility to older people by proposing legislation like this? I suspect she will not answer that question directly. I suspect she will continue to suggest that this is a good thing on behalf of Canada. However, I think there is a serious question concerning the kind of Cabinet measures she is supporting now and which it appears she will support in the futures. I think she has in fact, given up her constituency and that her constituency is very poorly represented in Canada today.

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, I have a few brief comments on Bill C-131 before I call it ten o'clock. It is an important Bill, and simply because it does not affect a lot of people does not mean it is not important to the people it affects. There are some measures in the six and five program worthy of support in the sense that through them we try to impress upon people that inflation in many ways is psychological; that if the expectations are that inflation will come down in the future, in fact you may be able to do something about it. Inflation is what this Bill is all about, and the story is told that if we could give everyone a pill before they went to bed this evening to make them think there was going to be a depression in the morning, they would wake up and create the worst depression imaginable. Conversely, if you could convince people that tomorrow inflation was going to be at an end and economic good times were going to return, that expectation and belief would bring about the kind of economic recovery we all long for.

However, it is unfortunate that this six and five program is extended to cover people who, in large part, are unable to defend themselves against the worst effects of inflation. I refer specifically to the pensioners, Mr. Speaker.

Now, I have seen figures which indicate that the Government anticipates saving anywhere from $40 million to $80 million by applying the six and five to the Old Age Security Act. But if you take that $40 million figure and equate it to total Government expenditure, we would save $1 out of every $2,000 the Government spends. Bill C-131, Mr. Speaker, would save approximately $1 for every $2,000 the Government spends. That is really not a lot of money when you consider the kind of people we are going to extract that $1 from. That to me is a sad commentary on how the Government chooses to fight inflation. It is even more lamentable when you consider the fact that in large part the people who are going to be adversely affected by this Bill are the ones who are in most need of the money.

I see you rising, Mr. Speaker; may I call it ten o'clock?

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

The motion to adjourn the House under Standing Order 40 deemed to have been moved.

• (2200)

[*English*]

METRIC CONVERSION—COMPULSORY ASPECT OF LAW ON ADVERTISING. (B) REQUEST THAT MEASUREMENTS BE PERMITTED IN BOTH IMPERIAL AND METRIC SYSTEMS

Mr. Geoff Scott (Hamilton-Wentworth): Mr. Speaker, at the risk of being branded a dinosaur, as I was the other day in the House by the Parliamentary Secretary to the Minister of Consumer and Corporate Affairs (Mr. Berger), I want to deal with the Liberal Government's unholy zeal to force-march Canadians into metric conversion. My point in rising one more time on this subject is not only to express my disappointment and frustration at answers which I have received from the Government in recent months concerning the compulsory aspect of going metric, but to represent those Canadians who are genuinely concerned about their own democratic rights. These people number in the millions and they deeply resent the callous trampling of those rights by the federal Government.

Specifically, I have tried to obtain answers from the Minister of Consumer and Corporate Affairs (Mr. Ouellet) to questions which I placed to him on April 2, 1982, on July 30, 1982, and just last week on December 15, 1982. All three questions were designed to get some honest response from the Government on a fundamental misleading of the public about the compulsory, mandatory nature of going metric, and metric only. It is my view that misstatements by the Minister and his Metric Commission to the people, to the press and to Parliament about the manner of metric conversion must be exposed for the misrepresentations they are.

Let me cite three examples of flip-flops by the Liberal Government and a breaking of his word by the Minister of Consumer and Corporate Affairs with respect to metric conversion.

Example No. 1—the White Paper on metric conversion, tabled in the House of Commons by the then Minister of Energy, Mines and Resources, now the Hon. Member for Ottawa-Carleton (Mr. Pepin), indicated that the metric process shall be voluntary. Page 5 of the White Paper specifically indicated:

> No legislative action is contemplated which would make mandatory the replacing of inches and pounds with metric measure.

That was the basis on which the Government of the day received unanimous consent in the House. Members of Parliament of that day were clearly under the impression that metric conversion would be voluntary, and nobody objected to that democratic process. Well, how voluntary is it? Ask hundreds of thousands of small businesses and retailers across the country and, Mr. Speaker, you will learn how the Government disregarded and belied the spirit of its own White Paper.

Incidentally, it may interest the Parliamentary Secretary to the Minister of Consumer and Corporate Affairs, who, I notice, is in his place with his carefully prepared answers to the points I am raising, that the same White Paper agreed that it was of major importance that Canada keep pace with the United States in converting to metric. The Liberals have changed their minds on that too, if we are to listen to the Hon. Member when he said, as reported on page 21774 of yesterday's *Hansard*:

> —just because the United States is doing something does not mean it is right . . . he is saying that just because the Americans are doing it, it is right.

Of course the Parliamentary Secretary was referring to the Hon. Member for Peterborough (Mr. Domm).

This brings me to example No. 2 of what I regard as false and misleading advertising. The Metric Commission persists in peddling the big lie that Canada must go metric because the United States is going metric. Exactly the opposite is true. The Americans have wound down their Metric Commission because of too much consumer resistance to changing to the new system, and Great Britain has slammed the brakes on metric conversion for the same reason. We are not going metric to join our major trading partners; we are going metric because the Government and the Metric Commission are telling us to go metric.

Speaking of the Metric Commission, I have been alarmed for some time about this huge bureaucracy which has become a law unto itself. It has spent hundreds of millions, indeed well over a billion, of Canadian taxpayers' dollars to force us into a system we have not asked for, do not need and cannot afford. The Commission spends hundreds of thousands of dollars on snazzy, flashy propaganda. As one Member of Parliament, I want to see a fully independent investigation of the activities of the Metric Commission over the last decade, at least. If the Auditor General's people are too busy to look into it, then the Government should appoint a judicial inquiry into the Metric Commission's service or disservice to Canadians.

Let me come, finally, to example No. 3 of the Government's flip-flopping and breaking its word to Canadians about metric conversion. The Minister of Consumer and Corporate Affairs has consistently left the impression with retailers, manufacturers, Canadians generally and the House of Commons specially, that the Government would not prosecute those who choose to retain imperial measurement if that is what consumers desire. The Government got its fingers burned over the Kasparian case in Calgary when Section 7 of the Weights and Measures Act was found to be faulty and prosecutions seemed to be out of the question.

● (2205)

We now have the Minister of Consumer and Corporate Affairs saying, "That's it, boys—we're giving you one last chance. It's metric only from now on".

This is the Government which refuses to prosecute spies, but now says it will prosecute service station operators, including Members of Parliament, who dare to sell gasoline by the gallon.

I come back to the voluntary, democratic conversion to metric that we on this side want to see. I hope the Parliamentary Secretary will address these specific questions. Will the Government agree to a tandem system of measurement in both Imperial and metric labelling on all packaging and advertising? Will the Government finally agree that Canadians need and deserve a freedom of choice and information when purchasing goods? Is this too much to ask in a democracy?

Mr. David Berger (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, for the second night in a row I have the opportunity of addressing this problem. The Hon. Member does not like the word "dinosaur". Perhaps Neanderthal would suit him better.

I should first of all like to correct one misstatement made again by the Hon. Member opposite. The Minister at his press conference on December 13 pointed out that an error had been made in the Kasparian case in that charges against Mrs. Kasparian were made under the wrong section of the Act. It is unfortunate that this area has been capitalized on by Members of the Opposition in that they have implied that the Act itself is in question. This is not so. The Act is not at all in question. This is a matter, as I said, of charges being laid under the wrong section.

Furthermore, I wish to advise the Hon. Member that the present regulations regarding the use of metric units in the retail sale and advertising of home furnishings, gasoline and diesel fuel, and individually weighed food products, were adopted at the express request of the volunteer committees representing these three sectors of our economy.

It is true also that the vast majority of manufacturers and retailers in Canada wish to continue with the sole use of metric units in trade.

The Hon. Member addressed a specific question to me. He asked whether the Government would agree to a tandem system of labelling. I would say that the Member and his Party

are also concerned that consumers be able to verify price increases. To allow both systems, for example, in the area of retail scales would put the consumer into a much weaker position. If one week grapes or potatoes were sold in Imperial units and the following week they were sold in metric units, clearly a shopper would not be able to tell from week to week whether there had been an increase or a decrease in the price of those units.

I would suggest that if Hon. Members opposite were really interested in promoting the interests of the consumer, there are certain propositions they might make which could be deemed reasonable and could be discussed in a reasonable fashion. The manner in which most of them conduct themselves, by going on the kind of witch hunt they have been engaged in in recent months, certainly does not lead to a reasonable or satisfactory conclusion of this matter.

• (2210)

INCOME TAX—REVIEW OF TAX ASSESSMENTS FOR YOUTH FOR CHRIST WORKERS. (B) ATTITUDE OF TAX OFFICIALS

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, it is difficult to discuss a serious topic after having listened to the Parliamentary Secretary to the Minister of Consumer and Corporate Affairs (Mr. Ouellet). We have heard the old adage now and again that if you have a weak argument, you should talk louder.

Last week, Mr. Speaker, I raised a question with the Minister of National Revenue (Mr. Bussières) that is very serious for me. I raised a very important issue in regard to the role of National Revenue and charitable organizations. I am concerned about the intention of the National Revenue Department to go after charitable organizations such as the one I mentioned last week, namely Youth for Christ. I might say at the outset that I was pleased with the way the Minister responded to me. It was very evident to me that he did not know what was happening out there. He was interested to make sure that justice was done.

I am pleased to say tonight that he has already responded to me by mail and has given me a partial answer to my question and a commitment that he will be working on it in the future to make sure that these people are not hard done by the Government. I am pleased to tell the House that that has happened.

I am also concerned about the principle involved. I say again that I am sure the Minister will deal fairly with these particular cases. One of the principles concerned is that the federal Government seems, in that case, to be making a major and costly effort to collect very minimal taxes from very low income people. It will cost the taxpayers in cost effectiveness much more than it is worth. I understand you cannot apply it universally. However, when it comes to low income groups, particularly this bracket, it seems to me to be counterproductive to go into a re-assessment policy in order to collect taxes that historically should not have been collected.

Second, these community workers in question are very effective in the community dealing with those young people who have either been in trouble with the law, in trouble at school or perhaps have become school drop-outs. At any rate, they are not facing a future of being productive and creative citizens in our country.

The workers who have been among these young people have been very effective in working with them. I suggest that these community workers who are being paid by voluntary gifts through charitable donations through the organization will be driven out of this work, if the cost of their work increases dramatically because of increased taxes, and they will move into something else where they can earn more to keep body and soul together. This will either leave that work vacant and undone or make the Government do the work.

It seems to me that it is usually better in these situations if people do the work on a voluntary basis rather than have a Government agency do the work. The net effect of vacating the field and leaving it to the Government would be detrimental to this kind of community work that is presently being done by voluntary agencies. The net effect of that would be an increased cost to the community. If we consider this in pure cost effective dollars, I believe that it is counterproductive to go after voluntary agencies like this to see how much more tax money we can extract from them.

The question I raised last week was another policy question; if the Department of National Revenue feels that it must reassess its policy with respect to these workers, why not begin by approaching the officers of the national organization? Why approach individual workers who are overloaded with work, underpaid and sometimes hard pressed to pay the attention necessary to fight this additional battle? Why should they be strung out further when National Revenue, if nothing else, could go in compassion to the national organization and discuss a policy with it so that youth workers could concentrate on youth work rather than on defending themselves from the National Revenue officers.

• (2215)

The question that I would like to leave is an over-all question that I mentioned last week, and that is the matter of courtesy of those faceless officers who work in the large centres and deal with the telephone requests that come to them. It seems to me that I have heard this complaint more than anything else from individual taxpayers, regardless of whether they were community workers or not.

When a taxpayer calls a National Revenue office he feels that he deserves a courteous response, and in some cases he gets anything but that. I would simply urge the Minister to reinforce all of those faceless—and I do not blame them for being faceless—workers manning the telephone banks in the National Revenue office to be sure that they feel the sense of pain, the sense of pressure that the taxpayer feels when he is calling them.

I want to end by thanking the Minister, and the Parliamentary Secretary who has been working with the Minister on this, for taking a personal interest in this matter and getting us on the road to solving this, so that these community workers can

do the work they have been called to do and want to do, rather than defend themselves from the Government.

Mr. Garnet M. Bloomfield (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, as I understand the Hon. Member for Surrey-White Rock-North Delta, he is satisfied with the comments of the Minister, so I have no further comment to make. I understand that he is satisfied, and hopefully that will answer the question.

TRADE—STATUS OF NEGOTIATIONS ON EUROPEAN AIRBUS PROJECT. (B) REASONS FOR SELECTION OF AIRBUS PROJECT

Mr. Girve Fretz (Erie): Mr. Speaker, this evening I want to discuss the Government's proposal to build a $500 million plant in Quebec to manufacture parts for the controversial A-320 for Airbus Industries of France.

It is one thing to bail out domestic companies such as Massey-Ferguson and Chrysler, which are well established firms and whose loss could greatly damage our economy, but it is another thing to dish out hundreds of millions of sorely needed dollars to a foreign consortium manufacturing a product for which I intend to show the market is mediocre at best, at the expense of aircraft manufacturers operating here.

I have already brought up the matter in the House and I have received what I feel is an evasive reply. I get the feeling that the whole Airbus affair has been shrouded in a veil of secrecy, which to me is totally unacceptable.

When I asked a question in the House on this matter of the Minister of International Trade (Mr. Regan), who ought to be up to date on such issues as this, it did not please me to have the buck passed to another Minister. On many occasions I have stood here to comment on the increasing lack of accountability and the diminishing respect for the Members of this House of Commons. We have heard little mention of this project in the House of Commons and we want clear, forthright answers as to the status of the dealings with Airbus Industries and some convincing statistics to show that this is really beneficial for all concerned.

In *The Citizen* this morning I read of another project which, if not nipped in the bud, could join Airbus Industrie as the next example of wool being pulled over the eyes of the Canadian public. It involves radar systems for modernization of airports across Canada, and shows just how cosy the Canadian and French Governments are getting.

Five companies bid for the contract of a new and modern system of radar in 30 airports across this country. An interdepartmental committee reported to Cabinet its recommendations for the two finalists in the competition. An obscure French company called Thomson was not one of the finalists. However, upon the Prime Minister's (Mr. Trudeau) return to Canada from France this fall, he ordered a review of the choice of finalists. So do not be surprised if, in a few years, one comes flying into Toronto on an A-320 which is guided into the airport on a Thomson radar system.

• (2220)

As the Member of Parliament for Erie, where a major manufacturer of aircraft components is located, I must ask the Government what the effect of locating a new aircraft factory in Canada will be. Who will its suppliers be? Furthermore, if Airbus grabs a portion of the market from Boeing and McDonnell Douglas aircraft, plants such as Fleet Industries will almost certainly suffer.

The plant in Fort Erie, in my riding, employs upward of 1,000 people. Loss of business for this operation means unemployment and layoffs in many related sectors. In other large manufacturing centres, such as Malton, the results of competition with the A-320 could indeed be catastrophic.

The decision to subsidize Airbus is an unwise one in the light of current economic realities in the air transport industry. Flights are being cut back due to the high cost of fuel and the lack of demand. Is this a good time to introduce a new airplane? Consider the new aircraft just put out by boeing, the 767. Here is a fuel efficient aircraft which is effective in the medium range market, for which the A-320 is also designed. McDonnell Douglas will be offering similar designs in the very near future.

If one considers the volume of business that these companies do with Canada, it would be wise to stop and think about taking measures which would reduce this cash inflow. Boeing alone bought $147 million worth of Canadian aircraft components in the year 1981. Thus, we have the case of an aircraft which will be competing with at least five other models, the redesigned DC-9, the 757, the 767, the 737 from Boeing, and the latest entry from McDonnell Douglas which will be the D-3300. Therefore, there is a possibility that the A-320 will not even make it in the marketplace, and if it does not, that is another $500 million down the drain. If it succeeds and takes the profit away from the competition, we will lose anyway because of increased unemployment and lost business in the parts manufacturing plants.

The latest blow to independent entrepreneurs is the appearance of Airbus which will be, in effect, a Government subsidized product, competing against private companies. Airbus has been nurtured to the tune of $5 billion by European Governments. Thus, it will not have to bear a price tag necessitated by manufacturing costs. Its prices can be as low as it wishes. Thus, other manufacturers will have to lower their prices to compete. Any profit which Canadian companies are making now will be nullified by this giant company, and we will all feel the effects in increased costs and poor growth in the industry.

Before jumping into the deal with Airbus, I hope that the Government will consider the possible effects of its decision. Both McDonnell Douglas and Boeing may decide to cut back on production if they feel that the Government support to Airbus would result in a favoured position for Airbus products. In other words, Air Canada, a Crown corporation, might be pressured by the Government to buy Airbus products. The resultant unemployment could more than offset the newly created jobs in Quebec by Airbus.

In conclusion, it is my hope that the Ministers responsible will assess the facts in an unbiased and nonpartisan way so that the decision made reflects the wishes of the Canadian people and will benefit the workers and taxpayers of this nation.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. André Maltais (Parliamentary Secretary to Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Mr. Speaker, first of all I would like to point out to my hon. friend opposite that the Canadian Government will indeed take into consideration all the concerns he expressed earlier, namely that we make sure there will be a good market for this operation, that the work will still be done here in this country, and that it will be a successful financial and industrial endeavour.

I would point out now that recently there has been a meeting with the de Havilland and Airbus Industries. The talks were very warm and generally speaking relatively good progress has been made; furthermore both parties so far seem to be satisfied with the negotiations. Of course, in such dealings, a lot of things have to be taken into consideration and as was pointed out earlier by the Hon. Member, a number of airlines now experiencing financial difficulties have decided to wait another year before officially introducing the Airbus, which means that in fact negotiations may progress somewhat more slowly than originally expected.

Another point that perhaps should be emphasized, Mr. Speaker, is the fact that very soon there will be other meetings between Airbus and de Havilland on the commercial aspect of the operation and the industrial aspect as well for the actual manufacturing of certain components of the Airbus 320 Aircraft, following which the Minister of course will be in a position to report to the House on the exact status of the negotiations.

I would also like to point out at this stage that we have no intention of casting aside the North American partner as far as aircraft manufacturing is concerned. Not at all. It is simply a matter for the Canadian Government to expand its market and developing its technology with a view to allowing our young and not so young workers to work in a field of high technology on what clearly is state-of-the-art jobs, both at the computer and avionics levels, what I would like to stress is that once more we shall continue manufacturing in Canada various components for the DC-9, such as the fuselage and wings, and ensuring that with both Boeing and McDonnell Douglas we will still contribute to industrial exchanges in an effort to promote avionics on the North American aircraft models.

But this does not preclude finding other markets in Europe and other continents provided it remains consistent with the spirit outlined earlier by the Hon. Member, namely to first ensure that we will safeguard the existing market and second that jobs will be going to the workers of this nation before those in other countries.

Therefore I would like to reassure the Hon. Member at this point. All his concerns are being taken into consideration and when the study of the matter is more advanced, the department and the Minister will be pleased to brief the House for the benefit of interested Members.

[*English*]

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow afternoon at two o'clock.

At 10.27 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, December 22, 1982

The House met at 2 p.m.

• (1405)

MOTIONS UNDER S.O. 43

[*English*]

LABOUR CONDITIONS

NEW BRUNSWICK UNEMPLOYMENT—SUGGESTED GOVERNMENT ACTION

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, as this will be the last chance the Government will have in 1982 to indicate that it has the slightest interest in such New Brunswick constituencies as Saint John and Northumberland-Miramichi and the thousands of unemployed and about to be unemployed living in complete despair there, I move, seconded by the Hon. Member for York-Sunbury (Mr. Howie):

That the Government provide them with some hope, particularly as they are represented by Government backbenchers, by releasing the long-awaited reports on shipbuilding policy and on the future of Chatham-Newcastle after the closure of CFB Chatham and the subsequent destruction of those related 3,500 jobs.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

METRIC CONVERSION

DOUBLE LABELLING OF HAZARDOUS MATERIAL

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, it has been widely reported in the press that a number of crop wipe-outs last spring were caused by the federal law that forbids the use of non-metric units of measurement on labels, in this case those on containers of agricultural chemicals. Further crop damage is predicted for the coming spring if these federal regulations remain in force.

We have already established that the welfare of the country, or of individual Canadians, is of absolutely no consequence to the Government if it conflicts with Government plans or policy. Nevertheless these are the things with which we here have been elected to deal, and I am certain that there are those on the Government side of the House, even, who share this sense of responsibility. I therefore move, seconded by the Hon. Member for Peterborough (Mr. Domm):

That this mindless, headlong rush into metrication be tempered with a little sober second thought, and specifically, that double labelling on all potentially hazardous material be not only permitted but encouraged.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

THE SENATE

SUGGESTED NOMINATION OF SANTA CLAUS

Mr. Bill Kempling (Burlington): Madam Speaker, I rise under the provisions of Standing Order 43 on a matter of urgent and pressing necessity. I might say I have just this moment received a letter from a well loved citizen residing north of here, who has asked me to bring to the attention of this House a situation of some gravity. He writes:

Dear Bill:

I will be brief. My whole operation is in jeopardy. Canada Post has delayed new orders, the banks have repossessed my sleigh, the elves are on strike because of six and five, I can't collect unemployment benefits because I'm a seasonal, part-time worker, and Mrs. Claus wants to move to Florida; but, with a deindexed pension who can afford it?

This Government has really taken the HO out of my HO! HO! HO! The Prime Minister promised a Royal Commission but there seems to be a waiting list. Mr. Ouellet won't lift a finger until I metrify the odometers on the reindeer and, to top it all off, Herb Gray threatened to make me a Crown corporation: Santa Canada.

Therefore I move, seconded by the Hon. Member for Simcoe North (Mr. Lewis):

That we listen to old Saint Nick's message and appoint him to the Senate.

Some Hon. Members: Oh, oh!

Madam Speaker: The Hon. Member for Churchill (Mr. Murphy).

* * *

BILINGUALISM

APPLICATION TO ONTARIO

Mr. Rod Murphy (Churchill): Madam Speaker, from the perspective of our new Constitution which enshrines official bilingualism both for Canada as a whole and for the province of New Brunswick, and secondly, in view of the bilingual status of the province of Manitoba, and in view of the fact that Ontario has a larger French-speaking population than either of

the above-mentioned provinces, making it essential that this community be guaranteed certain services in its own language, I move, seconded by the Hon. Member for Spadina (Mr. Heap):

That this House go on record as urging the Government of Ontario to make a firm commitment to one of the fundamental pillars of this nation by acting to make that province officially bilingual.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

SCIENCE AND TECHNOLOGY

LOCATION OF PROPOSED BIOLOGICAL RESEARCH CENTRE

Mr. Joe Reid (St. Catharines): Madam Speaker, with no decision as yet having been made as to where Canada might build the UN sponsored centre for biological research, and since Brock University has ready and available a fully equipped laboratory suitable for that purpose, and since it is located in an area which has above the national average of unemployed and has an abundance of skilled and technical help, I move, seconded by the Hon. Member for Haldimand-Norfolk (Mr. Bradley):

That Canada should not lose this opportunity to become a world centre of research and development in biological technology but take advantage of the facilities available to it through Brock University as the basis for a proposal to be submitted to the United Nations.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

DISASTERS

FLOOD DAMAGE IN DELTA, B.C.—FUNDS FOR DIKE REPAIRS

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, given the widespread flood damage to private property and farm lands which occurred last weekend in Delta, British Columbia, caused by a severe winter storm which breached or impaired several dikes, including one recently constructed to a 200 year storm standard under the Fraser River Flood Control Program, I move, under the provisions of Standing Order 43, seconded by the Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen):

That the federal Government respond immediately to an urgent appeal from the Council of Delta municipality by undertaking to meet the costs of repairing all of the damaged dikes, including the reconstruction of dikes protecting Westham Island, and that funds be allocated from the federal NEED Program so that essential jobs may be created promptly to carry out this urgent project.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

• (1410)

HOUSE OF COMMONS

HIRING PRACTICES—CALL FOR APPOINTMENT AND PROMOTION BY COMPETITION

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, as Standing Order 43 is about to become an extinct species, I move, seconded by the Hon. Member for Churchill (Mr. Murphy):

That this House urges the Special Committee on Standing Order and Procedure to amend S.O. 83 and 85(4) to include appointment and promotion by competition.

Currently Standing Orders 83 and 85(4) both employ the stark phrase that the Clerk and the Sergeant-at-Arms "shall employ at the outset of a session" without providing these House officers with any enlightened procedures to guide them in carrying out their orders.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

* * *

POLITICAL PARTIES

LIBERAL PARTY—WITHDRAWAL OF MULTICULTURAL RECRUITMENT MANUAL

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, in the spirit of Christmas I would ask the Members on all sides of the House to support unanimously my motion to congratulate the Government of Canada. I move, seconded by the Hon. Member for Saskatoon West (Mr. Hnatyshyn):

That this House congratulate the Government of Canada for seeing the error of their ways and withdrawing the very distasteful multicultural recruitement manual of the Liberal Party of Canada which suggested the use of judges of the courts of Canadian citizenship as a tool for recruiting members for the Grit Party, but at the same time understanding that, in this time of need, in that organization, they would grasp at anything in order to bolster sagging party fortunes.

Madam Speaker: Is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

PROGRESSIVE CONSERVATIVE PARTY—FORMER LEADER'S STATEMENT ON IDEOLOGY

Hon. Edward Broadbent (Oshawa): Madam Speaker, I rise under the provisions of Standing Order 43. Given the fact that this may be one of the last motions moved under this provision, and given the subject matter, I am sure there will be unanimous agreement for this motion. I move, seconded by the Hon. Member for Hamilton Mountain (Mr. Deans):

That this House notes with agreement the profound observation made by the former Leader of the Conservative Party, the Hon. Robert Stanfield. The observation accurately describes the political situation in our time in Canada. His words were as follows, and I quote:

"I understand the efforts of a socialist to ridicule Liberals and Progressive Conservatives because we do not differ ideologically. But for a Conservative to take such bait and set out to establish ideological differences where none exist or ought to exist, . . . let me say simply and without personal offence, that such a Conservative is misguided."

Some Hon. Members: Oh, oh!

Madam Speaker: The Hon. Member for Yukon.

* * *

HOUSE OF COMMONS

EXPRESSION OF BEST WISHES TO STAFF

Hon. Erik Nielsen (Yukon): Madam Speaker, in the spirit of the season I am sure that this Standing Order 43 motion will receive the unanimous consent of the House, since it probably will be the last if not next to the last such motion. I move, hopefully seconded by the Government House Leader, or perhaps even the Acting House Leader for the NDP:

That since Standing Order 43 will no longer exist after one minute to six this evening, this House extend its sincere best wishes to all of the support staff of the House of Commons, including *Hansard* reporters, the Table, the protective staff, the maintenance staff, and all others of those who are required to put up with us, and have had to, throughout this very trying year.

I also include you, Madam Speaker.

Some Hon. Members: Hear, hear!

Madam Speaker: That is the way to deal with that kind of Standing Order 43, with applause. The Hon. Member for Red Deer.

Mr. Pinard: You have to put that motion.

An Hon. Member: You did not put the motion, and it is debatable.

Madam Speaker: I did not think it was a serious Standing Order 43. The Hon. Member for Red Deer.

• (1415)

BYE-BYE "43"; HELLO "18(3)"

CHANGE IN STANDING ORDERS

Mr. Gordon Towers (Red Deer): Madam Speaker, I rise for the last time with a lament for Standing Order 43 and to add my own humble, personal and minor footnote to its passage. A leaf in the history of this hallowed Chamber vanishes with this day to give way, we hope and trust, to a more efficient and expeditious vehicle for expressing grievances. Therefore I move, seconded by the Hon. Member for Edmonton North (Mr. Paproski):

That this House indulge this humble person by entertaining the passage of this motion which eulogizes the "43":

O "43", my "43", 'tis sad that you are leaving,
I know Madam Speaker sorely will be grieving;
I know she will pine; I know she will mourn,
Weep not, dear lady, a new House rule is born.
The "43" was a child of its times—
Motions, grievances, couplets and rhymes;
Now we'll have 90 seconds and anything goes!
Good luck, Madam Speaker, and be on your toes.

Some Hon. Members: Hear, hear!

Madam Speaker: For the last time and, for me, as a farewell to motions under Standing Order 43, is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Trudeau: No!

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

OECD UNEMPLOYMENT FORECAST—REQUEST FOR INTRODUCTION OF BUDGET

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is directed to the Minister of Finance who knows that at two o'clock today the OECD report was officially tabled. In view of the fact that that report shows that unemployment in Canada will likely hit 13.25 per cent in the beginning of next year, meaning a jump of a further 60,000 people out of work, and a rate of unemployment of 13.25 per cent compared with a 24-nation OECD average of 9.5 per cent, would the Minister of Finance tell us whether he would be willing to bring in, at the earliest possible opportunity, a new budget, so that this tragedy which is being inflicted upon Canadian workers may be brought to an early halt?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the Hon. Member is referring to a forecast. As he knows, a lot of forecasts made in the last few years have been proven

wrong on the optimistic side. This one is particularly pessimistic. We hope that it will be proven wrong as previous optimistic forecasts were proven wrong.

As the Hon. Member also knows, a number of forecasts have been made by private Canadian institutions over the last few months. These forecasts all indicate that unemployment in Canada will remain high in the next year, that we can expect a gradual decline of unemployment during the course of the year, and a gradual recovery. The forecasts for recovery vary between institutions, but up to now all institutions which have made forecasts in Canada for the next year forecast a positive rate of growth.

I have indicated that I am considering bringing in a new budget early in the new year, before the beginning of the fiscal year. I certainly intend to proceed with that plan, but I stress to the Hon. Member that no budget by itself could radically change the situation which we are experiencing at the present time, not only in Canada but in most industrialized countries. This will have to take place as part of a broad policy, not only in Canada but in other countries, involving not only budgetary policies but all other elements of the economy.

MACDONALD ROYAL COMMISSION—CHAIRMAN'S REMUNERATION

Hon. Sinclair Stevens (York-Peel): Madam Speaker, again my question is directed to the Minister of Finance who stated that perhaps forecasts will not become reality. Let us deal with reality, because OECD deals with reality and points out that in real gross national product terms Canada had a negative, a minus 5 per cent reduction last year, even behind Turkey, for example, which had a better record; in fact Canada had the worst record of any OECD country—24 out of 24. In view of the fact that that is costing every worker in Canada $100 a month in current dollars, would the Minister of Finance indicate, first, what is the depression proof wage level being offered to Donald Macdonald to head his commission? Is it $800 a day? Second, would the Minister of Finance at least ask that commission to commence its activity at the earliest opportunity with a view to its advising the Minister on what course he should take to avert a still worse calamity in this country than is developing, and as to what he should do?

• (1420)

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, as the Hon. Member knows, Royal Commissions do not come under my responsibility. The Hon. Member's question in that regard should be addressed to the Minister responsible for the Privy Council Office, namely, the Prime Minister.

As far as the Hon. Member's second point is concerned, the commission has been set up. Meetings have been held already. Last week Mr. Macdonald met with provincial Ministers and myself at the conclusion of the federal-provincial conference and there was a very helpful and fruitful exchange of views with regard to the activities of the commission. I understand the commission is still in its organization stage. It is planning to proceed expeditiously with its plans of action, but again I think it would be raising false expectations and hopes to believe that this commission could come forth with recommendations for action in the next few months. That is the responsibility of the federal and provincial Governments of this country together with people in the private sector, both labour and management. That responsibility we are ready to assume. We have assumed it up to now, and we will continue to take the responsibility for it.

PURPOSE OF PRIME MINISTER'S FORTHCOMING VISIT TO FAR EAST

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my supplementary question is for the Prime Minister. No doubt the Prime Minister is familiar with the OECD report to which I have referred, which lists his country, Canada, as number 24 out of 24 in terms of 1982 performance. Will the Prime Minister indicate why he feels that now is the time for him to take still another trip? In what way will that trip help the unemployed of this country?

Statistics Canada's figures issued this morning show that some of our industrial sectors are operating at only 51 per cent capacity and, on average, are operating at only 67 per cent. The OECD report has indicated that our downturn has been due to the postponement or cancellation in part of major energy projects in Canada. In that context, would the Prime Minister indicate how he might be able to do more to help the unemployed than by taking another trip?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the question is somewhat involved and speculative. I am sure if I did not take a trip I might be able to do a great deal—that is the suggestion by the Hon. Member—in helping the economy. I am glad to see him recognize the earnestness with which I apply myself to that task when I am in the country.

Some Hon. Members: Hear, hear!

Mr. Trudeau: As to whether what I do week after week is more than I will be doing when I go to the ASEAN countries and Japan, Madam Speaker, is a matter entirely for speculation. I cannot satisfy the Hon. Member on that, but I would want to point out to him that the ASEAN countries have been growing over the past several years at a rate of about 6 per cent. Trade with the Pacific Rim countries has now overtaken trade by Canada with Europe. If the Hon. Member were at all informed about the reality of the economic development of those countries and the potential markets for Canada, I am sure he himself would be suggesting that I make the trip a little longer so that I could spend more time with the businessmen who have asked me to meet them there to discuss Canada's trade relations with those countries.

• (1425)

INDUSTRY

CLOSING OF RCA PLANT IN MIDLAND, ONT.

Mr. Doug Lewis (Simcoe North): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce who, I believe, is engaged in conversation. If I could have him stand down, I have a question with respect to the electronics industry. The Minister will know that RCA in Midland, Ontario, the last electronic picture tube manufacturer in Canada, will shut down completely by the end of the year. That plant closing alone represents a loss of 1,200 jobs to the Canadian electronics industry. What efforts has the federal Government made in the past two or three years to support and strengthen the electronics industry in Canada?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, with respect to the particular plant in question, the RCA plant, my officials are working with Ontario Government officials to see if we can find another buyer for that particular operation. I have already met with one of the prospective buyers and hopefully we will be able to arrive at a satisfactory conclusion for the people involved in that plant.

Mr. Lewis: The Minister will know that the shut-down procedures have started already.

FUTURE OF ELECTRONICS INDUSTRY

Mr. Doug Lewis (Simcoe North): Canada's import-export deficit in the electronics industry increased 15 per cent from 1980 to 1981. All the while the people in that industry are predicting that it could mean up to 100,000 to 150,000 jobs for Canadians in that industry by the end of the decade. What we want on this side is for those jobs to be in Canada and not offshore. What steps is the Canadian Government taking to ensure that those jobs are created in Canada and not offshore?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, the Hon. Member knows, as do all Members of the House, that one-third of our total gross national product is dependent upon what we export abroad. Consequently we do not have the same flexibility that many other countries have with respect to having import regulations that keep products out of this country. He will also know from some of his own colleagues in the House, from the East and the West, that when we have taken steps, for example, in prohibiting cars from Japan coming to this country, they have requested that we eliminate those barriers and let those cars come in. Let us have some consistency from his Members on the other side.

BANKS AND BANKING

INCREASE IN PROFITS OF CHARTERED BANKS

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, my question is directed to the Minister of Finance who has been somewhat less than forthright with Parliament since he has not given us all the good news for Christmas. While Canadians from every region and virtually every walk of life are struggling during this depression period, the chartered banks of Canada have racked up fourth quarter profits that rank among the highest in their history. Return on fourth quarter average equity is in the 14.6 per cent range, with assets having grown similarly.

Will the Minister rise today and tell the House that he will meet with the chief executive officers of Canada's chartered banks and ask them to moderate their profiteering and join with the rest of Canada in trying to get the economy back on track?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, as a matter of fact I have already met with the banks. I discussed this subject in general terms a while ago. In those discussions I even indicated that, bearing in mind the fact that the banks had known such a bad year up to the last quarter, and a bad year last year, the first thing that would happen would be for the NDP to rise up and point out those horrendous profits that would happen. I can say that in the course of the next year, as recovery comes, you will see the NDP on the other side of the House rising every day to say, "Is it not terrible that this or that corporation has had profits rising by a thousand per cent?" They will have gone from $1 to $1,000. That will be a cause of scandal for the NDP. Therefore I am not very surprised at that type of reflection at the present time.

The banks, like other institutions in Canada, such as the manufacturing sector and the industrial sector generally, have known a bad year. We should be encouraged by the signs that the financial institutions, the manufacturing sector and the industrial sector, I hope, will show profits in the course of the next few months because this will mean that they would be able to invest and expand the economy and be able to create more jobs for Canadians and deal with the problems of unemployment that we are facing.

Mr. Broadbent: Banks are laying off all over.

CREDIT CARD INTEREST RATES—REQUEST FOR CONTROL ON INTEREST RATE SPREADS

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, the Minister would be interested to know that the banks are laying off people, rationalizing their operations, and cutting off branch offices. And many people in Canada would be pleased to know that banks, in this troublesome year, have made profits in excess of $1.5 billion. I recognize that the banks have experienced large loan losses, but their profitability is so high largely because their consumer loan rates are as much as double what the banks are paying their depositors. Of course

we all know that their credit card charges are at usurious rates of between 24 per cent and 34 per cent. In light of those facts, would the Minister of Finance consider controlling the interest rate spread, as we suggested in our minority report on bank profits?

• (1430)

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, a committee of the House was set up during the course of the year to study bank profits. That committee studied the whole issue extensively. However, at the end, when the NDP thought its doctrinaire views would not be endorsed by everyone, and when it saw that the facts did not fit with its ideological stance, it decided to boycott the committee and refused to look at reality and examine what the facts were.

Mr. Broadbent: Say it with a straight face!

Mr. Lalonde: Therefore, when there is a Party which refuses to play by the rules of the House and respect the facts of life, I cannot give the assurance that the Hon. Member has requested. I cannot do that.

PUBLIC CONTROL OF BANKING SYSTEM

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, we all recall that at those hearings into bank profits, the banks, because of their exorbitant and rather embarrassing profits, said that those profits were a fluke and that they would never happen again. During these difficult economic times, those profits are occurring once again.

Mr. Baker (Nepean-Carleton): We've got two flukes; two flukes in a row.

Mr. Riis: I would ask the Minister of Finance to give Canadians a real Christmas present by introducing, in the tradition of the Swiss and Austrian banking systems, amendments to the Bank Act so that there will be real public control over Canada's banking system and so that it will operate in the best interests of Canada and Canadians as opposed to shareholders.

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, in fact, this question has been considered by Parliament for a number of years. Every ten years, the Bank Act comes up for review. Last time, Parliament considered the Act for, I think, at least two years if not longer. During that review, all Members of Parliament had an opportunity to discuss the Bank Act, and substantial amendments were made. The important thing is to provide for greater competition between financial institutions in Canada. The last amendments to the Bank Act took a step in this direction by allowing into Canada a number of foreign banks that are on the market and compete with existing banks. In addition, other financial institutions such as trust companies, caisses populaires and credit unions are also on the market and competing with the banks. The way to solve the problem my colleague imagines exists is not to bring in more Government regulations but to ensure that there is more competition among financial institutions, and that is the position taken by this Government.

* * *

[*English*]

NATIONAL PAROLE BOARD

OPERATION OF MANDATORY SUPERVISION PROGRAM

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, my question is directed to the Solicitor General. As he knows, the Chairman of the National Parole Board, through his policy of gating, has signalled to the country that there is a real probelm involving the security of Canadians as a result of the early release program known as mandatory supervision. It is a problem which Bill S-32 does not address. I would like to ask the Minister whether he has encouraged and supported the Chairman of the National Parole Board in his policy of gating, and whether he has planned any additional or alternative measures, other than Bill S-32, which would provide some sense of security to Canadians in the event that inmates are released before they have been rehabilitated.

Hon. Bob Kaplan (Solicitor General): Indeed, Madam Speaker, I am very pleased to hear the Hon. Member noting the gating procedure which the Chairman of the National Parole Board recently began exercising. Far from saying that there is a problem with dangerous offenders being put out on mandatory supervision, I think the Hon. Member should recognize that there is a solution, that the solution is in the hands of the Parole Board, and that it is being exercised.

With regard to his second question, I supported the procedure of the Chairman. I am satisfied, from the law officers of the Crown, that that procedure is lawful, and although it is being challenged in the courts now, the law officers of the Crown are taking a position in support of it.

* * *

THE ECONOMY

REQUEST THAT PARLIAMENT APPOINT COMMISSION

Mr. John Kushner (Calgary East): Madam Speaker, I want to direct my question to the Prime Minister. I want to say it the way it is, the way I hear it in my constituency, or no matter where I go, concerning the fact that we are almost reaching two million people unemployed in Canada and the Government is doing nothing new to resolve the problem. The situation is not only serious, but it is also critical, and even more urgent than if the country were in a state of war. Canadians are asking why billions of dollars have gone across the border to the United States and why thousands of businesses have folded and have also gone across the border. Sir, I want to say to you that what has been said to me is that the Royal Commission—

Some Hon. Members: Question!

Mr. Kushner: —the Macdonald Commission—I am still in the question—is nothing but an election tool to provide the information before the election—

Some Hon. Members: Order.

Madam Speaker: Order. The Hon. Member must ask a question.

Mr. Kushner: I am concluding my question—that it will provide the information before the election and report back after the election. What a waste of money, as it is providing information only for a political party. My question—

An Hon. Member: No question!

Mr. Kushner: My question is directed to the Prime Minister so that he may consider it over the Christmas recess. Will the Prime Minister be prepared to set out a commission, an unbiased commission, for which Parliament was elected, which would be appointed by three parties here in Ottawa, in the House of Commons, to report back within four months? Because we cannot wait any longer, Sir, than four months at this time.

Madam Speaker: Order. Order!

Mr. Kushner: I am now proceeding with the question.

Madam Speaker: The Hon. Member for Central Nova.

Mr. MacKay: My question is directed to the Solicitor General. On March 26 of this year, I put on the Order Paper a question concerning the RCMP policy in respect to paid informers.

Mr. Baker (Nepean-Carleton): You are not going to answer that question, Prime Minister?

Madam Speaker: The Hon. Member for Calgary East looks puzzled but, of course, I cannot force an Hon. Member to answer a question, and therefore there was no answer to his question.

Mr. Kushner: Yes, the question, Madam Speaker—I asked the Prime Minister—

Madam Speaker: The Hon. Member for Central Nova.

Mr. Kushner: My question was, is the Prime Minister prepared to appoint a commission—

Madam Speaker: Order.

Mr. Kushner: I know he doesn't want to do it.

Madam Speaker: Order. The Hon. Member should—

Mr. Trudeau: Should listen to the Speaker.

Madam Speaker: —take comfort in the fact that sometimes the question is more important than the answer.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Baker (Napean-Carleton): Usually.

Mr. Clark: As a rule.

Mr. MacKay: That's a very good point, Madam Speaker.

Some Hon. Members: Oh, oh!

Mr. MacKay: In that spirit, I would like to direct a question to the Solicitor General.

* * *

ROYAL CANADIAN MOUNTED POLICE

POLICY ON PAID INFORMERS—DISCLOSURE TO COURTS

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, I would like to remind the Solicitor General that on March 26 of this year I put a question on the Order Paper concerning the RCMP policy in respect of paid informers. On November 5 the Solicitor General gave me a written answer claiming that, "without exception", the fact that a witness is a paid RCMP informer is fully disclosed to the courts. A few days ago, on December 15, the Minister sent me an amended version of this policy which restricts full disclosure to cases where the information is "germane" to court proceedings.

May I ask the Solicitor General to tell the House who is the judge of what is germane and what is not germane to a case before the courts, and whether or not his amended policy—and this is a matter I have discussed with the Solicitor General many times—was made retroactive because of the circumstances surrounding the court proceedings against the murderers of the two City of Moncton police officers in 1974?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I can clearly state that the policy is that when a witness has been paid for the evidence that he gives in the case at hand, full disclosure of that fact is made to the court and of all of the circumstances involving the payment.

MONCTON MURDER TRIAL

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, will the Solicitor General be more forthcoming with regard to the details of the co-operation of the two murderers with the RCMP prior to the Stein kidnapping and the murder of the two Moncton policemen, details of which were apparently kept from the court by the RCMP witnesses?

Hon. Bob Kaplan (Solicitor General): Madam Speaker, I looked into that case with very great care, because of the letter I received from the Hon. Member. I reviewed it with the

Commissioner of the RCMP and I am satisfied that the policy which I have just described was not violated in that case.

* * *

• (1440)

LABOUR CONDITIONS

SASKATCHEWAN POTASH INDUSTRY LAY-OFFS

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my question is directed to the Minister of State for International Trade. I am sure the Minister is aware that last Sunday some 1,200 workers were laid off in the potash industry in Saskatchewan. Nine hundred more will be laid off by the end of February. I have here with me quotes from sources in the potash industry in Saskatchewan saying that this is happening because the provincial Conservative Government decided to scrap the export wing of the publicly-owned Potash Corporation of Saskatchewan, a decision which was supported by the Liberal Government across the way. In light of that, is the Minister aware that by the end of February half the industry in our Province will be closed down, and, if he is aware of that, what specifically is he going to do as Trade Minister to regain some of those markets which we have lost?

Hon. Gerald Regan (Minister of State (International Trade)): Madam Speaker, the Hon. Member, of course, describes a serious situation which exists at a time when that many workers in any one industry are subjected to lay-offs. I do not think it is fair for him to attribute the cause of lay-offs in today's potash market to the actions of the Conservative Government in Saskatchewan. Mind you, defending Conservative Governments is not my long suit, but I want to say through you, Madam Speaker, to the Hon. Member, that my Department is prepared to work with the potash industry of Saskatchewan to do everything possible to identify and develop markets in these difficult times, and if the Hon. Member would like to discuss with me the particulars of that, I would be glad to do so after the Question Period.

URANIUM CITY LAY-OFFS—REQUEST FOR ASSISTANCE TO RESIDENTS

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, my question is for the Minister of Finance. When the Minister was the Minister of Energy he was involved in the shutdown of the Beaverlodge Mine in Uranium City in North Saskatchewan one year ago this month. Although the Eldorado Nuclear mine and millworkers received adequate compensation from the $42 million close-down package, nothing has been committed for other Uranium City residents hit by the closure. Can the Minister mark the anniversary of this occasion, and this season, by offering a compensation and relocation package to these residents, or must the citizens of Uranium City continue to suffer because the Government of Canada and the new Government of Saskatchewan cannot agree on this particular question?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I would like to remind the Hon. Member that the decision by Eldorado to close its operations at the uranium mine was taken by the Corporation, a decision which had to do with the viability of the mine itself. It was a corporate decision which made sense and was recognized as such by all parties concerned, affected or interested. I remind the Hon. Member that, in taking that action, the Corporation has taken steps, together with the Department of Manpower and Immigration, which have been more generous than in any other closing of any mines by any private sector institution in the whole of Canada in the meantime. As a matter of fact, one of the problems was that the former New Democratic Party Government of Saskatchewan was running away from its responsibilities and not playing the full role of a provincial Government in that operation.

The federal Government has done everything it could through its departments, and also Eldorado itself, as a federal Crown Corporation, has done everything which could be expected of them as good corporate citizens to help that community in terms of relocation and help to the various citizens of that city. I submit that, if there are further steps to be taken, they should be taken by the provincial Government.

* * *

FINANCE

SMALL BUSINESS DEVELOPMENT BOND PROGRAM—ROLE OF CHARTERED BANKS

Mr. Jack Shields (Athabasca): Madam Speaker, my question is for the Minister of Finance. During these troubled times when small business failures are at an all-time high, small business development bonds, for all intents and purposes, have become a myth. The Royal Bank of Canada, by directive from the head office to its branches, is refusing small business development bond applications for businesses in dire straits. In fact when a business applies to another bank it is told that there is an agreement between the banks that they will not take customers from one bank to another. Is the Minister aware of this? If he is aware of it, what is he going to do about it?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I shall be pleased to bring the Hon. Member's representations to the attention of the Inspector General of Banks, with the request that they be forwarded to the authorities of the Royal Bank of Canada.

[*English*]

REQUEST THAT MINISTER INVESTIGATE SITUATION

Mr. Jack Shields (Athabasca): Madam Speaker, my supplementary is also directed to the Minister of Finance. The question to which I am trying to get an answer from the Minister is this: is he truly going to make a small business

development bond available for small business in dire straits? If he is, when is he going to do this? And is he going to look into charging the banks with collusion?, because it is obviously collusion, when one bank refuses a small business development bond application and then when the applicant goes to another bank he is refused because there is an agreement among the banks that they will not deal with each other's customers. That must be collusion. Is the Minister going to look into that with the idea of maybe laying charges against the banks?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the Hon. Member has failed to keep up with events. In June of last year, my predecessor announced that the Small Business Development Bond would be continued. The program is in effect at the present time, it is operational, and as I indicated earlier, the Hon. Member's allegations will be brought to the attention of the Inspector General of Banks.

* * *

[*English*]

UNEMPLOYMENT INSURANCE

VARIATION IN BENEFITS BETWEEN ECONOMIC REGIONS

Mr. Bill Kempling (Burlington): Madam Speaker, my question is for the Minister of Manpower and Immigration. The Unemployment Insurance Commission uses economic regions established by Statistics Canada to determine regional unemployment statistics. Burlington is included in the Toronto economic region, which also includes the townships of Rama and Mara near Orillia. I do not know the relationship between Burlington and those townships, but the net result is that if you live in Hamilton and become unemployed you need only work ten weeks to apply for further unemployment insurance benefits, and if you live in Burlington, you must work 14 weeks to be eligible for further unemployment insurance benefits. Does the Minister condone this discrimination by reason of place of residence?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, the Hon. Member really does not represent the situation properly. There is no discrimination at all. What we have done is divide the country into some 40 economic regions and in each of those regions we try to design according to the economic and geographic circumstances, and they then trigger the kind of applications to the Unemployment Insurance Act. We do make adjustments to those figures where we can, where there are changes or shifts in the population or economic circumstances. I would be glad to receive representations, but the Hon. Member would have to recognize that when you change one boundary it does affect the boundaries of someone else. If he would like to write to me about that, I would be glad to respond.

CONTRAST BETWEEN BENEFITS PAID IN HAMILTON AND IN BURLINGTON

Mr. Bill Kempling (Burlington): Madam Speaker, to give one example out of hundreds who have complained: two employees who are electricians by trade, members of the same union local, working out of the same hiring hall, are laid off. One lives in Burlington and one lives in Hamilton. Both pay the same unemployment insurance premiums, but one can be temporarily employed for ten weeks and be eligible for further unemployment insurance benefits because he lives in Hamilton. The other, when laid off, must lose four weeks of unemployment insurance benefits because he lives in Burlington. That is discrimination by reason of place of residence.

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I really would like to respond to the Hon. Member's inquiry, but it is not discrimination. Those boundaries have been set. They have been in place in the Burlington-Hamilton area for years. With the kind of recession we are facing, obviously some of the conditions change, but it only happens in those areas where there is a large metropolitan area, and there are surrounding communities which have an overflow of workers which may commute from one town and work in another. We do try to rationalize it as much as possible, and I am prepared to look at the problem, but I would have to caution it is not an easy one to resolve. We are looking at a general review of the unemployment insurance program, and I would be glad to respond as much as I can.

* * *

THE JUDICIARY

INDEPENDENCE OF PROVINCIAL JUDGES—REFERRAL TO ONTARIO COURT OF APPEAL

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I have a question for the Minister of Justice. The Minister is aware that two Provincial Court judges in the Province of Ontario have decided that they are not competent, given their independence, to hear criminal cases in this Province. The Attorney General of the Province has referred the matter to the Ontario Court of Appeal for consideration. This involves the Charter of Rights enacted by this Parliament. Is it the intention of the Minister of Justice to intervene in any way, whether actively or by way of a watching brief, in those proceedings, and, if so, how?

• (1450)

Hon. Mark MacGuigan (Minister of Justice and Attorney General of Canada): Madam Speaker, as my hon. friend knows, the situation involving federal judges and their relationship to the federal executive is entirely different because we act according to Acts of Parliament which establish the remuneration, retirement benefits and other provisions concerning judges. Therefore, Madam Speaker, there is really no federal aspect to this question and I do not believe it would be proper for me to express an opinion here. I am inclined to

think it would not be helpful to have representation in the case, but I will be consulting my Department further on that.

QUERY RESPECTING FEDERAL JURISDICTION

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, in his consultations would the Minister consider that the statute causing some difficulty for these judges is an Act of this Parliament, and that alone would give him jurisdiction? It may very well apply in a number of other Provinces across the country, and indeed can cause chaos in the administration of justice. Would he raise those three concerns with his officials before he accepts any device on dismissing federal intervention in this case?

Hon. Mark MacGuigan (Minister of Justice and Attorney General of Canada): Madam Speaker, I promise to consider the matter carefully. That statute to which my hon. friend refers is, I believe, the Charter of Rights and Freedoms, and that certainly reflects the will of the people in this place, but it also was adopted by the provincial Governments, and as part of the Constitution it can no longer be looked upon as a statute of this Parliament alone.

* * *

AUTOMOTIVE INDUSTRY

ANNOUNCED CLOSURE OF AMERICAN MOTORS PLANT

Mr. Neil Young (Beaches): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce who will know that American Motors has announced it intends to close indefinitely its only Canadian operation next spring. That closure will affect the employment of some 1,200 people. Could the Minister tell the House whether it is his intention to sit down with the officials of that company to determine what their plans are in the future for that particular plant, and particularly for the 1,200 jobs about to be lost as a result of that company's decision?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, as a result of the announcement of the lay-off, my officials have been in touch with officials of American Motors. Apparently sales of the three models presently produced in that plant are down substantially. Company officials have indicated that in the interim they are going to improve their manufacturing facilities, but at this point in time they have not indicated what new products will be produced in that particular operation.

ENERGY

DEVELOPMENT OF HIBERNIA OIL FIELD

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, my question is directed to the Minister of Energy and is with regard to the Hibernia oil field development off Newfoundland. The Minister is probably aware that the world oil price as set by OPEC appears to be slipping. That is going to put the whole Hibernia development in danger.

There are two parts to my question. One, can the Minister give the latest price per barrel required to develop the Hibernia oil field? Secondly, is he now prepared to accept my suggestion that he and Mr. Marshall, the Newfoundland Minister of Energy, set February 1 as the final deadline to resolve their dispute so that we do not again miss the development of another megaproject?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): On the first question, Madam Speaker, I cannot give a price at this time. I do not know what the evolution of the price will be. Of course there is a certain price at which the development is no longer economic, but I hope that will not happen because we do think it is important to develop that oil off the coast of Newfoundland. In terms of my negotiations with Mr. Marshall, I have met him three times so far, and I am planning to have another meeting next week. I will do my utmost to have an agreement with Newfoundland in the shortest period possible.

* * *

NATIONAL SECURITY

ADMISSION BY EX-RCMP CORPORAL—CONSIDERATION OF PROSECUTION

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, my question is directed to the Minister of Justice. It has now been several weeks since an ex-corporal of the RCMP security service named Morrison made public admissions about his part in betraying Canadian secrets for money. That, of course, resulted in the recall and disappearance of a potential double agent for Canada. Will the Minister indicate whether an imminent prosecution of Morrison is being considered by him in his role as Attorney General?

Hon. Mark MacGuigan (Minister of Justice and Attorney General of Canada): Madam Speaker, I have indeed asked for an opinion on that matter from my Department. It has not yet come forward to my attention so I am not at present advised on all the factors that should be taken into account in making a decision on prosecution.

POSSIBLE AVENUE OF PROSECUTION

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, as I suspect and, as I am sure the Minister suspects what the answer is going to be from his officials, I wonder if I could give him another alternative. Is there any way that the

Canadian Government could lure Morrison to the United Kingdom where they do expose and prosecute Canadian traitors?

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Hon. Mark MacGuigan (Minister of Justice and Attorney General of Canada): Madam Speaker, that is about on a par with the hon. gentleman's criticism of his former colleague, at that time the Attorney General and Minister of Justice, who, he said, was uninformed.

* * *

CANADIAN NATIONAL RAILWAYS

MANUFACTURE OF COAL CARS

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, I have one question for the Minister of Transport or for whichever Minister can respond to a potentially urgent situation facing the city of Hamilton. Canadian National is planning to build 970 coal cars. What amount of that work will the Government of Canada guarantee to a company such as National Steel Car which has had to lay off 1,400 employees, if, as, and when the coal car contract is decided?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I met with CN authorities this morning and inquired about that particular subject. The decision has not yet been made. Either CN will build the cars itself or it will buy from any one of the four or five traditional manufacturers.

* * *

PENSIONS

GREEN PAPER TAX PROPOSALS

Mr. Vince Dantzer (Okanagan North): Madam Speaker, my question is directed to the Minister of Finance. Recently a green paper was tabled which called for special tax changes affecting pensions. Specifically it called for a new system for fair, more comprehensive and flexible limits on tax-assisted retirement savings. Will the Government reveal those plans prior to the beginning of the sittings of the special task force which it is going to set up?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I indicated that the Government was winding up a number of studies on the subject and that these would be made available to the Parliamentary Committee as soon as possible, once the studies are finalized. I am not in a position to inform the Hon. Member exactly when the information contained in the Green Paper will be available to the Committee, for the simple reason that I also do not know when the Committee is going to start a sitting.

[*English*]

Mr. Dantzer: Madam Speaker, the Minister will know how essential those proposed tax changes would be for the successful work of the committee.

* * *

CANADA PENSION PLAN

PREPARATION OF ACTUARIAL REPORT

Mr. Vince Dantzer (Okanagan North): Madam Speaker, I understand the last comprehensive actuarial report on the Canada Pension Plan was done in 1978. I also understand a new report will be completed early in 1983. I would like the Minister's assurance that this report also will be available by the time the task force begins its hearings?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I shall be glad to ask my officials for a progress report on the study, and once again, I shall be pleased to submit to the Committee any information of a public nature that might be useful.

[*English*]

Madam Speaker: The Hon. Member for Vancouver-Quadra.

Some Hon. Members: Hear, hear!

Some Hon. Members: Come on over!

Mr. Clarke: Madam Speaker, I am glad I was able to catch your eye.

Some Hon. Members: Oh, oh!

NEED FOR STUDY

Mr. Bill Clarke (Vancouver-Quadra): Madam Speaker, my question is for the Minister of Finance, concerning the Canada Pension Plan. I know the Minister is aware of the report on the disaster dates, if I can call them that, for the Canada Pension Plan, culminating in the year 2003 when the fund will be exhausted. I hope the Minister of Finance is aware of the fact that the Auditor General has for the last six years referred to this in his report, and if I may just quote the sentence, he said "A decision on long-term financing arrangements needs to be made in the near future". Also the Public Accounts Committee Report to the House in 1978 recommended that an examination of the Canada Pension Plan be made by a House of Commons Committee to avoid all these problems. Can the Minister tell the House what has happened to any of these recommendations, because it is such an important topic right now?

Petitions

● (1500)

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I can see by the colour of his coat that my hon. friend expects a Liberal Government at least until the year 2003. I would like to give him the assurance that, in my next 20 years as Minister of Finance, that will be an issue of high priority. The issue will be studied, I hope, by the parliamentary task force that is being set up, and that task force will examine the green paper that the Government has released recently.

The issue of the financing of the Canada Pension Plan was also raised at the last federal-provincial meeting of the Ministers of Finance. We spent some time discussing it. It was agreed, however, at that meeting, that next year, 1983, would not be an appropriate year to raise the contribution to the Canada Pension Plan, or to the Quebec Pension Plan. Taking into account the situation of the economy, it was felt that this was not an appropriate time to raise, however slightly, the contributions to the public pension plan.

The issue will be addressed, however, by the parliamentary committee and we have agreed that the Provinces and the federal Government would follow those discussions and there would also be discussions on the subject during the course of the year, between officials.

* * *

HOUSE OF COMMONS

SPEAKER'S CHRISTMAS PARTY

Madam Speaker: Members will have received a note in their offices to invite them to join in the good cheer, after the adjournment of the House, in Room 16.

[*Translation*]

I therefore invite the Members, after the adjournment of the House, to Room 16 so that we can all get together before the Christmas holidays.

* * *

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table reports of the Clerk of Petitions stating that he has examined the petitions presented by Hon. Members on Tuesday, December 21, 1982, and finds that they meet the requirements of the Standing Orders as to form.

[*English*]

BUSINESS OF THE HOUSE

DISPOSITION OF BILL C-141

Mr. MacGuigan: Madam Speaker, for quite some time many people in the country, including especially members of disabled and women's groups, and many Members of the House, including I think all Members on this side and Members of the NDP, have hoped that we would be able to give complete passage through both Houses of Parliament to Bill C-141, the amendment to the Canadian Human Rights Act.

Mr. Clark: That is the Bill you would not table.

Mr. MacGuigan: The Hon. Leader of the Opposition can show what he wants to do by what his Party is now prepared to do.

Last night we got this Bill through committee, and the Hon. House Leader of the Official Opposition suggested that the House today give report stage and third reading to this Bill, without debate. We hope that we may have unanimous consent from both Opposition Parties to do this.

Mr. Nielsen: Madam Speaker, I did not expect this kind of underhanded tactics from the Minister of Justice today. First they want us to pass second reading without even knowing what is in the Bill, without even having an opportunity to read it. Now they want us to pass it through report and third reading stages, without even having a word to say about it.

Had he been in consultation, which I am sure he was, with his colleague, the Government House Leader, he would have known the extent to which we are prepared to co-operate in getting this legislation passed. He would have known that we were prepared, and are prepared now. If he is listening he might consult with his colleague, the Government House Leader. We are prepared to deal, on this short day, with all remaining stages of that Bill, and see to it that it passes today.

I have had some consultations with gentlemen in the other place, and they assure me that it presents them with no problem if they get the Bill today.

In that spirit of co-operation, we make that offer to the Government.

The alternative would be to go on to Bill C-131 today, which is a lost day in any event because we know that that legislation is not going to pass today. If the Government is really sincere about wanting the human rights legislation, they will call it as the first order of business today. It will be dealt with today and dealt with, as I said last night, expeditiously.

There is another alternative. If they wish to call the human rights legislation first, I still assure the Government House Leader that we will deal with it expeditiously to the point where there will still be time remaining in the day to go back to Bill C-131, if that is the Government's desire.

Mr. Deans: Madam Speaker, notwithstanding the fact that we in this Party find some parts of the Bill to be offensive, particularly Section 14(2), which is particularly patronizing to

the disabled, we are prepared, as I have said on a number of occasions starting as early as last Friday, to see this legislation become law before we leave today.

I do not much care whether it is as a result of having a debate this afternoon for one or two hours or whether, in this most unusual circumstance of having only two or three hours left, it is by agreement among the three Parties to pass it without debate, but we are prepared to do either of those two things, provided that in the final analysis this piece of legislation is passed and becomes the law of Canada, in order that the women and the disabled persons who are affected by this Bill are able to get the benefit from the human rights code that we in the House of Commons believe they should have.

Mr. MacGuigan: Madam Speaker, two of the three Parties of this House are prepared to give report stage and third reading to this Bill immediately, without debate. It is quite clear, in the light of the words of the Hon. the House Leader of the Opposition, that what has up to now been what one could perhaps describe as reluctant co-operation from his Party, is actually subterranean opposition. All the mouthings that we heard last week from the Members of that Party, including the Leader of the Opposition, were just that. They were empty mouthings. They have no intention of putting this Bill through before Christmas.

Mr. Nielsen: Madam Speaker, this intervention just shows that my description of the Minister's tactics a moment ago was certainly true. He is trying to make political capital out of a Bill, which he sure as heck should not be doing.

If he had been listening carefully, as I listened, to the Hon. Member for Hamilton Mountain, he would know that two of the Parties in this House, namely the two on this side, are prepared to pass that Bill into law today.

We say it would be an abdication of our responsibility not to say a word about human rights in this House. We think, too, that it is setting a very dangerous precedent. In all my time here I have never seen it occur before that a Minister of Justice asks us to give second reading to a Bill without even giving us an opportunity to see it. Now the same Minister is asking us to pass it entirely, without our saying even a word on it. That is an abdication of our responsibility, were we to agree to it.

We feel that it is eminently reasonable for the Government to bring that Bill forward as the first order of business today. He has our absolute undertaking that it will be law before the end of this day.

Some Hon. Members: Hear, hear!

Mr. Nielsen: The Government loses nothing; it gains everything by having another piece of legislation. Even more important, if the Government abandons its stubborn political position and adopts this reasonable suggestion, it will benefit those who are most in need of benefit under that legislation—the women and the disabled of the country.

• (1510)

Some Hon. Members: Hear, hear!

Madam Speaker: Order, please. I am just asking Hon. Members to please not debate the Bill now. It has not been put to the House. I can allow a few questions back and forth on what the order of business might be in the House, but I cannot allow Hon. Members to debate this matter.

It is becoming obvious to me that there is no unanimous consent as to the manner in which this Bill could be passed through the House today. Unless some other Members have something specific to say on the manner in which we could proceed to put the Bill through the House today and try to seek unanimous consent on a particular proposal, I will not allow any debating of the question.

Mr. Pinard: Madam Speaker, I think I have something new to add to all this. We will see if there is good faith on the other side. First, they must know that the Bill has been debated in committee for two days, so Members of Parliament had an opportunity to speak on it.

Some Hon. Members: Oh, oh!

Mr. Pinard: What I am suggesting is that the minute we reach report stage of Bill C-131 which is before the House today, if it is before six o'clock, we will be glad to call Bill C-141.

Mr. Nielsen: I never expected that sneaky approach by the Government House Leader.

Some Hon. Members: Oh, oh!

Mr. Nielsen: He well knows that what we are debating now on Bill C-131 is an amendment of the Hon. Member for Okanagan North and that the Party on my left, as is its right, is quite vociferous on Bill C-131. If we pass the amendment, we move on to report stage of the Bill, and the NDP really controls when we will vote on the amendment.

I am afraid that that suggestion is not acceptable. What is acceptable to us—and this is something new again—would be that we deal with the human rights Bill expeditiously and bring Bill C-131 back immediately thereafter.

Mr. Deans: Madam Speaker, I certainly appreciate the House Leader of the Official Opposition recognizing that it is we who stand in the way of decreasing old age pensions. We have been trying to get that point across for a while; he made it well for us. I cannot trade the incomes of old age pensioners for human rights. I cannot do that, and no one in this Party can do that.

We put to the Government that we are prepared, albeit reluctantly, to pass the Bill dealing with human rights without debate. We are prepared to pass the Bill with a limited debate. We are prepared to enter into discussions to determine how limited the debate should be. But we are not prepared to sell the incomes of old age pensioners for human rights.

Mr. Pinard: Madam Speaker, it is very clear that there is an agreement between two Parties to pass the Bill without debate and that the Conservative Party does not want that legislation to become law today. Therefore the order of business remains Bill C-131.

Some Hon. Members: Oh, oh!

Mr. Clark: Madam Speaker, on this matter, the Minister of Justice knows that there has not been a word of debate in this Chamber on that Bill. He knows that he has an assurance of passage of the Bill today with debate. Will the Minister of Justice or the Government House Leader tell the House of Commons why the Liberal Government is afraid of debate on the human rights Bill?

Mr. MacGuigan: Madam Speaker, we are so little afraid of debate that we had two days of it in committee. The position the Opposition is taking now is not even consistent with what the House Leader of the Party said last night. They are asking us to expect the Senate to be generous, to dispose of all stages of this Bill today. I do not know how much time they will allow them—five minutes, ten minutes, maybe an hour. But they are not prepared to be generous themselves. I think the disabled of the country and the women of the country will know what lesson to draw from this.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Madam Speaker: Order, please. Members at this point are obviously debating. It is clear to the Chair that there is no unanimous consent over the manner in which this Bill can be put through the House.

The Hon. Membrer for Burin-St. George's on a question of privilege.

* * *

PRIVILEGE

MR. SIMMONS—RECOGNITION OF LIBERAL MEMBERS ON S.O. 43 MOTIONS

Mr. Roger Simmons (Burin-St. George's): Madam Speaker, I noted that all motions under Standing Order 43 moved today and all questions asked today came from Members to the left of Madam Speaker. I noted also that several Members to Madam Speaker's right rose to move motions under Standing Order 43 and that several rose to ask questions, including myself, yet not one was recognized either to put a motion under Standing Order 43 or to ask a question.

I submit that the Chair's failure to allow Members from this side of the House to move motions under Standing Order 43 or to ask questions constitutes a breach of my privileges. I am prepared to move the appropriate motion, if Madam Speaker finds that I have established a prima facie case.

Madam Speaker: The Hon. Member does not have a question of privilege. The Hon. Member must recognize that the power of the Chair is to recognize or not to recognize Members. I try to make it balanced from day to day, so I cannot accept the Hon. Member's point.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, in this respect, may I say that the Hon. Member wishes that in future, Wednesdays will be a little more generous to Members on this side of the House. I think they have various issues they would like to bring up as part of their duty to their constituents, and it would be perfectly normal to have at least one, two or three Members recognized each day.

Madam Speaker: I have noted the comments of the Hon. President of the Privy Council, but that is what I do in any case.

* * *

[*English*]

POINT OF ORDER

MR. NIELSEN—ALLEGED MISINTERPRETATION BY MR. MACGUIGAN

Hon. Erik Nielsen (Yukon): Madam Speaker, I rise on a point of order because the Minister of Justice has misled the House.

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

Madam Speaker: The Hon. Member for Yukon has the floor.

Mr. Simmons: I have a point of privilege.

Madam Speaker: I will hear the Hon. Member afterward. I have given the floor to the Hon. Member for Yukon.

Mr. Nielsen: The Minister of Justice misled the House; it appeared that he did it deliberately because I noted that when he said what he did, he had *Hansard* in his hand. I have just reread *Hansard* as to what I sait last night, as reported on page 21821. Among other things I said that we:

> —would anticipate no real difficulty in dealing with the report stage and the third reading stage tomorrow. At least the Members of the House are entitled to that courtesy, which we intend to give them. I would suggest that at the next sitting of the House we will deal with the report and third reading stages.

Nothing could be more clear than that. There were no ifs, ands, buts or wheedling. I said that we would deal with both those stages at the next sitting, intending that that sitting of course would be today. But the Minister has left an entirely different impression of what I said last night. I would hope that perhaps he would acknowledge that what I have read from the record is an accurate reflection of what actually was said in his absence from the House last night.

Mr. MacGuigan: Madam Speaker, of course the Hon. Member has read the words as they are. The question is how they are to be interpreted.

Some Hon. Members: Oh, oh!

Mr. MacGuigan: In all the discussion of this issue, the consistent proposition which we put forward is that we deal with this Bill without time in the House but taking time in Committee. The Hon. Member in that context said that we will put this through tomorrow, that is today, and it seems to me that the normal interpretation of those words is exactly the interpretation I have given.

Mr. Hnatyshyn: Don't mislead the House.

Madam Speaker: The Hon. Member for Burin-St. George's has risen—

Mr. Hnatyshyn: Why don't you have the courage to bring it in?

Madam Speaker: Order.

Mr. Clark: You don't like democracy.

Mr. MacGuigan: Why don't you listen to your own Member for Saskatoon West?

Mr. Clark: You don't want us to listen.

Mr. MacGuigan: I asked you why you would not listen to your own Members.

Madam Speaker: Order, please.

Mr. Clark: You are as crooked as Fleming.

An Hon. Member: Respect the Chair.

Some Hon. Members: Out, out!

• (1520)

Madam Speaker: Order, please. The Hon. Member for Burin-St. George's (Mr. Simmons) rose a moment ago on a question of privilege. The Chair advised him that he did not have a question of privilege and took note of his remarks. Does the Hon. Member have another question of privilege?

* * *

PRIVILEGE

MR. SIMMONS—RECOGNITION OF LIBERAL MEMBERS ON S.O. 43 MOTIONS

Mr. Roger Simmons (Burin-St. George's): Madam Speaker, I submit that is for you to decide when you have heard the point I wish to raise. I have not been given a fair opportunity in this House to raise questions. That, Madam Speaker, is not balance. You may call it balance. It is not balance, it is imbalance.

Madam Speaker: Order, please.

Mr. Simmons: You trample on them.

Some Hon. Members: Oh, oh!

Madam Speaker: Order, please. I have dealt with that particular matter. Should I remind the Hon. Member that any Member who wishes to speak may rise and endeavour to catch the Speaker's eye. He who is first seen has the right to speak.

Mr. Simmons: Look at this side of the House.

Madam Speaker: That is how the right of the Speaker is described by any of the authors who deal with this question. If the Hon. Member has a formal critique about the way the Chair conducts Question Period, he may make it on another occasion. I am telling him now that he does not have the basis of a question of privilege.

* * *

BUSINESS OF THE HOUSE

DISPOSITION OF BILL C-141

Mr. Deans: Madam Speaker, I would like to return for one brief moment to the question of the human rights amendments. I would like to ask the President of the Privy Council, and I hope the House Leader for the Official Opposition listens, that if it were to be decided by the President of the Privy Council in his capacity as Government House Leader to call the order with regard to the human rights amendments, and if the time allocated between now and 4.15 p.m. were to be allocated for the purpose of dealing with it and that it be divided equally among the three Parties, we would be prepared to deal with that on the basis of one speaker per Party, with the appropriate motion to be put to dispose of the order by 4.15 p.m.

Mr. Nielsen: Madam Speaker, the Hon. Member for Hamilton Mountain advances that suggestion as though it were entirely novel and unique. It was almost precisely that suggestion that I put to the Government House Leader a moment ago, namely that he call as the first order of business the human rights legislation. It is now almost 3.30 p.m., which leaves us two and a half hours remaining today. That is certainly not an overly generous time period to debate any measure in this House. And if we are through with the legislation with some balance of time left in the day, the Government House Leader can recall Bill C-131. That is exactly what I suggested to the Government House Leader a moment ago.

Mr. Deans: That is not what I said.

Mr. Nielsen: We are still prepared to do exactly that, Madam Speaker. Once again, I appeal to the Government House Leader to proceed in that fashion because he will find Bill C-141, the human rights legislation, will in fact get passed

today if the President of the Privy Council will simply reconsider the position which his Minister of Justice appears to have taken. Call the human rights legislation first and we will deal with it quickly. We have to because there is only two and a half hours left, then recall Bill C-131.

[*Translation*]

Mr. Pinard: Clearly, Madam Speaker, both Hon. Members are trying to make political points at the expense of women and the handicapped. That is most unfortunate. There is only one solution and that is unanimous consent for passing the Bill without debate. There is consent on this side of the House, and if unanimous consent is not given, we shall proceed with consideration of Bill C-131.

Madam Speaker: Is there unanimous consent for proceeding with passage of the Bill without debate?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Madam Speaker: There is no unanimous consent.

* * *

[*English*]

POINT OF ORDER

MR. FLIS—EQUAL RECOGNITON OF MEMBERS UNDER NEW RULES

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Madam Speaker, I sent you a note stating that I had a question of privilege. It arises from the proceedings under Standing Order 43 today. I was one of the Members trying to get your attention so that I could put a motion. I am not complaining that you did not recognize me, Madam Speaker, but there were five Members on this side of the House who wanted to move motions under the provisions of Standing Order 43 who could not.

I give you advance notice of my question, Madam Speaker, so that you will have time to make a decision . On January 17, 1983, we start under the new procedures, which will not include provision for Motions under Standing Order 43.

Mr. Skelly: What kind of Party do you have there?

Mr. Flis: I hope that your interpretation will be that all Hon. Members will be given equal opportunity to speak on Members' statements because Members' statements are different from motions moved under the provisions of Standing Order 43 and different from questions. You are right, Madam Speaker, in stating that we on this side of the House have easier access to Ministers and, therefore, you give us less time for motions under the provisions of Standing Order 43 and for questions during the Question Period. I agree and I accept that. But I think under the new procedure where each Member is given the privilege of putting a 90-second statement regarding some concern in his or her riding that he or she wishes to bring to the country's attention, I hope that your interpretation will be different than it has been for Motions under Standing Order 43, and that every Member in this House, whether the Member belongs to the New Democratic Party, the Liberal Party or the Progressive Conservative Party, be given equal opportunity to make those statements.

Some Hon. Members: Hear, hear!

Madam Speaker: The Hon. Member has in fact stated one of the problems which the Chair faces. There were at least five Members on this side of the House wanting to be recognized today, so we can see that the competition was very great to move the last motion under the provisions of Standing Order 43. Just about everyone wanted to move the last motion under Standing Order 43. It is a privilege of the Chair to recognize one Member or the other. I am afraid Hon. Members have to accept that. That is the authority given to the Chair.

* * *

BUSINESS OF THE HOUSE

LEGISLATION ON CANADIAN HOMEOWNERSHIP STIMULATION PROGRAM

Mr. Beatty: Madam Speaker, while the House is still infected with the Christmas spirit, I have a matter relating to the House business upon our return. Perhaps I could have the attention of the Government House Leader. He will recall that on Friday I raised the matter of the Government giving out $3,000 grants under the Canadian Homeownership Stimulation Program, which procedure may not be in conformity with the Act, and so the Government may have given out some $300 million in grants illegally.

My colleagues have authorized me to indicate to the Government House Leader that if the Government were prepared to bring forward legislation early in the New Year which would legalize these payments retroactively and did no more than to legalize these payments, then we would be prepared to give that legislation speedy passage through the House. Is that acceptable to the House Leader?

Mr. Pinard: Madam Speaker, I will take good note of the suggestion made by the Hon. Member. I will refer the matter to the Minister responsible. But certainly the first Bill that will be called when we come back will be another piece of legislation, which I will announce later on.

* * *

PRIVILEGE

MR. FLEMING—ALLEGED UNPARLIAMENTARY REMARK OF MR. CLARK

Hon. Jim Fleming (Minister of State (Multiculturalism)): I understand the rules require that if I believe I have a question of privilege arising from a comment made in the House that I have to give notice at the earliest possible moment. I believe there was a comment made by the Right Hon. Leader of the

Opposition (Mr. Clark) to me which breached the rules of the House. I will check *Hansard* and raise it again if that is appropriate.

Madam Speaker: The Hon. Member may raise a question of privilege now if it flows from the deliberations of today's proceedings. However, if the Hon. Member needs to check *Hansard* in order to ascertain whether those comments are really what he thinks they are, he may do that. But he would then have to give me written notice.

Mr. Fleming: Madam Speaker, perhaps when the heat of the moment has passed, the Right Hon. Member will respect the rules of the House, if not reasonable respect among Members. I believe the Leader of the Opposition made a reference to myself and to another Minister as being crooked. That is unparliamentary language. I regret that both because of the rules of the House and because of the basic respect that still generally operates in this place among Members we can refer to *Hansard* for September 23, 1971, at page 8,127 and September 24, 1971, at page 8,137 and to Beauchesne. I simply hope, because the language is unparliamentary, that the Right Hon. Member might withdraw it.

Madam Speaker: Order, please. I would like the Hon. Minister to tell me whether he is certain that those words were spoken.

Mr. Fleming: Yes, Madam Speaker.

Madam Speaker: The Chair did not hear them. But I have to take the Hon. Member's word. Perhaps it would be better to check *Hansard*.

Mr. Fleming: Madam Speaker, that is why when I first rose I said that I would wait for *Hansard*. I checked with at least four colleagues of mine here who heard what I heard. For the benefit of the House and to save time, the Right Hon. Member opposite surely knows what he said, and he might indicate that.

Mr. Nielsen: Madam Speaker, this is the first time I have seen a Minister so sensitive about these matters.

• (1530)

He is in very good company. I hear the Minister of State for Finance (Mr. Cosgrove) saying "oh, oh." He is in very good company because the whole Cabinet is as crooked as a dog's hind leg.

Some Hon. Members: Hear, hear!

Madam Speaker: Was the Hon. Minister for Multiculturalism referring to the Hon. Member for Yukon or another Hon. Member?

Mr. Fleming: No, Madam Speaker, I was referring to the Right Hon. Leader of the Opposition (Mr. Clark).

An Hon. Member: He cannot speak for himself.

Mr. Clark: Madam Speaker, what I said was that the Minister of Justice (Mr. MacGuigan) is as crooked as the Minister of State for Multiculturalism. The Minister of State for Multiculturalism can decide for himself, knowing himself, whether that is an insult or not.

Mr. Cousineau: Shame on you.

Some Hon. Members: Hear, hear!

Madam Speaker: I have to take Hon. Members' words at their face value. If the Right Hon. Leader of the Opposition says that what he said was "as crooked", what is unparliamentary is "crook". Perhaps we should look at *Hansard* to check those words.

When the debate has calmed down, perhaps Members will remember to use language in the House that is acceptable in the House, as language should be acceptable outside of the House. I do not see why, simply because there is a list here, certain Members go to the limit of what they can say in the House. I would ask Hon. Members to speak in a language that is acceptable to everyone.

Mr. Clark: Madam Speaker, in that spirit, I am quite prepared to amend my statement to say that the Minister of Justice is as honest as the Minister of State for Multiculturalism.

Mr. Harquail: Madam Speaker, with respect to the proceedings, you said that you did not hear. The Right Hon. gentleman got up and repeated the words for you. There was no misunderstanding. He is not being—

Madam Speaker: Order.

Mr. Harquail: Just a moment—

Some Hon. Members: Oh, oh!

Mr. Nowlan: Tilt. Let us move to adjourn now.

Madam Speaker: Will Hon. Members please not make matters more difficult than they ought to be. The question has been dealt with by the Right Hon. Leader of the Opposition in fact correcting his statement. Since the Chair cannot be sure whether one word or the other was used, the statement stands corrected and we will look at the "blues" when we reconvene to see whether there is any unparliamentary language recorded in *Hansard*.

Mr. Harquail: Madam Speaker, if that is the state of that Party, good luck in Winnipeg.

Mr. Nowlan: At least we do not have Senator Pitfield.

Mr. Clark: Madam Speaker, we have had our good luck in Winnipeg, and we will have good luck in northern New Brunswick when the next election is called.

Point of Order—Mr. Clark

POINT OF ORDER

MR. CLARK—REFERENCE TO COMMITTEE OF SUBJECT OF SALARIES AND PENSIONS OF SENIOR PUBLIC SERVANTS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I would like to ask the Government House Leader (Mr. Pinard) a question relating to a reference to committee. The Government House Leader will know that today, the Government of Canada appointed to the Senate of Canada Mr. Michael Pitfield—

Some Hon. Members: Shame!

Mr. Clark: —keeping intact his pension arrangements, which have been a subject of controversy in the House. In light of the very genuine controversy about the pension arrangements made available for Mr. Pitfield and the pension arrangements and the confusing nature of pension arrangements and bonus arrangements—

Madam Speaker: Order, please. This certainly is not Government business.

Mr. Nowlan: It is Government fraud.

Mr. Clark: My question relates to parliamentary business. In light of the discussion on motions between the Right Hon. Prime Minister (Mr. Trudeau) and myself earlier, this most unprecedented action by the Government today, and the confusion about the exact remuneration level and the pensions paid to senior public servants at a time when this Government is trying to cut back the pensions available to senior citizens, would the Government House Leader agree to make a reference of the entire question of remuneration, pay and pensions of senior public servants to the appropriate standing committee of the House immediately upon the return of this Parliament in January?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, the Leader of the Opposition used the word confusion. As far as I am concerned, if there is any confusion, it is in the mind of the Leader of the Opposition. Not only confusion, but also small-mindedness. Mr. Pitfield is a Canadian citizen and an honourable man who has done absolutely nothing wrong and to whom the Government is tremendously indebted, and the Leader of the Opposition is using a question about the business of the House to blacken the reputation of an individual who has served his country well and will continue to do so. I think that is extremely small-minded, Madam Speaker, and in the light of the explanations given in the House Monday by the Right Hon. Prime Minister (Mr. Trudeau), I think the Leader of the Opposition is totally confused and small-minded, and that his question is unworthy of this House, and I shall certainly not spend any more time answering it.

[*English*]

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I rise on a point of order to ask whether you could clarify previous remarks made about unparliamentary language. In view of the fact that Mr. Michael Pitfield has just been appointed to the Senate as an independent from Ontario, could you inform me whether it would be unparliamentary for me to use the word "obscenity" in the House?

Madam Speaker: The Chair does not rule on hypothetical questions.

[*Translation*]

Mr. Henri Tousignant (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Madam Speaker, I merely wish to point out to the House that when the Chair mentioned earlier that five Members on the Government side rose during the period set aside for motions under Standing Order 43, there were at least 15.

Madam Speaker: That reinforces my argument. When 15 Members ask to be recognized, it is impossible to recognize all fifteen.

* * *

[*English*]

COMMITTEES OF THE HOUSE

MISCELLANEOUS ESTIMATES—PRESENTATION OF SIXTH REPORT OF STANDING COMMITTEE

Miss Aideen Nicholson (Trinity): Madam Speaker, I have the honour to present the Sixth Report of the Standing Committee on Miscellaneous Estimates, in both official languages.

* * *

[*Translation*]

COMMUNICATIONS AND CULTURE

PRESENTATION OF SECOND REPORT OF STANDING COMMITTEE

Mr. Robert Gourd (Argenteuil-Papineau): Madam Speaker, I have the honour of tabling, in both official languages, the Second Report of the Standing Committee on Communications and Culture.

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

* * *

[*English*]

PETITIONS

MR. GASS—DISCONTINUATION OF SATURDAY MAIL DELIVERY

Mr. Mel Gass (Malpeque): Madam Speaker, this afternoon I have the duty and responsibility to present a petition signed

by 548 residents of Cardigan, 606 residents of Egmont and 1,171 residents of Malpeque, Prince Edward Island. The purpose of the petition is to protest the Government's intention to discontinue rural mail delivery on Saturdays, thereby denying 17,450 householders of mail, newspapers and other materials, and to close rural post offices on Saturdays, a move which will affect some 25,300 people.

The petitioners hope that in your examination of the petition, you will find the petition in order and exercise the discretionary powers vested in the Office of Speaker of the House of Commons to allow discussion and referral to committee of this issue at the earliest possible time.

MR. BRADLEY—OPPOSITION TO BILL C-10

Mr. Bud Bradley (Haldimand-Norfolk): Madam Speaker, it is my duty to present a petition signed by 119 members of the various churches in my constituency of Haldimand-Norfolk who are very concerned about the provisions of the Non-Profit Corporations Act, Bill C-10. The purpose of this petition is to protest the Government's proposed changes in Bill C-10 which allows a court of law to interfere in the affairs of the church body. The nature of the petition is to urge the Government to drop the provisions of Bill C-10 which would infringe on the rights and privileges of the church to take a moral stand on matters concerning membership of that church body.

The petitioners hope that in your examination of the petition you will find the petition in order and that you will exercise the discretionary powers vested in the Office of Speaker of the House of Commons to allow discussion and referral to the committee at the earliest possible time in order that the sanctity of the church in Canadian society can be preserved.

* * *

• (1540)

POINT OF ORDER

UNPARLIAMENTARY LANGUAGE—REQUEST FOR CLARIFICATION

Mr. Maurice Harquail (Restigouche): Madam Speaker, I rise on a question of privilege concerning a matter which I believe could impinge upon the rights of all Hon. Members of the House.

Mr. MacKay: It better not.

Mr. Harquail: It relates to this: the rules—

An Hon. Member: We could have passed the Bill by now.

Mr. Harquail: —of the House are in fact the instruments by which we operate in this House. When there was not clarity earlier, the hon. gentleman in question rose and repeated the word which was very clear to me. I do not understand—

Madam Speaker: Order, please. The Chair has ruled on this particular incident and I would ask the Hon. Member not to raise it again.

Some Hon. Members: Down, down!

Mr. Lewis: Ask Senator Pitfield.

Mr. Harquail: Madam Speaker—

Madam Speaker: Order, please. I must tell the Hon. Member that that question has been ruled upon and cleared and therefore the Hon. Member should not comment on it.

Mr. Harquail: I am just trying to clearly understand why in other circumstances Hon. Members are called upon to withdraw or are forced to leave the chamber. Why is it—

Mr. Nielsen: Leave.

Mr. Harquail: —can you clarify why—

Madam Speaker: Order, please. If the Hon. Member reads *Hansard* when it is ready, he will realize that the statement has been corrected, and since it was not quite clear which of the expressions had been used, the Hon. Member had corrected his statement. Therefore, the incident was closed.

* * *

[*Translation*]

SENATE REFORM

ESTABLISHMENT OF JOINT COMMITTEE

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I have had consultations with the Opposition House Leaders, and an agreement has been reached for giving unanimous consent to the following motion which is being put in response to a request from the Senate to form a Joint Committee of the House of Commons and the Senate to consider the reform of the Senate of Canada. The text of the motion is quite long, although if Hon. Members insist, I shall read it. Otherwise, if my colleagues whom I gave copies of the motion agree, I will ask for the unanimous consent of the House to have the motion agreed to without further proceedings.

[*English*]

Hon. Erik Nielsen (Yukon): I would normally be delighted to give that consent. However, all Members of Parliament are entitled to hear it. I have not had the opportunity of distributing copies to my colleagues, so I would ask that it be read.

[*Translation*]

Mr. Pinard moved, with the unanimous consent of the House:

That a Message be sent to the Senate informing their Honours that this House doth unite with the Senate in the appointment of a Special Joint Committee of the Senate and of the House of Commons to consider and report upon ways by

Senate Reform

which the Senate of Canada could be reformed in order to strengthen its role in representing people from all regions of Canada and to enhance the authority of Parliament to speak and act on behalf of Canadians in all parts of the country;

That the Committee include in its final report recommendations concerning the method of selection, powers, length of term for Senators, distribution of seats and other matters that the Committee considers relevant to the reform of the Senate;

That 10 Members of the House of Commons, to be designated at a later date, act on behalf of the House as members of the said Committee;

That the Committee have power to appoint, from among its members, such sub-committees as it may deem advisable or necessary;

That the Committee have power to sit during sittings and adjournments of the House;

That the Committee have power to report from time to time, to send for persons, papers and records, and to print such papers and evidence from day to day as may be ordered by the Committee;

That the Committee have power to adjourn from place to place within Canada;

That the quorum of the Committee be 10 members, whenever a vote, resolution or other decision is taken, so long as both Houses are represented and that the Committee be authorized to hold meetings, to receive evidence and authorize the printing thereof, whenever 5 members are present, so long as both Houses are represented;

That the Committee be empowered to retain the services of professional, clerical and stenographic staff as deemed advisable by the Joint Chairmen; and

That the Committee present its final report no later than December 1, 1983.

Madam Speaker: Is it the pleasure of the House to adopt this motion?

[*English*]

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, I wonder whether, just prior to the unanimous consent of the House, whether the Government House Leader might explain how we can be expected to go along with such a farce as appointing Michael Pitfield to the Senate when the institution, in all probability, should be abolished rather than attempting to perpetuate a farce like that.

Madam Speaker: Order, please. I think that that is not at all relevant to the particular motion. Does the House give its unanimous consent?

Mr. Yurko: Madam Speaker, point of order!

Madam Speaker: Is the Hon. Member for Comox-Powell River rising?

Mr. Skelly: Yes, I was, Madam Speaker. I think, unfortunately, that this matter is absolutely related to the matter before us today.

Madam Speaker: The Hon. Member can debate it when the time comes. The Hon. Member for Edmonton East.

Mr. Yurko: Madam Speaker, I sit in this House as an independent—

Mr. La Salle: We know that!

Mr. Yurko: I do not take orders from any House leader. Several events have occurred today concerning which no one sought my opinion.

Some Hon. Members: Oh, oh!

An Hon. Member: All you have to do is rise!

Mr. Yurko: I have risen, Madam Speaker, on several occasions, but you have not recognized me. I just wanted to say, concerning the motion which was put to the House by the House Leader of the Government side, that I feel very privileged to have the opportunity of standing up, as an independent Member of this House, to make this motion unanimous. I agree with it totally. There is a motion by myself on the Order Paper to set up that type of committee. Therefore, I just wanted to indicate to the House that I agreed to the unanimous consent.

Some Hon. Members: Hear, hear!

Madam Speaker: I just want to point out to the Hon. Member that it seems to me this is the first time he has risen today.

Mr. Yurko: No, it has not been.

Madam Speaker: Well, I did not see him at any other moment.

Mr. Nielsen: He has had a real blind day today, hasn't he? Everybody was up!

Madam Speaker: Does the House give its unanimous consent?

Some Hon. Members: Agreed.

Motion (Mr. Pinard) agreed to.

Mr. Pinard: There are two additional motions which have been discussed among House leaders which seem to have met with unanimous consent. We will most likely be seeking unanimous consent later today for those two motions because we are working on the membership of those special task forces which will be organized later. Therefore, I simply want to give notice to the House leader of the Official Opposition and to the independent Member that we do not want to play games later on. We will be making further requests for unanimous consent. I would be delighted to give copies of those motions to the Hon. Memberr for Edmonton East (Mr. Yurko) later on.

Mr. Nielsen: We will certainly be prepared to provide that unanimous consent later on with respect to the setting up of the task force on Indian self-government. With respect to the other motion—

Mr. Pinard: Pensions.

Mr. Nielsen: —dealing with the task force on the Green Paper, we have already held some discussions and we will reserve our consent on that motion until I have had the opportunity of speaking with the Government House Leader again.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,194, 4,498, 4,510, 4,512, 4,514, 4,547, 4,549, 4,561, 4,570 and 4,571.

[*Text*]

DEVCO—LOANS TO EMPLOYEES

Question No. 4,194—**Mr. Baker (Nepean-Carleton):**

Were loans made to any employee of the Cape Breton Development Corporation or its subsidiaries since March, 1980 and, if so, in each case (a) what is the name and title of the employee (b) on what date was the loan taken out and on what date is it due (c) what was the amount of the loan (d) what interest rate is being charged (e) what was the purpose of the loan?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): The management of the Cape Breton Development Corporation (DEVCO) advises as follows: (a) to (e) The only loan made to Devco personnel was a housing assistance loan made on the basis of corporate initiated relocation of staff. Financial assistance is provided within set corporate guidelines, and interest is charged. This is part of the wage and compensation program and as such is regarded as proprietary information.

"THE GOVERNMENT OF CANADA SERVING YOU IN BOTH OFFICIAL LANGUAGES"

Question No. 4,498—**Mr. Siddon:**

1. What was the total cost for the (a) research (b) production (c) distribution (d) promotion of the publication called "The Government Of Canada Serving You In Both Official Languages"?

2. How many copies of the publication were printed?

Hon. Herb Gray (President of Treasury Board): 1. Total cost: $29,700. (a) to (d) Information not readily available.

2. There were 26,000 copies of the publication printed.

LEAVE TO STUDY SECOND LANGUAGE

Question No. 4,510—**Mr. Mitges:**

1. Is it the policy of the Government to offer senior public servants one year or more sabbatical to learn a second official language in a foreign country at public expense and, if so, what is the name of each public servant who participated, or will participate, in this program?

2. What rank does each public servant hold within the Public Service which entitles them to participate in the program?

3. To date, what has been the total cost to the taxpayer for the program?

4. On what date was the practice established?

Hon. Herb Gray (President of Treasury Board): 1. No.

2. Not applicable.

3. Not applicable.

4. Not applicable.

DND—ACCOMMODATION FOR PACIFIC REGIONAL CADET GLIDING SCHOOL

Question No. 4,512—**Mr. McKinnon:**

Did the Department of National Defence pay $13,656 to the Ponderosa Motel in Princeton, British Columbia for "motel accommodation services" and, if so (a) how many rooms were rented, for what period of time and for how many persons (b) who stayed at the motel and for what reason was it necessary to rent motel rooms in Princeton for these persons?

Hon. J. Gilles Lamontagne (Minister of National Defence): The Department of Supply and Services contracted on behalf of the Department of National Defence with the Ponderosa Hotel, Princeton, B.C. for accommodation for the staff of the Pacific Region Cadet Gliding School at Princeton, B.C. in the amount of $13,656. Only $11,904 was paid to the Ponderosa, $1,752 worth of accommodation was not used. (a) and (b) The accommodation was rented because no Canadian Forces facilities were available in the area.

Occupation of single or double rooms by personnel and rates were as follows:

Date		
23 June—20 Aug. 82	Single	LCol. Sorfleet
23 June—20 Aug. 82	Single	Capt. Simkins
29 June—20 Aug. 82	Single	Maj. Whitehead
29 June—20 Aug. 82	Single	Maj. Doherty
1 July—20 Aug. 82	Double	Cpl. Poingant
1 July—20 Aug. 82	Double	Cpl. Stewart
1 July—20 Aug. 82	Double	Maj. Whittington
1 July—20 Aug. 82	Double	Cpl. Crocker
1 July—20 Aug. 82	Double	Capt. Lewis
1 July—20 Aug. 82	Double	Capt. Wharton
1 July—20 Aug. 82	Double	This room was rented as required to accommodate CF drivers.

GOLDFARB CONSULTANTS

Question No. 4,514—**Mr. McKinnon:**

1. Did the Department of National Defence let a contract with Goldfarb Consultants for advertising research services and, if so, what was the purpose of the research services?

2. Was the job opportunity put out to tender and, if not, for what reason?

3. On what date will the project be completed and will copies be made available to interested Members of Parliament?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of National Defence and Supply and Services as follows:

1. The Department of Supply and Services on behalf of the Department of National Defence let a contract for advertising research services with Goldfarb Consultants. The purpose of the contract was to obtain an independent evaluation of the DND advertising program, entirely in support of recruitment, and to obtain an evaluation of possible improvements to the program.

2. No. Treasury Board policy on the management of Government advertising prescribes that the Cabinet Committee on Communications upon recommendation from the Advertising

Management Group, is responsible for the concurrence of advertising research contracts. This concurrence also includes the selection of appropriate agencies that are to conduct the work.

3. It is anticipated that the contract will be completed by the end of fiscal year 1982/83 and copies of the report should be available on completion of the research project.

INTERNATIONAL SATELLITE MONITORING AGENCY

Question No. 4,547—**Mr. McKinnon:**

Did the Department of National Defence award a $9,000 contract to Dr. Robin Ranger of St. Francis Xavier University to produce a report on the arms control and crisis management potential of the proposed International Satellite Monitoring Agency and, if so (a) on what date will the study be completed (b) will copies be available to Members of Parliament?

Hon. J. Gilles Lamontagne (Minister of National Defence): The Department of Supply and Services on behalf of the Department of National Defence awarded a $9,000 contract to Dr. Robin Ranger of St. Francis Xavier University to produce a report on the arms control and crisis management potential of the proposed International Satellite Monitoring Agency (ISMA). (a) The study is to be completed by January 31, 1983. (b) Copies of the study will be available to Members of Parliament upon request.

STUDY ON NUCLEAR ELECTROMAGNETIC PULSE PENETRATION

Question No. 4,549—**Mr. McKinnon:**

Did the Department of National Defence award a $30,000 contract to the University of Ottawa for a study on the nuclear electromagnetic pulse penetrations in shielded structures and, if so (a) on what date will the study be completed (b) will it be available to Members of Parliament?

Hon. J. Gilles Lamontagne (Minister of National Defence): Yes. The Department of Supply and Services on behalf of the Department of National Defence awarded a $30,000 contract to the University of Ottawa for a study on Nuclear Electromagnetic Pulse Penetrations in Shielded Structures. (a) October 31, 1983, (b) The study will be available to Members of Parliament upon request.

AMCAN INDUSTRIES CORPORATION

Question No. 4,561—**Mr. Blenkarn:**

1. Did the Enterprise Development Board give guarantees to the Toronto-Dominion Bank and others with respect to advances made to Amcan Industries Limited, a company involved in secondary aluminum recycling and aluminum dye casting in Ontario and Quebec, and, if so, to what extent?

2. Is there an anticipated loss to the Government as a result of the defalcation by Amcan Industries Limited on the loans made to it guaranteed by the Board and, if so, what is the anticipated loss?

3. Is it the policy of the Board to guarantee loans to companies where significant shareholding is held by foreigners, as was the case in Amcan Industries Limited?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): In so far as the Departments of Industry, Trade and Commerce and Regional Economic Expansion are concerned:

1. The total amount of insurance authorized by the Enterprise Development Board for bank loans made to Amcan Industries Corporation was $12,650,000.

2. The anticipated loss to the Government, as a result of Amcan Industries Corporation's failure, is $7,000,000.

3. Pursuant to the Enterprise Development Board's Regulations, ownership of a company is not a qualifying criteria. Under the regulations it is a prerequisite that the firm must be a manufacturer and located in Canada. The initial funds disbursed under the insured loan to Amcan Industries Corporation were used to repatriate the ownership of the company. This repatriation resulted in the company being 100 per cent Canadian owned.

TAX DISCOUNTING

Question No. 4,570—**Mr. Hnatyshyn:**

1. Is the Government considering measures to regulate individuals and companies involved in the tax discounting business?

2. In 1981, to the knowledge of the Government, did 60,000 taxpayers take advantage of tax discounting, for which the tax buyers received a profit of $4.95 million, and, if not, what records does the government have of the extent and profit for tax discounting during 1981?

Mr. David Berger (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): 1. In 1978, Parliament proclaimed the Tax Rebate Discounting Act to regulate the practices of individuals and companies involved in the tax discounting business. Federal legislation was enacted in response to provincial concerns about discounting practices. My Department has been administering this Act since January, 1979.

2. For the 1981 taxation year, approximately 61,500 Canadians discounted their income tax returns using the services of tax discounters. The gross value of the discounters' share of the income tax return was approximately $6,519,000. It is unknown how much of this amount represents profit. Discounters, like any other legitimate business, have operating and overhead expenses which are not known to the Department.

MEETING OF METRIC COMMISSION CANADA INDUSTRY SECTOR COMMITTEE

Question No. 4,571—**Mr. Greenaway:**

On September 30, 1982 or thereabouts, did the Metric Awareness Commission hold a meeting at the Canadian Inn in Kamloops, British Columbia and, if so (a) how many persons attended, which organizations did they represent and on what basis were they selected (b) was lunch provided at public expense and were alcoholic beverages provided free of charge to the persons who attended (c) what was the total cost of the meeting (d) what was the total cost of the alcoholic beverages which were provided to the participants?

Mr. David Berger (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): On September 30, 1982, Metric Commission Canada Industry Sector Committee 61.04 (Livestock) met in Kamloops, B.C. at the Canadian Inn.

(a) Thirteen persons attended the meeting representing Agriculture Canada, Alberta Department of Agriculture, British Columbia Cattlemen's Association, British Columbia

Ministry of Agriculture and Food, Canada Sheep Council, Canadian Meat Council, Livestock Markets Association of Canada, and Metric Commission Canada. All of these organizations and departments are regular members of the Committee. (b) Yes. (c) $353.85 (includes room rental, food, bar and photocopying), (d) $50.75.

[*English*]

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

[*Translation*]

Madam Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

[*English*]

Mr. Stevens: Point of order!

Madam Speaker: The Hon. Member for Central Nova.

Mr. MacKay: Madam Speaker, I rise on a point of order with respect to the last matter which was raised. It concerns question No. 3750 on the Order Paper, which I placed on the Order Paper on February 9, 1982. As mentioned by my colleague, that series of questions concerned diplomatic personnel from Communist countries stationed here in Ottawa and our diplomatic personnel working in eastern Europe. Since that time, the Parliamentary Secretary has promised to look into this outstanding business on two separate occasions. On November 25, I made note of the fact that the Solicitor General himself assured me in the Justice and Legal Affairs Committee that he would try to answer these questions promptly.

I believe that the delay in answering these questions which are straightforward must be deliberate on the Government's part. I would ask that the Parliamentary Secretary, in the spirit of Christmas, give us some assurance that, by the time we return in the New Year, these questions will be answered, because I believe they will reveal some very interesting matters, and it is in the best interests of the country that we know the truth about these matters.

• (1550)

Mr. Smith: Madam Speaker, I can assure the Hon. Member that there is certainly no reluctance on my part to seek the answer to these questions. I can again convey his concerns to the Ministers involved and, hopefully, we will be able to resolve this situation.

Mr. Stevens: Madam Speaker, I once again ask the Parliamentary Secretary why, with respect to Question No. 2,042, asked by myself in January, 1981, which was: what was the total cost of the Prime Minister's December, 1980, January, 1981, road tour? That was two years ago. And what percentage of the total cost of the trip will be paid by the Canadian taxpayer? These questions to this date have not been answered. I reiterate, Madam Speaker, surely with the Prime Minister (Mr. Trudeau) now warming up for another trip—he owes it to the people of Canada to say what his trip around the world two years ago cost.

Mr. Smith: Madam Speaker, I will be happy to look into this matter on behalf of the Hon. Member. I have done so once or twice before, and I understand that there is at least one Department which has not reported yet, but I will do my best to see if we can resolve this.

Mr. Stevens: Madam Speaker, when the Parliamentary Secretary spends his Christmas break looking into that matter, I was wondering if he could also look into why questions Nos. 3,216 through to No. 3,220, which were all asked on October 23, 1981, have not been answered? These questions deal, for example, with the Prime Minister's trip to New York in March, 1981, his trip to Algeria in May, 1981, his trip to Washington in July, 1981, his trip to Australia, Korea, the Philippines and Fiji in September and October, 1981 and his trip to Mexico in October, 1981. These questions have not been answered. Again, I reiterate, we asked: what is the total cost and what portion of that total cost is being borne by the taxpayers of Canada?

Mr. Smith: Madam Speaker, in the spirit of Christmas, I would be delighted to spend my break looking into these matters on the Hon. Member's behalf.

Mr. Hawkes: Madam Speaker, I would like to draw to the attention of the Parliamentary Secretary Question No. 4,567, which deals with actions on behalf of the Minister of National Health and Welfare (Miss Bégin) where she threatens the Confectionery Manufacturers Association of Canada, asking them to cease the manufacture of certain products and put Canadian jobs at risk. The tone of that question is to inquire whether or not that Minister has that legal authority. Those jobs are still at risk. There is a sense of urgency in getting a public explanation of her behaviour so that those employees do not feel their jobs are threatened. I would urge the Parliamentary Secretary to provide a public answer as quickly as possible so as to protect those Canadian jobs.

Mr. Smith: Madam Speaker, I would be happy to look into that matter on behalf of the Hon. Member.

Mr. Shields: Madam Speaker, I have placed under Notices of Motion for Production of Papers on June 11, 1980, that an Order of the House do issue for copies of all papers and studies done for any Department or agency concerning the economic impact on Canada of a one-year delay in the development of the Alsands project in Fort McMurray, Alberta and the Imperial Oil Project in Cold Lake, Alberta. It is my understanding that a number of discussions are taking place to revive these projects, perhaps on a smaller scale, and I think it is vital at this time, particularly with high unemployment, that these studies be made available so that all Hon. Members of this House will have at their fingertips the number of jobs which will be created when activity does resume in the tar sands in Northeastern Alberta. I would like to ask the Parliamentary Secretary, would he please make every effort to

perhaps make this a personal Christmas present from him to me, so that we can get this on the road?

Mr. Smith: Madam Speaker, the Christmas present I might give to the Hon. Member is to outline to him that what he should do is to ask that that motion be called when you reach Motions later today, and ask that it be transferred for debate.

I ask, Madam Speaker, that all remaining questions be allowed to stand.

Madam Speaker: Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

[*Text*]

STUDY ON STATE-TO-STATE CONTRACTS TO PURCHASE PETROLEUM

Motion No. 116—**Mr. Mazankowski:**

That an Order of the House do issue for a copy of any studies prepared for the Department of Energy, Mines and Resources on state-to-state contracts to purchase petroleum or petroleum products.

[*English*]

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, on behalf of the Minister of Energy, Mines and Resources (Mr. Chrétien) I would give the following answer: no study has been done by outside consultants for Energy, Mines and Resources on state-to-state contracts, to purchase petroleum or petroleum products. I would ask, therefore, that the Hon. Member withdraw his motion.

Mr. Mazankowski: Transfer for debate.

Madam Speaker: Transferred for debate.

[*Text*]

ECONOMIC IMPACT TO CANADA OF DELAY IN DEVELOPMENT OF ALSANDS PROJECT

Motion No. 23—**Mr. Shields:**

That an Order of the House do issue for copies of all papers and studies done for any department or agency concerning the economic impact to Canada of a one-year delay in the development of the Alsands project in Fort McMurray, Alberta and the Imperial Oil project in Cold Lake, Alberta.

[*English*]

Mr. Shields: Transfer for debate.

Mr. Smith: I ask, Madam Speaker, that the other Notices of Motions for the Production of Papers be allowed to stand.

Madam Speaker: Shall the remaining Notices of Motions for the Production of Papers be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

OLD AGE SECURITY ACT (NO. 2)

MEASURE TO AMEND

The House resumed from Tuesday, December 21, consideration of Bill C-131, an Act to amend the Old Age Security Act (No. 2), as reported (without amendment) from the Standing Committee on Health, Welfare and Social Affairs, and the motion of Mr. Dantzer (p. 21795).

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, I had an opportunity last evening to begin work on my remarks on Bill C-131, but before I start I would like to say a few words about what has transpired in the House in the last hour. I think all of us, including myself, would have to admit that the last hour was not spent in as desirable a fashion as we might have wished for this House of Commons. In many ways, we are looking at reform of the rules of the House, and I would submit, Mr. Speaker—I see you sitting on the edge of your chair. I do not know whether it is in anticipation of what I am going to say or whether you are going to rule me out of order in terms of context. Very briefly, we are looking at reform of the rules, and I would submit that one of the biggest reforms which all Members have to look at is a change of the attitude which we bring to this place. I would hope when we go home for Christmas and our constituents tell us about the many kinds of problems they are having in the real world, we will come back and carry on the affairs of the nation in a better fashion than we have in the past. I feel that is particularly incumbent upon the Government because it is the Government and it behooves it to set an example.

Which brings me to the concern which I have over Bill C-131, and particularly with the amendment to it. I see you are nodding your head, Mr. Speaker. I do not know if you are agreeing with me. I would suspect that you are, but probably you are hoping that I will return to the topic of the Bill.

Bill C-131, and particularly the amendment to it, which was moved by the Hon. Member for Okanagan North (Mr. Dantzer), 15 a good amendment. I believe it is worthy of consideration and I would hope it is accepted by the Government, because essentially what it does, as I understand it, is it keeps the base under which the pensions will be calculated in the future moving through this inflationary period at the same rate it would have without Bill C-131. If in fact the Government has faith that the six and five program is going to work and that inflation will come down, then really it loses nothing in terms of Government expenditure if it accepts the Hon. Member's amendment. On that basis, I would submit it is a good amendment and it is one which would demonstrate that we in Canada have some responsibility and concern with the welfare of the senior citizens of this country who have been responsible for the kind of country we have been fortunate enough to be born in and live in. That is a very large debt which all of us owe to the people who have settled this country.

In many ways, they are the people who should be considered first and foremost when we are talking about Government expenditure.

I tried to point out last night that this is a very small amount of money relative to the total amount of money which this Government spends. I also pointed out that the highest figure I heard which the Government is proposing to save is something in the order of $80 million, although I do not think anyone knows what kind of saving there will be to the Government. It is roughly equivalent to the kind of money this Government, including Crown corporations, is spending on advertising, much of which is questionable advocacy advertising. It attempts to influence people's positions and attitudes. It is not informative advertising, specifically announcing Government programs so that people can take proper advantage of them. It is used by the Government to advocate its own position.

• (1600)

I submit that if the Government is serious about some of the expenditures it wants to cut back to get its deficit under control, there are other and more productive areas in which to cut back. This would create a better attitude amongst taxpayers because they would know the Government was spending its tax dollar more prudently.

Roughly $1 out of every $1,000 of Government expenditure is the largest potential saving under this Bill. The smallest potential saving is only $1 out of every $2,000 in Government expenditure. You have to remember that many of the people affected by this Bill are those who have homesteads on the land, they built log houses or sod houses, and they have had to chink the log houses against the winter weather. It is unfortunate the Government chooses to attack those people. I would much sooner see the Government concerned with productivity so that we can afford to have better pensions and social care assistance for our citizens. It seems to me that is the first responsibility of the Government.

There are many things the Government could be doing. One of the first things we should be looking at is the taxation system so that we encourage people to become more productive instead of penalizing them and thereby discouraging them from adding to our productivity. Instead of people being encouraged to look after themselves in their retirement years, they become more dependent on Government social assistance programs. Some of the tax regimes we have in place penalize people who try to look after themselves in their retirement years. The proposal in the November 12 budget whereby life insurance plans were going to be taxed on a three-year basis if they had some accrued value is one of those.

This Bill is really about inflation, Mr. Speaker. We would not have it if there was no inflation. When you look at the size of the deficits this country has been chalking up, you really wonder if anyone has been in charge of the economic ship of state in this country for the last ten or 15 years. We are at a point now where $1 out of every $4 collected in taxes goes to service past Government debt, and that money is then not available for social assistance programs which we all talk about in this House. It is money that is not available to provide Old Age Security benefits. Those are the kind of things we need to look at, and I submit, through better management of Government expenditure we would not have such a large Government debt and we would not be taking away from the private sector some of those savings I submit would be better used and better invested by individual Canadians to make this country more productive, enabling us to better distribute a larger pie among Canadians.

The Government is on the one hand saying that the six and five program is going to bring down inflation, but on the other hand it brings in legislation which forces people to accept some of the six and five restraint programs. That is almost an admission that the program will not succeed. If we were very confident that inflation was going to come down to 6 per cent and 5 per cent in the next two years, then we would not need legislation to force people to accept lower benefits from Government programs. If inflation is less than 6 per cent in the year Bill C-131 applies to, then the increase in the Old Age Security will be 6 per cent. So by the Government bringing in legislation such as this, in many ways it is admitting that the program is of questionable value. If inflation does come down to the level advocated in the six and five program, there really would not be a need for Bill C-131.

I received, as I think the rest of the Members of this House have, a very elaborately bound book with fancy leather like index tabs. It is about an inch and a half or two inches thick—I do not know what that is in metric, but it is a fairly thick binder. It outlines and extols the virtues of the six and five program. I wonder what the cost of that binder was and whether the money would be better spent by the Government in other areas or simply not spent at all. There are areas where this Government could, if it were serious, cut back on expenditures so we would not have to penalize the people affected by Bill C-131. It seems to me, Mr. Speaker, the whole concept of the Government becoming more and more involved in regulating our daily lives, telling us what we can do, is counterproductive in many ways.

The province I come from, Saskatchewan, only became a Province in 1905, and there are people now living in that part of the country who were alive at that time. They are going to be affected by this Bill. I am sure of that because I know some of them. It seems to me that at that time there was a lot more room in this country for people to go out and work, sacrifice and achieve things on their own and keep some of the rewards for their own efforts and expertise. But what has happened in the interim is that governments have become so large that if you take the three levels of Government and look at the amount of taxes they take away from individual Canadians, it means that in many areas of the country you virtually work from the beginning of January until some time towards the middle of June for one level of Government or another. It seems to me that that is a kind of disincentive to the average taxpayer in this country to go out and work; he knows the Government is going to take such a large chunk of what he earns away from them and then redistribute it through various Government programs. That is a disincentive to individuals to

produce. When that happens we have to back up and take a look at the basic direction in which we are going.

Frankly, I do not understand some of the socialist thinking that goes on in this country. The average wage earner in this country, if he looks at where his money goes, will find his biggest cost is not fuel, food or rent, it is supporting one form of Government or another. That is the biggest deduction he has from his pay cheque each month. I fail to see why the socialists think the Government should take over more and there should be more taxation. It seems to me that the individual taxpayer in this country is perfectly capable of deciding where that money should be spent.

• (1610)

If you did leave one of those Canadians, those wage earners, those people who are productive, a little more money in his paycheque at the end of the week or at the end of the month, he would certainly spend that money. It would be recirculated through the economy, because we do have a circular economy. What is an expenditure for one of us is an income for the next person. If you did leave some additional income with Canadians, they would certainly spend it. They would not go home and burn the money in their basement after supper. They would recirculate that money. That is exactly what Governments have been trying to prevent, it seems to me, in the past number of years, in this country, when they take a larger and larger share of Canadians' earnings away from them, and redistribute it. This applies to all levels of Government, municipal, provincial and federal Government, all of them. If you look at some of the gross debts in this country and relate them back on a per capita basis, by and large, the federal Government does not set a good example. So when we say they are all involved, it does not mean that they are all equally complicit in this exercise. It simply means to me that the federal Government probably is setting a poor example for the various levels of Government.

I have heard many Government programs described, and one of the most humorous descriptions that I have heard, and an apt description in many ways, is that Government programs and Government grants are like taking a blood transfusion from one arm and moving it to the other arm, and spilling half of it on the way over. That is the problem we have with many Government programs, they get so large and so hung up with bureaucratic control and red tape that they lose sight of the purpose for which they were put in place in the initial stages.

Let me close by simply saying that I think the amendment moved by the Hon. Member for Okanagan North is a very good amendment. It simply says to me that if the Government is serious and thinks it can bring inflation down to the 6 per cent range this coming year and the 5 per cent range the year following, the amendment will not cost the Government Treasury one cent. All it does is to keep the base against which future increases in the Old Age Security payments are calculated intact and keeps them moving through 1983 and 1984, as if this Bill had not been passed.

If in fact the Government believes that it can bring down the inflation rate in 1985 and 1986 to acceptable levels, and I assume by that that we are talking in the 5 per cent to 6 per cent range, the amendment will not cost the Treasury Board one single dollar.

I simply say in closing that if the Government believes its program is going to succeed, the Government would have no choice but to support the very well thought out and well put amendment by my colleague, the Hon. Member for Okanagan North. I know I will have no trouble in supporting the amendment when it does come to a vote.

Mr. Jack Shields (Athabasca): Mr. Speaker, I have listened with considerable patience the last two days to the discussion on Bill C-131, the Act that I feel is attacking senior citizens in this country, whether Members on the Government side believe it or not.

They seem to use as their argument that by reducing the anticipated increases in old age benefits to 6 per cent next year and 5 per cent the following year, they really are not cutting back. In fact, the Member for Gloucester (Mr. Breau) last night stated that we over here are using this as a political tool, I think was the phrase he used, to gain political points on the backs of senior citizens. That could not be further from the truth.

The amendment today introduced by the Member for Okanagan North, (Mr. Dantzer), indicates very clearly where we on this side of the House stand. The amendment only states in simple terms that the base for the senior citizen and the pensioner will not change.

I was particularly alerted by the remarks made by the Hon. Minister of National Health and Welfare (Miss Bégin) last night. She said it was the duty of the Government to cut down inflation to six and five in all areas of the Government. That was used as justification for the attack on the senior citizens, people who are on fixed income and least capable of defending themselves.

She said there was an orchestrated campaign across the country to familiarize people with six and five. She said, and I am paraphrasing now, that a couple of months ago nobody knew what six and five was. I ask the Minister only one question. How much money was spent by the present Government to advertise six and five across the country, because the six and five program is a costly cop-out, and that is really all it is?

The six and five program is not lowering inflation or even beginning to, in this country. It is the policies of the Government that killed initiative and industry in this country, created unemployment and caused the situation where we have more unemployment in Canada today than we have had since 1932. That is what has caused the inflation rate to go down. Prior to the six and five program setting up wage limits on increases for public employees, private sector employees were receiving 3 per cent and 4 per cent increases, or no increases, or roll-backs in salaries, because of the economic times. The market looks

after itself in those areas, and all Hon. Members know that. They know that the six and five was planned in caucus, or by strategists, to focus the attention of Canadians on something else, to try to put across the nation that the Liberal Government was doing something, when in actual fact it is not doing anything. They are not living up to their responsibilities. They are not facing the hard issue, and that is the massive Government intervention in the economy, and the massive spending that costs nothing but dollars.

They have not faced up to the fact that the Crown corporations in this country, quoting the Auditor General's report, have created a hole in the pocket of the taxpayer and are costing the taxpayer of Canada millions and millions of dollars annually, with no control from the Government or this House of Commons.

We hear nothing of that and we will not hear anything of that. We will only hear chirping across the country, a massive advertising program across the country, at a cost to the taxpayers, six and five, six and five, six and five.

The Minister made a statement last night that the interest rate is lower than in past years. It is lower because the Minister of Finance (Mr. Lalonde) who was then Minister of Energy, killed the economy in western Canada which was the oil or the lubricant to the economies of central Canada. His policies were responsible for driving people, investment and entrepreneurs out of the country and creating an atmosphere where there is absolutely no trust in the present Government. That is what has caused the massive unemployment across this country; and all Hon. Members in this House know that to be true.

The Minister again last night said that we have to make sure that we cut inflation to six and five in every area of Government that the Government can enforce. She said, seniors are fully protected. Seniors are not protected when you limit their base of income, and it falls below inflation, because the purchasing power of the dollar drops when inflation goes up. It is another insidious Government tactic.

• (1620)

Probably the most clear statement of the thinking of the Minister of National Health and Welfare last night was when she said "seniors will not shirk from their responsibilities." This is absolutely sad. It is indicative of the way the Government is going around, sending letters, publishing documents, talking to senior citizens and telling them to do their duty. These are the very people who built the country. They are the very people who, with their bare hands, cleared land and built the country. They are the people who, in any other society in the world, are revered because of the contribution they have made to their country. Certainly I agree with the Minister that seniors will rise and will not shirk from their duties because they know what duty is all about. But I think it is absolutely immoral for the Government to approach senior citizens along this line and say these kinds of things. These people have sacrificed all their lives raising families, putting them through school and university, often going without winter coats to keep the children in school. I know how my mother did without so that I could have fresh fruit on the table. I know how my grandmother did without so that my mother could attend nursing school. I know that is part of the history of the country. It is immoral for the Government to attack senior citizens at this point.

But the Minister said that they had to have six and five in all areas which the Government controls. Let us look at some of the areas. Wage levels—Treasury Board announced on October 21 that 500 editorial employees of CBC would receive 11.5 per cent increases in their salaries ranging from $12,000 to $38,900. These people will receive 11.5 per cent increases in their salaries, yet the Government is limiting the indexing of the OAS for senior citizens who earn approximately $6,000. People on fixed rates of pay are generally low-income earners, while some 200,000 Government employees will receive 9 per cent or 10 per cent; if they are bumped up in category, the six per cent is added on and they receive 9 per cent or 10 per cent. These people can afford to bite the bullet a bit, but the Government attacks people on fixed incomes with the imposition of 6 per cent and 5 per cent.

Let us look at TransCanada Pipelines which just obtained a new levy for transporting natural gas. It was increased to 11.9 per cent on August 1. This will have a cumulative effect over the next two years with price increases of a further 93 cents per gigajoule in semi-annual steps of 23 cents and 24 cents per gigajoule. This will be a cumulative increase in the price of natural gas to consumers of 49.2 per cent. The same senior citizens who were encouraged to convert to natural gas are being told that their base pay will be limited, that it will not reflect inflation any longer so that they will have a minimum to live on or their purchasing power will not be eroded. They are being told that it will be nailed at six and five and that they will be charged an increase of 49.2 per cent in the cost of natural gas because the transportation costs of natural gas by TransCanada Pipelines have risen. We can depend on such things happening more and more.

Let us turn to rents under the direct control of the Government. The Minister said that the Government is responsible to Canadians. Also she said that they know and will do their duty, that they will limit every area to six and five, every area that they possibly can, every area under their control.

CMHC is the main renegade in this area. It is a federally-owned Crown corporation. Let us look at its increases—35 per cent in Coldbrook, Nova Scotia; 22 per cent in Churchill, Manitoba; 15 per cent in Winnipeg where CMHC administers the 180-unit Pine Hill Apartments; and 12.5 per cent for federal housing in the Northwest Territories. I put to Hon. Members that the people occupying those CMHC homes are the very ones who are being nailed here today; many of them are senior citizens. This is federally-controlled housing, it is immoral.

The very significant aspect about the figures I just gave is that most of the increases in rent apply to housing for public servants or those on fixed or limited incomes. Is that how the Government really attempts to nail six and five? It is nailing

the people who have the least voice in the House of Commons; that is whom it is hitting.

The federal Government talks about limiting to six and five, yet it turns around and increases the taxes for unemployment insurance levied against employers, including small employers, by 50 per cent next year. There are record bankruptcies and record failures in the small business sector, yet we have a Government saying that it will limit to six and five and increase the levy for unemployment insurance by 50 per cent. Who is kidding whom?

The Government of Canada is falsely going across the country and chirping six and five. It is a well-orchestrated campaign to sell Canadians on something which is just not so. Let us look at the passenger fares of VIA Rail. Were they increased by six and five? No way. There were 10 per cent increases in fares between Toronto and Montreal and between Toronto and Ottawa. The very people about whom we are talking today, the senior citizens, are the ones who predominantly use VIA Rail between those points. They are faced with a 10 per cent increase and a real purchasing power decrease.

I do not know what the decrease will be; none of us know because we do not know what will be the inflation rate in the next year. Mark my words, inflation will rise next year because it will be getting close to election time and the Minister of Finance will increase his deficit without decreasing his expenditures. He will try to heat up the economy and say to Canadians that they should look at the jobs which the Government created for the unemployed. He will not mention that this was a result of the Government's disastrous policies of before, but he will say, "Look at what we are doing; boy, are we leaders!" Then they will go into an election campaign. We can depend on it—inflation rates will go up next year. The real purchasing power of the senior citizen will go down.

• (1630)

I believe I have said all that I want to say except for one thing. I am getting sick and tired of listening to Members of the New Democratic Party standing up day after day on this Bill and accusing the Conservative Party of not caring. Because our Party voted on Bill C-124, which was a Bill to restrict Government spending to six and five per cent, the NDP has been twisting the meaning of that vote in an attempt to convince the Canadian public that our Party does not care, that we are only using this Bill for political purposes. Their Members have been questioning the motives of everyone who speaks on this Bill from our Party.

All I want to say to Members of the New Democratic Party is that they are not the only ones who have a licence for caring in this country. I care and all Hon. Members care when they go home and visit senior citizens' homes and the New Horizon drop-in centres. We talk to the seniors and we know instinctively the contribution they have made to our country. I am ashamed to go home and say to our seniors that we know they will come to grips with this matter and take part in the program, that they know their responsibility. I say we have a responsibility in this House to see that our senior citizens, the people who contributed to our country, who built it and made it what it is today, do not want in their golden years. I plead with Hon. Members: "For God's sake, let this amendment go through".

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I welcome this opportunity to say a few remarks on Bill C-131. For us in this Party the issue is very simple. The Government is introducing limitations on the indexing of Old Age Security to 6 per cent in 1983 and to 5 per cent in 1984. The immorality of this becomes very clear when you compare this Bill, which takes money away from our senior citizens, with the appointment today of Michael Pitfield to the Senate.

The New Democratic Party is opposed to this Bill. We are opposed because we have a long history of struggle for decent pensions. What we want to see is some pension reform that will help our seniors have a better life, not something that will project them backwards.

For us the issue is simple, but for the Tories the issue is not so simple. If we go back to last summer when the Government introduced its six and five program, the Leader of the Tory Party said that this was a step in the right direction. The Tories are hesitating now when they see where the next step leads. The Tories are doing a hesitation waltz with the Government.

It was interesting to listen to the Hon. Member for Portage-Marquette (Mr. Mayer) who was, ostensibly, opposing this Bill also and supporting the amendment. But he could not do so without introducing a few gratuitous comments about the whole failure of the idea of redistribution, nor without suggesting that somehow seniors should be able to look after themselves a little bit better on their own.

The reason for this Bill was given by the Minister of National Health and Welfare (Miss Bégin). She said that the budget takes as a given fact that Canadians who are not in need are entirely prepared to share in serious sacrifices which are required to bring our country out of the economic crisis. In that short statement there are two serious misconceptions. The first is when she suggests that seniors who will be affected by this Bill are not in need. Second, she pretends that this mean, chiselling act directed at the elderly will somehow help to bring Canada out of its economic crisis.

In one respect the Minister's statement is right on. It finally recognizes that Canada is indeed in an economic crisis. I think it was President Nixon—it could have been Gerald Ford—who a few years ago visited a large American university where the agricultural faculty had managed to raise a 75-pound turkey. This poor, helpless creature had been forced-fed with hormones, steroids and other additives until it was so big that it could no longer walk. It could hardly stand. Nixon looked at the bird for a while and then reached deep into his bag of cliches and came up with this one: "This is the sort of thing that has made America great".

In a funny kind of a way, there is truth to that. This helpless 74-pound turkey symbolizes the Canadian economy as it has

developed over the last few years under the Liberal Government. The way the Canadian economy has developed has made America great. Over the last few decades, the Liberals have adopted an economic policy through which they felt they could manage to provide welfare measures and redistributive measures, such as the Family Allowance, Old Age Security and the Guaranteed Income Supplement, by having an economy which was based, first, on the export of our natural resources and, second, on branch plant manufacturing.

Today that 74-pound turkey can no longer support even its own weight. With two million people unemployed, goods and services are no longer being produced, tax revenues are down and the deficit climbs. What is the Government's response to that? The response is to cut back on the money that would have been paid in Family Allowances, in public servants' pensions and in Old Age Security.

These measures represent an insidious erosion and undermining of the right of seniors to live in dignity and to share in the wealth that our society has created and which they have helped to create. The New Democratic Party has a policy of full support for the principle of full indexation. Indexation is a very basic principle. It simply means that seniors with pensions should be able to buy the same basket of groceries in 1983 that they could buy with their pension in 1982. Bill C-131 will not make that possible because it says that regardless how high inflation goes—and no one expects it will stay as low as 6 per cent—pensions cannot increase by more than the 6 per cent factor.

It is important for us to realize that cutting back on pensions will not do anything for our economic crisis. There are no new jobs in this proposal. There is no increased production, nor is there any increased tax revenue. There is only a minuscule, miserly reduction in the $23.6 billion deficit. If the Government took the $105 million it claims this proposal will save over the next two years and applied the $105 million to this year's deficit, it would reduce the deficit from $23.6 billion to $23.5 billion. Our senior citizens are being punished. I suggest that rather than solving the economic crisis, Bill C-131 will make it worse.

• (1640)

In my riding, which comprises the southern part of Vancouver Island and the Gulf Islands, which is one of the more attractive places to live in Canada, there are some 11,000 people over the age of 65 who receive Old Age Security. I presume that roughly half of them do not get the Guaranteed Income Supplement. This means that between 5,000 and 6,000 senior citizens in my riding will receive less next year under Old Age Security than they would if the Government was not pushing this legislation through the House. At a time when our forest industry on Vancouver Island is reeling from massive unemployment, the income of senior citizens is the only factor that promotes any kind of economic stability in our area. The majority of these people have modest incomes.

As I said, Vancouver Island and the Gulf Islands, are good areas to retire and many pensioners were able to get modest homes. They do not have to live in extreme poverty in most cases because of the past struggles of people like the Hon. Member for Winnipeg North Centre (Mr. Knowles). Seniors do live in poverty in the large cities but this is not true in most cases in our area. However, very few are in a situation where they do not need to count the nickels and dimes and dollars very carefully every day in order to have enough at the end of the month to meet their expenses. This Bill will make it that much more difficult for them to meet those expenses each month.

This is an insidious Bill because its effects will not be noticed immediately. Slowly but surely it will undermine the income of these people and of seniors who will follow to the point where they will have a lower place in the economic spectrum than they already occupy. We want to see their position improved, not degraded.

It is estimated that even with 10 per cent and 9 per cent inflation which has been estimated to occur next year and the year after, approximately $300 will be taken from seniors over the next two years. This is money which they should receive in order to keep up with inflation. The Government has said that inflation is coming down and that we will be living in the wonderful world of six and five. If it is true that inflation is really coming down to 6 per cent as the Government pretends, then Bill C-131 is unnecessary.

It is a fact that pensions have followed inflation. The whole idea of indexation is to allow pensions to follow inflation. It is completely wrong to suggest that pensions themselves have fueled inflation. On this basis, cutting pensions is in no way the answer to fighting inflation. Bill C-131 is penalizing the very people who need the money the most if inflation is not reduced to 6 percent. They are the very people who are having the most difficulty keeping up with inflation. This Bill is forcing the victims of inflation to pay for it. Therefore, this Bill is either unnecessary or unjust.

We want to stress that by capping indexation for the next two years, the Government is not only reducing pensions in 1983 and 1984, but also reducing the base on which future indexation will take place. For this reason we support the amendment moved by the Hon. Member for Okanagan North (Mr. Dantzer), which will include the amount to be lost from the pension base in 1983 and 1984 in the base for 1985 and following years. In other words, the purpose of this amendment is to ensure that even though the incomes of seniors will be reduced in 1983 and 1984, the base will continue to be built up by full indexation so that if and when indexation is restored in 1985 it will be operating on a full base.

Perhaps we should question whether there will be a reintroduction of full indexation. When one considers that this Bill is essentially doing nothing for the economy in terms of cutting back the deficit or making money available for other projects, perhaps the Government is simply introducing six and five now as the thin edge of the wedge and we will see a gradual and continuing cutback of the amount of money that is paid out through Old Age Security. On that basis, this Bill is mostly regressive.

The Government has pointed out that people who are in the lowest income brackets would have their Guaranteed Income Supplement increased by the amount that Bill C-131 takes away from their Old Age Security. While this is a positive measure, it involves two serious shortcomings. First, it penalizes most heavily those seniors who are just above the line in terms of having an income which disqualifies them from the Guaranteed Income Supplement. Bill C-131 cuts their pensions and they cannot make it up through the provisions to beef up the Guaranteed Income Supplement.

Second, this Bill, through its provisions to compensate for the Guaranteed Income Supplement, signifies a growing reliance on the means test. When old age pensions were first introduced in the late twenties, they involved a very stingy and chiselling type of means test. We eliminated that test and we do not want to see it reintroduced.

At present, more than 50 per cent of Old Age Security recipients also receive all or part of the Guaranteed Income Supplement which involves a form of means test. As a result of eroding the Old Age Security, Bill C-131 will force more people into the economic situation where they need the income supplement with the attendant means test. This means that the Government is moving away from the whole concept of universality. In future when the Minister of National Health and Welfare speaks about universality, when Canadians hear her they will hear her in much the same way they hear President Reagan speak about peace, Gerald Bouey speak about the problems of unemployment or the Tories speak about Party unity. In other words, they will hear these words as nothing more than lip service.

In conclusion, I suggest this Bill is not the answer. It penalizes our senior citizens and does nothing for the economy. At a time when our economy needs a transfusion of new blood, as it were, the Government comes in with medieval leeching practices, feeling that perhaps the answer to the sick economy is to draw more blood out of it. Over the next two years it will be taking $105 away from senior citizens.

• (1650)

The answer should be found, perhaps, in a new doctor, as the Prime Minister (Mr. Trudeau) hesitated to suggest the other night. Yes, we do need a new doctor. We are tired of being leeched. We would like to see a doctor who could do something to build up the health of the economy instead of tear it down. We need a Government which will get our economy moving and provide opportunities for people to work again, thus providing revenue to the Government. When that happens, we will see our deficit come under some kind of control, and the Government will not have to penalize our senior citizens as a phony excuse for saying that it is doing something about the economy.

[*Translation*]

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Corbin): I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate have passed Bill S-30, an Act to amend certain Acts in relation to Canada Day, to which the concurrence of this House is desired.

[*English*]

OLD AGE SECURITY ACT (NO. 2)

MEASURE TO AMEND

The House resumed consideration of Bill C-131, an Act to amend the Old Age Security Act (No. 2), as reported (without amendment) from the Standing Committee on Health, Welfare and Social Affairs; and the motion of Mr. Dantzer (p. 21795).

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, I rise today to make some comments with regard to Bill C-131, an Act to amend the Old Age Security Act.

Many of my colleagues have addressed the House on this matter and, I believe, have made very salient comments indeed on this Bill. I think it is now time that Hon. Members of the governing Party participate in a lesson in history. In the early 1920s, some 63 years ago, a generation of young Canadians, men and women, were celebrating victory in World War I, the first war to end all wars. Unfortunately, their efforts in the late twenties, in the business of rebuilding the economy, suffered a great blow in the depression which followed. Those who were fortunate enough to survive began rebuilding from the virtual ashes of our country.

Then in the late thirties and early forties, they again answered the call to arms and defended our freedoms and rights in the trenches of Europe and the rest of the world. All that kept some of our soldiers sane were their dreams. They dreamed of coming back to their loved ones and settling down in homes of their own. They were prepared to give their lives for their rights to liberty and justice. They were the people who guaranteed us the rights we have today.

When the Second World War ended, it was supposed to end all wars. Returning veterans and their colleagues who had supported them at home once again set about the task of rebuilding. Our Governments since then have realized the importance these people played in developing the institutions and, indeed, the bureaucracies of today.

The social security system was set up to protect our aging nation builders. These people are the ones whose incomes do not deserve to be protected against inflation, as the Government is now telling them through this Bill. Recently I had a

conversation with a retired Department of National Defence employee. He was indignant that he will be hit twice by this Government's last gasp efforts to play the role of the Grinch who stole Christmas. His comment was; "I worked 40 years to be robbed".

May I remind the House that most senior citizens today are quite a happy group of individuals. According to a recent survey, what they prize most is housing. Some say that this is because they spend more time indoors. I think it goes much deeper than that. The dream I mentioned of the soldier in the trenches was just to earn a living so as to own his own home for his family. This was the dream of all Canadians up until a few years ago when our population became so mobile. The current administration has stood idly by and allowed the cost of living to rise so rapidly that most younger Canadians have given up that dream. It existed, however, for all or more of our working lives.

Those who now own their own homes or are in comfortable accommodation are not expecting overnight solutions to our economic problems. They know from experience that there are no magical spells by which any Government can cure a depression. People realize, too, that there are more senior citizens per capita in Canada today than ever before. The baby boom was turned into the senior boom. They know there is strength in numbers.

The Government must admit that it is not keeping inflation down to the proposed 6 per cent and 5 per cent, partially due to the cost of imported foods which comprise a great portion of the goods in our shopping carts. This is uncontrollable and also partially due to the fact that senior citizens themselves have allowed for some salary increases above 6 per cent or 5 per cent. Senior citizens are quite willing to pay their share to keep the country, which they built, growing. They have done so in their working years and do not expect any less now. Now, however, they are forced to accept cost of living adjustments below that allowed, in some cases, to federal Government employees.

I would like to refer back to the example of the shopping cart in the grocery store to which we must all go once a week or more. Our lifestyle has changed because we are now importing far more food than we did years ago. It has become very essential in the diet of senior citizens. They are being penalized as a result of the worth of the Canadian dollar in comparison to the American dollar, the cost of importation, the cost of handling, transportation and oil prices.

We must also remember what the Hon. Member for Bruce-Grey (Mr. Gurbin) said yesterday with respect to a number of senior citizens. He said that the fact is that in the last ten years the number of Canadians under the age of 20 years has dropped by over 700,000 and the number of Canadians over the age of 60 years has grown by 800,000. We are seeing a basic change in the age of the population in Canada. This is an important factor in how we consider the programs and social needs of Canada in the coming years.

One of the major social problems we face is the persistence of poverty. At this point in time, at least, 15.5 per cent of our population can be described, on the basis of certain income levels, as being below the poverty line. Must senior citizens be forced to accept such low cost of living adjustments? This they might well pass off as being the antics of a Government which will go eventually. Many others have come and gone in their lifetime. They are constantly reminded, however, of the inequities demonstrated by the Government. The Government has estimated that it will save approximately $100 million by deindexing Old Age Security payments, yet its deficit is 230 times greater. Obviously, such saving will not even be seen, it will be spent so fast.

My constituents from Lindsay, Keswick, Haliburton and many other parts of my vast riding have written to me many times concerning metric conversion. I defy the Minister responsible to prove to me that the cancellation of the metric conversion program would not result in a much greater saving to the public purse than will be accomplished by Bill C-131, and with much less harmful effects. It is my opinion that being forced to metric conversion is one of the easiest ways to confuse people in the marketplace.

• (1700)

Metric conversion, as I said earlier, is very, very confusing, not just in the gasoline stations but in the grocery business itself. By forcing people to go metric on January 1, the cost of the scales and the other measures which will follow will certainly add to the cost of the shopping basket. Regardless of what some people would like us to believe, this is a very costly experience for Canada. I have been told that it has cost us over $1 billion thus far in the implementation of the metric system, and what are we going to gain? Our Prime Minister (Mr. Trudeau), in his campaign promises in the late election, promised that he would wrestle inflation to the ground. Congratulations, Mr. Prime Minister.

Mr. Whelan: It is halfway down now.

Mr. Scott (Victoria-Haliburton): It is coming down, I grant you that, but it is taking a long time. Using our economy as a ring mat, the Prime Minister claims to have brought inflation below the double-digit level. The ring mat has been our economy and it is now torn to shreds.

With this Bill, the Government is putting our senior citizens, the builders of our nation, in the same position as its intended foe—down for the count. I pray that the Government will see the error of its ways before the House resumes in January. If not, the Prime Minister will be carving his mark in history as "Pierre, the Terrible", the Prime Minister who forgot his heritage and destroyed his ancestors.

Mr. John Gamble (York North): Mr. Speaker, I am delighted to have this opportunity on the last day of the session of the House before the Christmas recess to take part in this debate on Bill C-131. I would like to make some comments by way of rebuttal of some remarks which have already been made, and indicate where I feel some of the error lies with this piece of legislation. I make that comment having regard to the fact that I was one of the first Members on this side of the House who

supported what has been referred to as the "six and five solution". I do not know that one should automatically assume that, when a piece of legislation is presented to the House which has merit and happens to have contained therein a particular formula, a simple snapping of the fingers to resurrect that formula when applied to any other piece of legislation should result automatically in someone concluding that Hon. Members will support the legislation in a sort of "knee-jerk" reaction to the Bill which is introduced.

Very clearly, Bill C-124, which began the process, was a Bill designed to meet a certain set of circumstances which affected, among other people, Members of this House of Commons. Members of the House have been entitled to an indexed form of remuneration increase on an annual basis, and I found it extremely difficult to sit here and vote in favour of a constant increase in my salary as a Member of Parliament while my constituents suffered from lack of employment.

I also found it quite easy to justify the imposition of a form of restrained growth in salaries for members of another privileged class, the Public Service, and there is no doubt but that they are. They have an opportunity to continue to serve the public without the same general fears of possible loss of employment which are imposed upon members of the private sector. We have seen hundreds of thousands, possibly two million of those persons who no longer have employment at all, and yet within the Public Service we know that security of employment must be given some monetary value. Quite frankly, I felt no hesitation at all in supporting Bill C-124.

I do, however, have substantial reason for opposing Bill C-131, despite the fact that it also has a six and five formula appended to it. The reason is very simple. We are dealing in this piece of legislation with an element of society which has withdrawn from the work force. We are dealing with a group of Canadians who no longer are in a position to make up in the long run what might be lost today. We are dealing with people who have paid their dues to society, who have contributed to the very essence of our nation, who have contributed to the fact that we are here today in this place, free and secure. These are the people to whom we, as a society, have an obligation, and that obligation transcends any consideration of monetary restraint. They are indeed, in my mind, the most deserving class in society to whom we, as Members of Parliament, should pay tribute for their contribution to our society, and regard in a special fashion when it comes to dealing with rights to which they have become entitled.

In terms of the actual consequences of this legislation, we were advised just this week that the inflation rate has declined and that decline now is measured at 9.8 per cent on an annual basis. The income increase under this Bill is fixed at 6 per cent. So we are now looking at a 3.8 per cent decline in an increase. I use those words because that in fact is what it is in terms of today's dollars. But in terms of constant dollar valuation, there is clearly a reduction in the purchasing power of those pension payments which are made available to our senior citizens as a consequence of this legislation. For that reason, and for the reasons I have earlier described in terms of our obligation to this segment of society, I am opposed to the Bill and will vote against it.

I would like to mention some of the concerns which I have had with respect to the Government's defence of this legislation. I recognize that it is part of a program designed to dilute the expectation for constant inflationary increases in society. The Government also regards it in some way as an indication of its grappling with the control of the public purse, hopefully achieving a reduction in federal expenditures, and they have done so at the cost of a particular segment of society, as I have indicated. If you analyze the growth of the inflationary pressures, you find that the chief culprit is not simply the Government. It is Government in the sense that one of the large component factors in the increase in the consumer price index is the cost of energy. Cost of energy is reported to have accounted for an 18.2 per cent increase over the year. With that kind of an increase, controlled by Government, one can well understand how there is a reduction, as reported in the press recently, of the inflationary pressures. That reduction is retarded because Government is still intruding in a fashion which in itself creates the very inflationary pressures they have come to blame on society at large.

• (1710)

We are also aware of the recent increases in excise taxes imposed on those evil products of tobacco and alcohol, taxes which were not restricted to six and five but which are running at almost 14 per cent. Now, I know that not everyone needs a smoke or a drink, but I find it a little hypocritical for the Government to come before the public and say: "We expect you to do your part, while we do not do ours". An example is the Government saying that it has begun to restrain the demand upon the public purse, yet we see the kind of treatment accorded another group of special people, the senior bureaucrats, and in particular a certain Senator Michael Pitfield who a short time ago was awarded a special pension arrangement which will see the extraction from that same public purse of some $100,000 over a period of years to be added to Mr. Pitfield's pension plan.

Mr. Jarvis: He is an independent Senator.

Mr. Gamble: I can understand that is the kind of designation they have given to him. However, having regard to the way in which he served so faithfully the current Prime Minister of Canada (Mr. Trudeau), he has been rewarded in a fashion which I am sure most Canadianss would like to tap into but which is not available to them, certainly not to the people affected by Bill C-133. The Government suggests it is about to restrain its expenditures and endeavours to convince Canadians that the process is one which will achieve a reduction in inflation for the benefit of all Canadians, and then turns around and says except, of course, with respect to the privileged few in society. For them they are prepared to make some different arrangements. Those are the kinds of things which surely make the public sit up and take notice and regard Government actions with a great deal of disbelief.

Now, I listened with some interest to the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly) when he commented disparagingly upon the part our Party has played with respect to this legislation. I say that our Party has been very straightforwd in its condemnation of what must be regarded as special treatment for special people by the Government. That special treatment should be accorded to those most deserving in society, that group I have just identified.

I find it rather interesting that the NDP has consistently adopted a policy of spending money, indexing everything, without regard to the source of funds. Their lack of recognition of the need to take that into account is clearly best demonstrated by the public recognition of that failure and their regard among the general public as most recently displayed in the public opinion polls. If I could pass on advice to Members of that Party who wish to in any way enhance the public's view of their performance, let me suggest they be more reasonable and sensible and account for the fact that they are constantly deciding to spend and index without paying any attention to the consequences of their actions. I believe that once you spend a dollar, the dollar cannot be spent again unless you borrow it and pay interest on it. That is a policy which has, unfortunately, been adopted by the Government.

Now, last month there were two Bills before this House, Bill C-129 and Bill C-130, dealing with rather substantial amounts of money. The first Bill dealt with the advancing of no less than $1.7 billion to the International Bank for Reconstruction and Development, and I heard not one whisper from Members to my left as to how that money might well have been redirected to helping the very people whom they are now complaining are not receiving these funds. Members of this Party spoke about that, about how this money was leaving Canada for international financial institutions without any hope of control by this Parliament or the Government over how the money was to be spent. How that money was to be spent was beyond our control. I could not conceive for one moment why Members of the NDP were not jumping up and down in their place demanding that that subtantial sum be directed to the payment of the indexing of pensions plans for senior citizens.

Immediately following that Bill's passage, we were confronted with Bill C-130 which provided for the incurring of an obligation in the aggregate amount of $117 million. In this case the funds were to be paid at the discretion of the Government to a number of international banks. Once again, there was not one whimper of objection from the NDP. The policy that that Party has regretfully followed is best illustrated by the fact that when money is being spent, regardless of for what, they favour it. However, when there is a curtailment in expenditures with a view to controlling the deficit and reducing the cost of financing the national debt, the Members of that Party consistently clamour against the legislation. It makes it extremely difficult for a prudent public to be able to distinguish between what actions they adopt as correct and what actions they adopt as incorrect.

I favour the position of opposing legislation which has the effect, unreasonably, of extracting funds from the Consolidated Revenue Fund which will not benefit Canadians. I favour legislation where we have a good moral or business reason for favouring the expenditure. In this case, Mr. Speaker, I certainly favour the position of opposing this specific piece of legislation encompassed within the confines of Bill C-131, for the reasons I have given.

• (1720)

In opposing this legislation I am perfectly consistent with the views I have expressed about helping Canadians first. Among those Canadians we should help are those who have served their country long, who are no longer in a position to contribute in the same fashion as others to their welfare and have become entitled to special protection from this place and other Canadians.

Mr. Paul E. McRae (Thunder Bay-Atikokan): Mr. Speaker, I have been sitting here for several weeks listening to this debate and it behooves me to try to respond a little to some of the things that have been said. When we keep hearing people from both sides talking about how much of a Grinch we are, how we are so tight and cruel and so on, I have to respond because I think the facts are just not in that order. That is not the situation. This Government, one that I have been involved with for ten years, has been very, very supportive of Canadians in general, and particularly those Canadians who need more support than other Canadians. To say this is untrue is, to my mind, totally false and quite hypocritical.

I particularly find hypocrisy in the Tory Party very difficult to accept. I have heard Members from the other side rant and rave about Government spending and talk about their great model. I remember one of the Members from British Columbia and also the Opposition critic for finance preach that Reaganomics is the answer. They said that this was the approach that we should all take, that we should get Governments off our backs, and they talked about the great economic views of the President of the Unites States, views that we have come to know as Reaganomics.

I would just like to refer to a couple of articles dealing with Reaganomics, because this is the argument that has been made about this Government and its spending. It is an argument that, if the Tory Party believes in it, means they are really hypocritical in dealing with this Bill.

The first piece was from Houston dated June 15 and appeared in the *New York Times*. It says:

> President Reagan returned to the Oval Office today for the first time since the start of his European trip two weeks ago but then flew here this afternoon for a rousing defence of his economic policies and some partisan blasts at his critics.
>
> The occasion for Mr. Reagan's rally was a $1,000-a-plate dinner for 3,500 cheering, applauding Texans.

The next article is dated a few weeks later, July 19, from *Newsweek*, as follows:

> Last April the Texas Department of Human Resources issued a pamphlet entitled "Dead Broke in Texas?" warning newcomers not to expect much in the way of public assistance. It points out that the average welfare and food-stamp

recipient in the state gets only $34 a month under each program and declares that qualification requirements are much "stiffer" than in other states.

That, I think, tells us a little about the Tories' way of speaking when they espouse Reaganomics. A one thousand dollar-a-plate dinner and 3,500 people show up—and the average welfare recipient in that city was receiving $68 a month!

It is in that context that I have to stand up and defend what we are doing. There are two basic pieces to this legislation, Bill C-131, Bill C-132 and Bill C-133, that have to be understood. The first piece has to be that in June of this year we put into play a program called six and five. It would not be of any value to have a program if we were going to say that we were going to have six and five for this but we were not going to have six and five for that; that we are going to make all kinds of exceptions, but somewhere along the line the program is called six and five. We hope to have a 6 per cent inflation rate and we are going to adjust Government spending to a 6 per cent inflation rate in the coming year and 5 per cent the following year.

To me, if we decided that we would exempt this group and that group, we would do two things. One is that we would deny the six and five; and, number two, if we were to say we will include this group but leave out that little group, then we would get away from a notion that I think is very important—universality. I will come to that later. I want to defend universality which is part of this kind of thinking here.

The second reason I think it is important that we have a total type of program and why this is not going to create a lot of hardship is simply that the inflation rate, in my opinion, is going down much faster than people believe. I do not for a minute say that six and five was the only or even the principal cause of this. I do say that the inflation rate in this country is coming down at a faster pace than people believe.

We unfortunately have a method of arriving at an inflation rate which I think is totally inadequate. It basically deals with the inflation rate in the past rather than the future. The Americans have a different system in that they tend to project more into the future and take a single month and annualize it more than we do. When we say the inflation rate this month is 9.8 per cent, we are talking about the month of December through November in 1981/1982; so in that inflation factor we are carrying several months, four, five or six months when the rate was in excess of 11 per cent, and in some of those months in excess of 12 per cent. The actual inflation rate since the announcement on June 28 of the six and five program is about 7.5 per cent, not 9.8 per cent as was announced last week.

One might say that if you annualize those 12 months you get 9.8 per cent; but the fact is that anyone who has looked at this thing at all realizes that there is a distinct decline in inflation rates, not just here but all around the world. Basically, we can expect this decline to get smaller.

One of the factors that would lead me to believe that there would be a further decline is that in that 7.6 per cent is included one of our two annual increases in energy rates. That is now completely built into these figures. We have had, as I say, roughly a 7.5 per cent inflation rate since the last budget.

To look at next year, there are certain other factors that would probably cause the inflation rate to drop below 6 per cent, the most significant being the energy factor itself. We are coming very close to a situation where we are at 75 per cent of world price. We have some additional rounds built in, but these rounds will disappear if the world price comes down. The world price is conceded to be $40, but the spot price is considerably below that. One could expect the world price of oil to decline considerably and that we may not have any significant increases in our price. As a matter of fact, in early January one could expect a 1.5 cent per litre decline in oil prices, which was just announced by the Government. That decline may actually represent the major shift in the whole year.

• (1730)

We can see the evidence in terms of wages and other things. For example, when I go into a grocery store to buy meat today, I am paying less than I was paying some months ago. This varies from time to time, but certainly there is evidence that the inflation rate is coming down. Therefore, the factor about which we talk when we say that people will lose a great deal will not exist because the rate will come down.

I have some sympathy with the last Hon. Member who said that, if the rate was to be 6 per cent or less, why do we need the Bill? We brought it in for one particular reason—to create the psychological climate which would cause this to happen. Once one moves in that direction, one follows through.

I am not convinced that the months of discussion on these three Bills was all that necessary, because in general people on fixed incomes who will receive the 6 per cent will be as well off as they were when they received 11 per cent. I say this because the inflation rate is coming down. If I were a betting man, I would bet very strongly that the inflation rate next year—and certainly going into the new year—will be down below 6 per cent. That idea can be justified economically on many grounds. One should look in that direction and see, therefore, that the Bill will not do damage to individuals.

There is another factor which I think we should be debating. I have been bothered that a great deal of the debate around here has been centered on a very small fraction of the inflation rate; probably one-half of 1 per cent or even no percentage point. The debate has been on that rather than the whole notion of universality. When I talked about the Reagan administration and the Tory defence of Reaganomics over the last year or two, I used this example to show that we as a Government have not contemplated and were not contemplating any move which would take away the factor of universality.

The Acting Speaker (Mr. Corbin): Does the Hon. Member for Hamilton Mountain (Mr. Deans) want to ask a question?

Mr. Deans: No, Mr. Speaker. I am rising on a point of order, if I may.

BUSINESS OF THE HOUSE

Mr. Deans: Mr. Speaker, I was very interested in the Hon. Member's comments and I do not want to detract from them in any way, so I will be very brief in what I want to ask. I wonder if I might, on a point of order, ask the Acting Government House Leader whether there has been any opportunity to reconsider Bill C-141, whether it might be possible, even at this late hour on this day, to consider bringing it forward now for passage, or whether we have again missed the opportunity to deal with this crucial and important matter.

Mr. Smith: Mr. Speaker, earlier today the Minister of Justice indicated that we were prepared to deal with all remaining stages of the Bill today without debate. That is still our position, so the question should really be asked of the Official Opposition.

Mr. Nielsen: Mr. Speaker, we can see what the Hon. Member for Hamilton Mountain is doing—

Mr. Deans: We are just trying to get the Bill passed.

Mr. Nielsen: —and who is playing politics with this matter. Our position was made quite clear in a very generous offer to the Government today.

With respect to what the Hon. Member for Hamilton Mountain referred to as a lost opportunity—

Mr. Deans: I did not say that.

Mr. Nielsen: I think he will find those words in the "blues"—I might remind him that the Canadian Human Rights Commissioner has publicly said that as long as that legislation is passed before the session ends, he is happy; and so are we.

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

The Acting Speaker (Mr. Corbin): I think the procedure of interrupting the Hon. Member who has the floor is rather unusual. Of course, the Chair is in the hands of the House.

Mr. McRae: I would be glad to yield.

The Acting Speaker (Mr. Corbin): I appreciate that the Hon. Member for Thunder Bay-Atikokan cedes the floor to the Parliamentary Secretary.

Mr. Smith: Mr. Speaker, I am quite prepared to allow the Hon. Member to complete his remarks, if there would be time after them to deal with another matter which will require us to revert to motions. I did not want to see the Hon. Member interrupted twice, but if there will be time following the completion of his remarks to deal with the matter, I will not interrupt him now.

Mr. Deans: Do it now.

Mr. Nielsen: It will only take a second.

Task Force on Indian Self-Government

The Acting Speaker (Mr. Corbin): Is there unanimous consent to allow the Parliamentary Secretary to proceed with whatever it is he wishes to do?

Some Hon. Members: Agreed.

Mr. Smith: Mr. Speaker, I seek leave of the House to revert to motions.

The Acting Speaker (Mr. Corbin): Is there unanimous consent for the House to revert to motions?

Some Hon. Members: Agreed.

Mr. Nielsen: Mr. Speaker, there is unanimous consent for the purpose of presenting a motion dealing with the setting up of a task force on Indian self-government.

The Acting Speaker (Mr. Corbin): I gather, then, that there is unanimous consent.

ROUTINE PROCEEDINGS

[*English*]

INDIAN AFFAIRS

APPOINTMENT OF TASK FORCE RESPECTING INDIAN SELF-GOVERNMENT

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I move:

Ordered, That a Special Committee of the House of Commons, to be composed of Mr. Penner, Mr. Allmand, Mr. Chénier, Mr. Tousignant, Mr. Oberle, Mr. Schellenberger and Mr. Manly, be appointed to act as a Parliamentary Task Force on Indian Self-Government to review all legal and related institutional factors affecting the status, development and responsibilities of Band Governments in Indian reserves, including, without limiting the generality of the foregoing:

I could read the balance of this motion, if it is necessary, but I believe all sides of the House have had an opportunity to look at it.

Mr. Nielsen: It will not be necessary to read the balance of it.

Mr. Smith: If it is the will of the House, perhaps I could dispense with the reading of the motion in full.

The Acting Speaker (Mr. Corbin): Since there seems to be agreement to dispense with the reading of the motion, may I have it, please?

[*Editor's Note: The remainder of the motion is as follows:*]

(a) the legal status of Band Governments;

(b) the accountability of Band councils to Band members;

(c) the powers of the Minister of Indian Affairs and Northern Development in relation to reserve land, band moneys and the exercise of Band powers;

(d) the financial transfer, control and accounting mechanisms in place between Bands and the Government of Canada;

(e) the legislative powers of Bands and their relationship to the powers of other jurisdictions; and

(f) the accountability to Parliament of the Minister of Indian Affairs and Northern Development for the moneys expended by or on behalf of Indian Bands;

(g) all items referred to in section "H" of the report of the Sub-committee on Indian Women and the Indian Act;

and make recommendations in relation to the above questions in regard particularly to possible provisions of new legislation and improve administrative arrangements to apply to some or all Band Governments on reserves, taking into account the various social, economic, administrative, political and demographic situations of Indian Bands, and the views of Indian Bands in regard to administrative or legal change.

That the Committee, in carrying out its review, take into account:

(a) the jurisdiction of the Federal Government under section 91(24) of the Constitution Act, 1867;

(b) the recognition and affirmation of existing aboriginal and treaty rights of the aboriginal peoples in section 35 of the Constitution Act, 1982;

(c) the current economic restraint program of the Government;

(d) the fact that a First Ministers' Conference will be held for the purpose of identifying rights of the aboriginal peoples.

That the Committee have all the powers given to Standing Committees by Section (8) of Standing Order 65;

That the Committee have the power to retain the services of expert, professional, technical and clerical staff as may be deemed necessary;

That the Committee have the power to adjourn or travel from place to place in Canada and the United States;

That, notwithstanding the usual practices of this House, if the House is not sitting when an interim or final report of the Committee is completed, the Committee may make the said report public before it is laid before the House, but that, in any case the Committee shall report to the House finally no later than the first Monday following Labour Day and,

That all the evidence adduced by both the Sub-Committee on Indian Women and the Indian Act, and the Sub-Committee on Indian Self-Government during the first session of this Parliament, be referred to the Committee.

Provided that alternates appointed pursuant to temporary Standing Orders be name later.

The Acting Speaker (Mr. Corbin): The House has heard the terms of the motion. Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Motion agreed to.

GOVERNMENT ORDERS

[*English*]

OLD AGE SECURITY ACT (NO. 2)

MEASURE TO AMEND

The House resumed consideration of Bill C-131, an Act to amend the Old Age Security Act (No. 2), as reported (without amendment) from the Standing Committee on Health, Welfare and Social Affairs; and the motion of Mr. Dantzer (p. 21795).

Mr. Paul E. McRae (Thunder Bay-Atikokan): Mr. Speaker, I am pleased to have given up a couple of minutes to have the foregoing motion adopted, because it is extremely valuable. I hope good things come out of it, as I know good things have come out of the Committee which has been working on it of late.

To return to Bill C-131 and the amendment before the House, the notion of universality has not been debated to this point. Of course, I am speaking about Bill C-131 specifically, but generally my remarks apply to the other three Bills. Universality is the fundamental issue. There is a large, particularly vocal segment of our population in particular industries that would like to see the notion of universality dropped. Some people would like to see it dropped in all cases; some groups would like to see it dropped in certain cases. In one sense they see that Government money goes into these kinds of things. Those who think that the Government can cut its spending without touching big programs are foolish, because basically 70 per cent of our money is transferred to other Canadians. The big areas in this regard are Old Age Security, Family Allowances and other major expenditures of Government. This is the case for all Governments, whether they be provincial or federal.

The point of universality is that we all benefit from a universal program. It seems to me that this is a fundamental matter with old age pensions. We have to say to Canadians that everybody is involved, whether or not they are well-to-do. If they are well-to-do and have large incomes, we can tax some of it back; but the point is that 90 per cent to 95 per cent of Canadians base their future on the old age pension. They base it on what they can see, on the OAS and the GIS. The supplement is not universal, but they base their futures upon the basic pension which is part of their retirement program. It is extremely fundamental that it be retained.

• (1740)

It is the same when we are talking about the Family Allowance. Some people need it very badly. We have arranged that in terms of the Child Tax Credit. The basic situation is that most families, particularly when one member of the family is at home, usually the woman, find that this is the major source of income and require it to maintain the family and to give the woman some freedom. It is extremely important these programs be retained in their original shape.

In a Party convention here a month ago, someone praised me for speaking in terms of Family Allowance universality because it was necessary, and then said: "But, of course, I think there are a lot of senior citizens who do not need it". It is that kind of thinking that puts the programs in some quandary. Sure, there are some senior citizens who do not need the old age pension, and sure there are some families who do not need the Family Allowance. But if you are going to have these kinds of social service programs, you have to keep them in all cases. The real pressures that are on us today to get rid of universality because it is not necessary are what really concerns me. I wish we had spent far more time supporting the need to keep these programs in a sound way and in play and not to take away parts of them. I wish that is what the debate were about

rather than whether or not we are dealing with a six and five or a seven and six, and so on, which seems to be what we are talking about most of the time.

Mr. Hovdebo: Are you going to vote against this Bill?

Mr. McRae: I believe that we as Canadians have a sound program. There are areas in which I would like to see more done. I would like to see universality of the portability of our pension programs expanded. That will be another debate that will occur here in the next few months. I think much more can be done by the Government than has been done to provide Canadians with a decent retirement income, an income on which they can depend.

In closing, I have to say I do not fear these Bills, partly because they are in the name of universality—we have made sure they are for everyone—and partly because I do not think Canadians are going to suffer from any of these Bills simply because inflation is coming down. In the meantime, I think it is important that we all get out and support the kinds of programs we have in place, improve them—there is no question they can be improved—and maintain the notion of universality. Let us not hack away at these Bills.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, will the Hon. Member who has just spoken entertain a question?

Mr. McRae: Certainly, Mr. Speaker.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, how can one expand universality without going into the galactic and cosmic? I thought universality was all-embracing. Perhaps the Hon. Member could explain.

Mr. McRae: Sorry, I missed a word, Mr. Speaker. I heard the word "galactic" and then a word disappeared.

Mr. Munro (Esquimalt-Saanich): It was cosmic.

Mr. McRae: This is a semantic question. I assume universality means that in general a program is available to everyone, regardless of income. There are several programs of that kind in existence on which I depend. We also move away from universality, I admit, when we put out a guaranteed income supplement. I deplore that. To what extent? How does one get enough money to do all of these things? Therefore, there are some people who need more support and we have to do it that way. But still, I do not think there is any reason why we should abandon universality in the kind of programs we are talking about. For instance, I support the Child Tax Credit because essentially that is money going to very low-income families. But I also support the notion that all families should receive the basic Family Allowance.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I rise with a certain amount of sadness to speak on this Bill to increase the number of people who will be below the poverty line. I would like to have given the pensioners of Canada a better gift than this just before Christmas.

Before I go into my remarks on the Bill, I want to follow up on the position taken by the Hon. Member for Thunder Bay-Atikokan (Mr. McRae). He spent a considerable amount of time on universality, which he says the Government supports. I maintain that the Government has eroded the universality idea in every approach it has made in the Bills the Government has put before the House through Bill C-131, Bill C-132 and Bill C-133. The Government has failed in all of these Bills. It has failed on possibly the most important subject of universality, namely the subject of medicare. The Government has done this by allowing doctors to bill separately. The Government has allowed the undermining of the universality of medicare. The Government has made it selective as well as universal.

In Bill C-132, the Family Allowances Bill, the Government has also eroded the basic principle of universality. The Government has said: "Okay, everyone will get the Family Allowance, but we will also put in a Child Tax Credit". The Government is reducing the amount of universal Family Allowance and increasing the amount of the Child Tax Credit. The Government is plunking down on universality and is for selectivity. That is the basis under which the Government is operating.

Third, we are talking about the old age pension. The Old Age Security Act is a universal program. In this Bill, the Government is undermining and eroding that principle. The Government is reducing the amount of the Old Age Security, which is the universal part of the program, and it is increasing the effectiveness of the Guaranteed Income Supplement. I am not entirely against this, but if you are going to do nothing, doing it selectively is better than nothing. However, the basis of universality is being eroded by this Government right now. It is part of every Bill this Government has put forward in its series of six and five Bills.

The Bill before us is the one which limits the indexation of old age pensions to 6 per cent in 1983 and 5 per cent in 1984. This is kind of an insidious Bill. The people being affected by it do not really know what is going to happen to them. The limitation does not start until January. We hope now it may even be February or March if we can keep the Government from passing it. Many seniors do not even realize that a cutback is coming. Seniors will still get their pension cheques, but unless they are very up to date, seniors will not know that they will not be getting as much as they should have been getting. The difference between the December cheque and the January cheque and the January and February cheque will be less than it should have been. If they were going to keep their purchasing power at the level it was in December, they should have been getting more.

• (1750)

This Bill will reduce their incomes by close to $300 over a two-year period. Unless the amendment is passed, which we will support while voting against the Bill, the base of the old age pension will be reduced from now on. Not only will those who only receive the old age pension have the base reduced, but those receiving the Guaranteed Income Supplement as well

will be affected because their pensions will be lower in the future. Over one million pensioners will be directly affected and unless compensation is provided for the Guaranteed Income Supplement to a greater extent, all old age pensioners will be affected by this Bill.

Before I proceed to my main area of concern, I would like to return to the remarks made by the Hon. Member for York North (Mr. Gamble). He talked about the so-called financial responsibility of the New Democratic Party since it has not been in power federally. I suggest that in the Province of Saskatchewan, where there has been either a CCF or NDP Government for approximately 38 years, when the NDP was in power during the last 11 years it did not have a substantial deficit. It had probably the most responsible fiscal policy of all Governments in Canada.

This year there is a Conservative Government is Saskatchewan which has added a $220 million deficit to the people of Saskatchewan. That is more than the total accumulated deficit of Saskatchewan Governments for the last 77 years. The Progressive Conservative Government accomplished this in one year. That is an example of the fiscal responsibility that the Hon. Member for York North was talking about.

It is interesting to note that the most negative reaction to all three of these Bills has come from the National Council of Welfare, which is a direct adviser to the Minister of National Health and Welfare (Miss Bégin). The Minister said on June 29:

> The budget fully protects the lowest income Canadians and the working poor.

The Council issued a statement repudiating those remarks. It said:

> We disagree. The June budget social policy aspects will adversely affect thousands of low income Canadians.

We have seen how well the Minister accepts the advice of that group which advises her.

Another critique on the effects of the budget was issued by the Canadian Council on Social Development. This is another group that is well qualified to make statements on the effects this kind of legislation will have on Canadians, particularly low-income Canadians. That group stated on July 26:

> The budget contains many negative measures that will cause hardship and suffering to many Canadians who do not have the resources to protect themselves.

This comment and the previous comment about the budget were made by organizations who feel themselves responsible to outline the effects of this legislation.

In the face of this massive repudiation, one would think that the Minister of National Health and Welfare would heed those remarks. These were remarks from two of the foremost national welfare agencies in Canada which were speaking against the budget from which these Bills arise. How can the Minister in all conscience face the House of Commons when she knows that the people who advise her and have the best insight into the effects of this legislation are telling her that it is wrong? Her programs have been torn to shreds. Her important constituency advisers have repudiated her, including the one appointed by the Government. Her defence to her own program has been thoroughly discredited. She has nothing left to lose in terms of credibility.

The only universality being practised by Members in the Government benches is their urge to cling to power. That urge to stay in power is the universal feeling the Government Party continuously clings to.

We can examine the results of this Government's attempt to stay in power. We should consider the arguments made by those two agencies, the National Council of Welfare and the Canadian Council on Social Development. If we look at their remarks on these Bills, we can see that they point out that a single pensioner can lose the Guaranteed Income Supplement if they have an income of $6,123. Once a pensioner earns that amount, the Guaranteed Income Supplement is lost. These Councils also point out that a pensioner who earns $9,200 yearly will lose the maximum of $388 by the end of the restraint period. These peole will be living on incomes which are below the poverty line. Nothing that the Government says or does will help them climb above that poverty line. Even those who receive the Guaranteed Income Supplement are living below the poverty line at this time by $500.

Regardless of what is said about the effects of this Bill, it will ultimately take food, heat, clothing and other amenities away from these pensioners. They will be making the same kind of sacrifice as people earning larger incomes.

[*Translation*]

The Acting Speaker (Mr. Corbin): Order, please! The Hon. President of the Privy Council on a point of order.

Mr. Pinard: I thank you for your indulgence, Mr. Speaker. I simply want to offer our sincere best wishes to all of the staff of the House of Commons, the Table, and to you, Mr. Speaker, your assistants, your superiors and our colleagues on both sides of the House. I hope that these holidays will be productive and that everyone will come back in to shape to end the session on January 17. On behalf of the Government, I therefore wish everyone a Merry Christmas.

Mr. Jarvis: Mr. Speaker, I would like to associate myself with the wishes extended by the President of the Privy Council. I want to thank all the staff of the House of Commons who have worked for us and our country. Finally, to all my colleagues on both sides of the House, I wish a Merry Christmas and a Happy New Year!

[*English*]

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I rise on a point of order. My colleagues are asking me to state my remarks in French, but I have decided to wait until next year to do that!

I also want to join with the Government House Leader and the spokesman for the Conservative Party in wishing to all who serve us and to those who are interested in what we do, and whom we serve, the very merriest of Christmases. I hope that

in the year 1983 we will be able to better fulfil and live up to their expectations, that there will indeed be prosperity in the land, and that everyone who is currently faced with difficult times will find their wishes fulfilled.

I want to say to the people who serve the House of Commons that without them this place could never operate. Their contribution is one which provides the public of Canada with what it requires. I would say to Hon. Members on all sides that we in the New Democratic Party hope that they enjoy the brief respite from the work of the House of Commons, that they will enjoy their time with friends and families and their visit with constituents, and that when they return we will be able to get down to the business of the nation.

* * *

BUSINESS OF THE HOUSE

Mr. Pinard: As far as House business is concerned, when we come back on January 17 I want to put on the record that we

will be dealing with Bill C-133 on Monday, Tuesday, Thursday, Fiday and so on.

[*Translation*]

The Acting Speaker (Mr. Corbin): Before I read the adjournment motion, if I may I would like to thank all Hon. Members for the good wishes they extended to the Chair and all its occupants and reciprocate by wishing everyone in the House of Commons Hon. Members and staff, the season's greetings—

[*English*]

Season's greetings to one and all and a very happy New Year.

Under the new rules, it being six o'clock p.m., pursuant to Standing Order 3 this House stands adjourned until Monday, January 17, 1983, at eleven o'clock a.m., pursuant to Standing Order 2(1).

At 6.03 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, January 17, 1983

The House met at 11 a.m.

• (1105)

[*English*]

STANDING ORDERS AND PROCEDURE

OPERATION OF EXPERIMENTAL PROCEDURES

Madam Speaker: As Hon. Members know, a number of new procedures become effective today for an experimental period of one year.

There are two areas in particular where the discretion of the Chair will be a significant element in the successful operation of the provisional rules. The first of these areas is a fundamental one which will directly affect the debating practices of the House. The introduction of a ten-minute period during which questions may be asked and comments made concerning the speech of the Hon. Member who has just spoken is likely to bring about a radical change in the way in which our debates are conducted. These ten-minute periods will be available to Members during most key debates, including those on the Address in Reply to the Speech from the Throne, the Budget, allotted days and the second and third readings of Bills.

The second area is the procedure, provided for in provisional Standing Order 21, which will enable Hon. Members other than Ministers to make statements of not more than one and a half minutes on matters of concern. A period of not more than 15 minutes has been provided for this purpose preceding the Question Period. This procedure has replaced the former Standing Order 43 and will operate in quite a different way. It is intended to provide Hon. Members on all sides with an opportunity to voice serious issues of international, national or local concern. The element of "urgent and pressing necessity", which was theoretically a requirement under former Standing Order 43 and which was not particularly applied, has been removed. There will be no need to move a motion and the unanimous consent of the House will not be required in order to make a statement. That statement will last exactly one and a half minutes and the Speaker will interrupt any Member who goes beyond that time.

I do apologize in advance because I know it is hard for Hon. Members to know exactly what you can say in 90 seconds. I know that very well because I was trained on television and radio to say very important things in a very short period of time. It will take time for Hon. Members to get used to that and I apologize ahead of time, but I will interrupt everyone when 90 seconds have elapsed.

[*Translation*]

Since the application of these two rules of procedure will be largely left to the discretion of the Chair, I would like to inform the House of the general guidelines I intend to follow, unless the House should indicate otherwise.

First, a few words about the ten-minute question-and-answer period. During those ten minutes, the Chair will try, as much as possible, to give priority to Members representing a party other than that of the Member who made the speech. However, backbenchers on the Government side will also be entitled to ask questions following a speech by a Minister. The Chair will cut off any questions that are likely to be too long. Questions should be just that, and not speeches. If I may be allowed to give Hon. Members some advice, the shorter the question, the greater the element of surprise, and the easier it is to make things difficult for the Member to whom the question is directed. In my opinion, the best questions are short, but of course, Hon. Members must be the judge of that. In any case, the Chair will not allow Members to use this period to make speeches. Only questions will be allowed.

Furthermore, the ten-minute period should not be monopolized or almost monopolized by one and the same Member. The ten minutes are to be used for debate between a number of Members sitting in the House during this time. The period is to be reserved for questions and comments about the speech preceding this period. I believe that in this connection, the Chair will probably have to take a stricter approach as far as the principle of relevance is concerned. The Chair has always been fairly flexible in this respect, but when only ten minutes are allowed for debate, it is clear that both the questions and the speech itself must be relevant in the strict sense of the word. Questions will therefore have to be concise and preferably consist of one sentence. Need I add that questions should not be preceded by a long preamble.

The Chair will try to recognize as many Members as possible and will give the Member whose speech is the subject of questions or comments an opportunity to answer, as they are put, all questions raised during this ten-minute period but it may be more practical, for instance, to have the Member answer all questions during the last two minutes. In any case, we shall have to experiment a bit with the new procedure before we know exactly what the best solution is for all Members.

Now a few words about the guidelines I intend to follow with respect to Members' Statements. As far as possible, the

Chair will try to apportion opportunities to make such statements as fairly as possible, among the various parties represented in this House. In fact, that is the intent of this parliamentary reform, that is to say, such statements should be allowed in direct proportion to the number of Members in each party in this House. I shall therefore try to provide for fair allocation of time for statements under the provisions of Provisional Standing Order 21. All questions raised must be on matters of concern, but they do not necessarily have to be matters of urgent and pressing necessity. The time set aside for Members' Statements should not be used to make personal attacks. I think that in the previous application of Standing Order 43, the Chair had to consider the content of the motion, but in this case, and in this particular form, Members are being given an opportunity to raise matters of concern. It is clear that personal attacks are not considered to be matters that should be raised and that are important, in the opinion of the House, at this point in the proceedings. This also applies to congratulations, and I always find it rather embarrassing, because usually, the people Members want to congratulate certainly deserve congratulations, and I give the impression of thinking that these people are most underserving of congratulations. So this is a little embarrassing for the Chair, but I think we should get some agreement on this. The reform is very clear about the matter that congratulations, however important they may be, have no place at this point of our parliamentary proceedings, and I therefore intend to interrupt any members who try to extend congratulations or recite poems or make jokes. I apologize to the Hon. Member for Red Deer (Mr. Towers), whose poems I find quite delightful, but all this is over and done with, and I can no longer allow myself this kind of entertainment. In fact, I believe the Hon. Member was doing it for my sake, because he realized I enjoyed his efforts.

There will be no requirement to move a motion in order to make a statement under Provisional Standing Order 21, as we said before.

I trust that I have correctly interpreted the wishes of the House in preparing these guidelines, and in any case, the Chair will do everything in its power to apply them in the spirit in which the House has adopted its new rules—on an experimental basis, it is true—and that is why we shall be able to consult with one another as the proceedings of the House unfold under the new rules and find out whether they are still appropriate to our needs. Of course, the Chair is counting on the co-operation of all Members of this House in order to attain the desired results.

• (1110)

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Madam Speaker, I shall not waste the time of the House, but I should like to raise three points at this stage in the proceedings. First of all, I wish to thank you for your comments which I found very helpful in understanding how the House is going to operate. I shall now deal with my three points, one by one.

The first point I wish to raise concerns parliamentary procedure and the new rules that will be applied.

On November 29, 1982, the House passed a Government motion, which may be found on page 5400 of the *Votes and Proceedings*, proposing temporary changes in the Standing Orders appearing in Appendix C of the Third Report of the Special Committee on Standing Orders and Procedure. I shall not read the motion in its entirety, Madam Speaker. We all know what it entails, and as you said just now, the House must streamline and accelerate its proceedings. However, I should like to quote a paragraph which I feel is particularly relevant to my point of order. The paragraph in question appears on page 5400 of the *Votes and Proceedings*, and I quote:

> That the Clerk of the House be authorized and instructed to print revised and re-numbered Standing Orders of the House incorporating the temporary Standing Orders and any technical or consequential amendments necessary.

Madam Speaker, we all have a revised and renumbered copy of the Standing Orders of the House of Commons. The new rules include the old and the new Standing Orders as well as certain technical and consequential amendments. Madam Speaker, with due respect, these words were not in the Committee's Report as tabled in the House. I wish to emphasize the words: technical and consequential amendments. If we carefully read Appendix C of the Third Report of the Special Committee, which is what we had to use during the Christmas holidays, we can imagine what could go on here, especially if we read it in both official languages, because in that way it is sometimes easier to understand the Standing Orders. If we do this, we see that it is quite clear the President of the Privy Council (Mr. Pinard) was very wise in the wording of his motion of November 29, 1982. I shall give two examples which gave me a bit of trouble. I am referring to Issue No. 7 of the Committee on Standing Orders and Procedure, where we read on page 7:39, in Standing Order 38A(1), in the French version, and I quote:

> 38A(1) Entre le 60e et le 90e jour de séance de la première session d'une Législature, lors d'un jour désigné par un ministre de la Couronne ou le 90e jour de séance si ce jour n'a pas été désigné, etc—

And in English, Madam Speaker:

[*English*]

> —sixty and ninety sitting days of the first session of a Parliament on a day designated by a Minister—

• (1115)

[*Translation*]

It is not clear in English, Madam Speaker, to say the least.

[*English*]

Before this first sixty—

[*Translation*]

In French, it does not say between the 60th and the 90th. The English does not correspond with the French version, and I suppose the Clerks noticed this and made a technical amendment.

At the bottom of the same page 7:39, we read that Standing Order 45(2) is deleted and the following substituted therefor:

(2) When a debate on any motion made between 2:00 o'clock p.m. (11:00 o'clock a.m. Fridays) and prior to the reading of an order of the day is adjourned or interrupted, etc—

Madam Speaker, perhaps you could explain the expression: *between 2:00 o'clock p.m. and prior to the reading of an order of the day*, since in my opinion it is somewhat confusing. I noticed when I read the Standing Orders, which were not distributed until last Friday, that a change was made to make things a bit clearer.

Madam Speaker, like myself and so many other Members, you have consulted with your advisers on the subject of these technical and consequential amendments. In any case, on Friday, January 14, all Members received a copy of the revised and amended Standing Orders. I do not know how many Members read them. This morning and yesterday, I had a chance to look through the new edition and to absorb the essential points.

Madam Speaker, my point of order arises first of all from the very little time allowed Members to prepare for the debate which, I have been told, is to start this afternoon on Bill C-133, and to do so according to the new Standing Orders. More specifically, I would like to ask the Chair to consider interrupting the debate temporarily, to give Members a chance to talk to the Clerks and find out whether this new edition of Permanent and Provisional Standing Orders contains a number of technical and consequential amendments which might, for many of us, provide some clarification. Madam Speaker, I do not know whether I may continue my comments and raise a point of order under Standing Order 75(9) under the old rules, which allowed a Member proposing an amendment to speak for forty minutes at the report stage. Standing Order 75(9) prescribes, and I quote:

When debate is permitted, no Member shall speak more than once or longer than ten minutes during proceedings on any amendment at that stage—

I was reading the wording of the Standing Order as it appeared in the issue of the Committee on Standing Orders and Procedures.

Madam Speaker, that is clear: ten minutes at the report stage, but what worries me, and I wish you would provide some clarification on this point, is the practice according to which, for the purposes of debate, the Chair may combine amendments. If there are Members who, like me, for instance, have two amendments to propose at the report stage, I would like to know whether, if you combine them, I will have ten minutes to discuss two amendments which I consider important. Madam Speaker, I know that until today, there has been no ruling, no decision and no request made to the Chair about this matter. We used to have twenty minutes. Today, I only have ten. My speaking time is therefore very limited, and I wonder if you could inform the House whether, if you proceed according to former Standing Order 75(10)—I believe it provided for combining amendments or changes—you will give Members who are proposing more than one amendment a chance to speak for at least ten minutes to each amendment, even if the amendments have been combined.

Furthermore, Madam Speaker, and this is the last point I wish to raise, I wonder whether you could perhaps give a ruling on the obligation for Members to present amendments to a bill at the report stage within twenty-four hours after the report is tabled. You may remember that on December 22, we adjourned at six o'clock. In my humble opinion, this was followed by a very long week-end, so that today, on January 17, we resumed debate at eleven o'clock this morning. Madam Speaker, I should therefore appreciate if you could inform the House whether the precedent set by Mr. Jerome in 1977 or 1978, which provided that in case of a week-end Members had until six o'clock on the following Monday to table amendments if a bill was reported to the House on a Friday, still applies. The week-end I am referring to started on Wednesday, December 22, but it was a very long week-end, since we are resuming our activities on January 17th, while we may still have some amendments to present. However, at this stage, Members cannot propose amendments to Bill C-133, which, according our information, will be called in a few minutes, unless you decide that we are entitled to propose amendments until six o'clock this evening.

• (1120)

[*English*]

Hon. Erik Nielsen (Yukon): Madam Speaker, in order to assist you in any remarks that you might deem advisable to make with respect to the intervention, perhaps the Hon. Member is unaware of the meetings that took place between the Government House Leader, myself and the House Leader for the New Democratic Party, other officials and party representatives, together with the Clerk of the House, in order to examine the technical and consequential changes that have been proposed by the Clerk, under the authority which was given to him by the motion which was passed.

One matter in particular that was mentioned by the hon. gentleman who has intervened with respect to the reference to the Standing Committee on Procedure and Organization concerning the words "between 60 and 90 days" was picked up by the Clerk and he has, as I had requested, written to the clerk of the Special Committee that presented the third report in order to clarify the intention of the Committee. To my knowledge, the Clerk has not yet received a response to that letter. However, I am sure that these minor matters will be picked up as we go. The experimental changes, as were the last ones, will be the subject of interpretations and will present problems, both minor and major, as we proceed through the experimental period. I would suggest that if the Hon. Member and all Hon. Members are patient, they will find that these things will iron themselves out in time.

With respect to the other matter raised by the hon. gentleman concerning the filing of amendments at report stage, my colleague from Nepean-Carleton (Mr. Baker) will be raising

that as a specific point of order, upon which no doubt the Chair will want to hear him and perhaps others as well before coming to a decision.

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I have assumed that the latter point made by the Hon. Member for Ottawa-Vanier (Mr. Gauthier) is a point of order which would arise in the event the Government called Bill C-133. I presume that you will not be ruling on that matter but will be prepared to hear arguments after that matter has been called, if indeed it is called.

[*Translation*]

Madam Speaker: In response to the point of order raised by the Hon. Member for Ottawa-Vanier (Mr. Gauthier), I must point out that if there are discrepancies between the English and French texts, I feel confident that agreement will be reached so that both texts are identical, but I have the impression that the Clerk did ask for clarification about the two versions because it is obvious that they are not the same. It is a matter of knowing which of the two is official and he is waiting for an answer about that. We will simply have to wait. Should a practical problem arise in the House in the meantime, the Chair will make a temporary ruling until a reply is received from the Committee. Both versions of the Standing Orders must, of course, be identical. The Hon. Member quite properly pointed out that it is sometimes necessary to read both versions to get a clear understanding of the meaning.

However, I think I can rule immediately on the regrouping of the amendments introduced by the Hon. Member for Ottawa-Vanier. Under the old Standing Orders, the amendments were regrouped because they could be debated at the same time, that is, the subject matter of the amendments was the same and the Chair would acknowledge that amendments related to the same subject matter ought to be regrouped and I believe that the time allocated for amendments was 20 minutes, not 20 minutes for each regrouped amendment, but 20 minutes for the two, three or four amendments or for the series of amendments. Therefore, nothing is changed. Henceforth, as we used to proceed in the past, the allocated time will be ten instead of twenty minutes when the Chair regroups amendments, not ten minutes for each amendment so regrouped as the Hon. Member was perhaps trying to suggest.

As for the bill which may be called this afternoon, I personally believe that I would be well advised to wait until it is before the House, and if it should be necessary to raise points of order, Hon. Members will seek the floor and I will rule at that time. In my opinion, it is too early to debate that question.

• (1125)

[*English*]

Mr. Blaine A. Thacker (Lethbridge-Foothills): Madam Speaker, I rise on a point of order. I want to bring to your attention and flag your comments with respect to Standing Order 21 which refers to statements by Members. I believe you stated that you would distribute time for those statements based on the percentage of Members in the House. While that might work out to be fair and equal as between the Government and the Opposition now under Standing Order 18(3), I wonder if you should perhaps reserve your ruling since a circumstance may arise in the future where a Government would have many more Members and the period for statements would then turn out to be a great advantage to the Government in power. I would think, rather, that the opportunity should be almost equal as between the Government and the Official Opposition, with any third parties or independent Members having a percentage share.

I would simply like you not to make a ruling on that at this time, or alternatively, if you are to make a ruling, for us to have some debate on that point.

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, the point that I wish to make is that if the decision is to be made that the distribution of time is to be made equally across the floor of the House, those Members which form the Cabinet should be deducted from the total number of Members.

Miss MacDonald: And Parliamentary Secretaries.

Mr. Deans: My hon. friend says Parliamentary Secretaries as well. I make the point that Cabinet Members do, in fact, have a time in the proceedings when they are able to make statements under "Statements by Ministers". In making the calculation I would urge you to consider that there already is a provision for Cabinet Ministers to make statements in the House, and therefore the total number of Cabinet Ministers should be deducted from the total number of Government Members.

Mr. Nielsen: And Parliamentary Secretaries.

Mr. Deans: My colleague from Yukon (Mr. Nielsen) says Parliamentary Secretaries too. I suggest you should consider that in addition to the point I am making in order to set out clearly a degree of fairness for Members who are deemed to be other than Members of the Cabinet.

Mr. Doug Lewis (Simcoe North): Madam Speaker, I wish to join with my colleague from the NDP in making a point of order with specific reference to the numbers. The rules provide that Cabinet Ministers shall not be included in the Members making statements for the very reason he has stated, that they have their opportunity. It is an opportunity that is not used, much to the dismay of our side. Cabinet Ministers do not take that opportunity to make statements.

In view of the ample opportunity for Parliamentary Secretaries to make statements in support of Bills during the adjournment debate and in speaking engagements, I would ask you also to consider whether they should be subtracted from the number of Government Members when you are making your calculation as to what is fair for the ordinary Members who want to bring a statement to the House that they feel important and should be made.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I am opposed to any form of discrimination. I do not see why Parliamentary Secretaries and Cabinet Ministers should not be allowed to make statements during the 10 or 15 minutes preceding the Oral Question Period. Our new Standing Order refers to members, without excluding either Parliamentary Secretaries or cabinet ministers. Now, my hon. friend from Hamilton Mountain (Mr. Deans) is saying that ministers for that matter have every opportunity to make statements following the Oral Question Period. I suggest his point is not valid, for if ministers are allowed to make statements at that time members of the opposition in turn may reply to them and ask questions. There can be no comparison. I respectfully suggest, therefore, that no distinction be made at that stage of our proceedings before the Oral Question Period with respect to Cabinet Ministers and Parliamentary Secretaries.

• (1130)

[*English*]

Mr. Jack Burghardt (Parliamentary Secretary to Minister of Communications): Madam Speaker, I just want to reiterate what the Government House Leader has said in response to the Hon. Member for Hamilton Mountain (Mr. Deans). As Parliamentary Secretary, under the provisions of Standing Order 43 I had the right to stand and make a motion as well. I feel that perhaps your Honour should reserve ruling on this matter so that we would have an opportunity to research the situation further. I feel that as an elected Member of Parliament, even though I am now a Parliamentary Secretary, I should have the right and privilege of making a statement during the time allotted to Members.

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Not to waste time, Madam Speaker, the Hon. Member took the words right out of my mouth. I resent being treated as a second class Member.

Some Hon. Members: Oh, oh!

Mr. Lewis: You earned it!

Mr. Flis: I am already denied the opportunity of asking questions in the House and taking part in standing committees, and I would resent it very much if I were—

Mr. Clark: You are paid $5,000 a year!

Mr. Flis: —denied the privilege of making a 90-second statement on issues which are very urgent to my constituents who elected me, who put me into the House to speak on their behalf.

Mr. Clark: Give up the $5,000!

Mr. Paproski: Resign as Parliamentary Secretary!

Mr. Nielsen: Cry-baby!

Madam Speaker: I know that Hon. Members did not have time to read the new rules, but I think if they read them they will find that it is quite clear that at two o'clock, Members other than Ministers of the Crown may make statements pursuant to Standing Order 21. So that obviously excludes Ministers but includes, as in motions under Standing Order 43, Parliamentary Secretaries. So there has been no change in the spirit of these particular rules.

As for the matter of distributing statements on both sides of the House, perhaps I did not make myself quite clear. As I read the report which was presented to the House, it seems to me that the intention was to distribute these statements evenly between the two sides of the House. That would mean, in my interpretation, that one or two might be missed because we never know exactly how much time we have but it will be as close as possible to an equal number on both sides of the House.

Concerning the matter of the proportion, that is probably where I was not clear. When I mentioned proportions, I did not say why it would be necessary to apply proportions to certain of these interventions. The proportions would be, of course, between the Conservative Party and the New Democratic Party and would have to be established according to the number of Members each party has in the House. I think that is, in general, quite a fair rule, as it is used during Question Period and can be applied to this particular part of the procedure.

Hon. Members will know that once in a while one side intervenes more than the other because of the particular timing, but it might be easier to remedy that situation because each Hon. Member will have 90 seconds in which to speak and we will know exactly how many 90 seconds there are in the time allotted to dealing with statements under this particular Standing Order.

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Madam Speaker, I merely wish to draw your attention to the fact that at the time they went to press, they omitted the fact that the House would not meet either on New Year's Day, Good Friday, the day set for the celebration of the birthday of the Sovereign, St. John the Baptist's Day or Dominion Day. I suggest it should read Canada Day now.

[*English*]

Mr. Nielsen: Madam Speaker, that word and that phraseology was left in at my specific request.

Some Hon. Members: Hear, hear!

Madam Speaker: And obviously agreed upon by all other Leaders of the Parties.

[*Translation*]

Mr. Prud'homme: I am sure the Hon. Member would not want to re-open the debate, Madam Speaker, but I should say that I am always anxious to meet the wishes of the Hon.

Member for Yukon (Mr. Nielsen). In this case, however, I suggest to him that he may continue to use the expression Dominion Day, but that as a law abiding citizen, he should know that there is no such thing as Dominion Day any more. What we now have is Canada Day.

Madam Speaker: But the Hon. Member for Saint-Denis (Mr. Prud'homme) should know that this issue was not at all raised in the report tabled in the House. The Committee had not requested a change of name for that particular holiday. Therefore, the change could not be proposed by the Clerk of the House as a result of the Committee's suggestion. If the Committee wishes at some later date to deal with this issue and submit a proposal to the House, a change could be made. But the Clerk of the House was not in a position to carry it out.

[*English*]

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, I rise with respect to a completely different point of order with reference to the appearance of the new version of the so-called Permanent and Provisional Standing Orders. I note some contradiction between the words "permanent" and "provisional" as found in a title for Standing Orders. I would like to express my disappointment that, even after a notification of at least five years' duration, there is still no index in the Standing Orders.

Mr. Nielsen: It is coming.

Mr. Munro (Esquimalt-Saanich): My recollection is that at least five years ago, in the Standing Committee on Procedure and Organization, there was a request by myself and others as well that there should be attached to the Standing Orders an index, which is different from a table of contents. I managed, through the courtesy of the Table, to obtain an index which had been prepared by the reference branch of the Library and which gives the reference by Standing Order number to the various subject matters which are dealt with in the Standing Orders. I had hoped that in any new edition, and in this one, because it is a completely new edition, permanent and provisional though it is, there would be an index included at the end.

Just as an example, length of speeches figures nine times on the little index that I have in my possession. There have been changes in the length of speeches. For example, on the Speech from the Throne or on second or third reading, there may be different times concerning the length of speeches. That is all to be found in the table of contents if one looks seriously enough.

However, it would be so much simpler if, in the index, there were items to be found such as "Speeches, length of" or something of that sort, in reference to each of the various chapters or Standing Orders. I do hope that another edition of this volume of Standing Orders, be it permanent or provisional or permanent and provisional, will not come out without an index. I implore the Chair to lean on the Table that that be done.

[*Translation*]

Mr. Pinard: Madam Speaker, in fairness to those who helped prepare these permanent and provisional Standing Orders, it should be pointed out that the matter of an index was raised when we met with the Clerk of the House, during the adjournment. We were explained this involved a tremendously long work, and since there was limited time could not be done in the context of the changes made. However, I want to commend all those who helped prepare these Standing Orders, because they did a really tremendous job, even though it may not be perfect, and no doubt some aspects will be debated later on. However, within the time available, those people succeeded in setting down the old and new Standing Orders. They even included a table of contents. They also added a concordance, at our own request, in the margin. We have the comparison between the old and new sections, and it would be inhuman to demand at this point that an index be prepared for what is in fact an experiment, to last one year only, because no doubt other changes will be made. Therefore, I would ask the Hon. Member to be patient, understanding and thankful to those who endeavoured to serve Hon. Members in the best possible way, I congratulate all those who took part in that work, and I hope that the changes made will not face too negative a reaction. I appreciate that some Hon. Members may be unwilling to accept change, which raises all sorts of questions. But this is a matter of parliamentary spirit, an experiment to be made, and I think this is more than a minimum and we should proceed as soon as possible.

• (1140)

[*English*]

Mr. Munro (Esquimalt-Saanich): Madam Speaker, the index is at least partially prepared in this paper by the reference branch of the Library of Parliament. It is there; it is ready. The only thing that is lacking is a concordance between the old Standing Orders and the new Provisional and Permanent Standing Orders. That should not take more than five years. It has taken at least five years to get even that much of it in print. I do implore you, for the assistance of all Members of Parliament, to provide that there be an index in the next edition of that little green book, whatever it is called.

Mr. David Berger (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Madam Speaker, I rise on the same point of order regarding Standing Order 21. You mentioned a time period of 90 seconds, and I wonder whether it was Your Honour's intention, in order to help bring this House into the computer age, to instal a seconds clock, as is done in certain professional sports.

Madam Speaker: Just for the information of the Hon. Member, we will have a manual seconds clock. It will be 90 seconds, I can assure the Hon. Member of that.

[*Translation*]

Regarding the point of order which was raised by the Hon. Member for Esquimalt-Saanich (Mr. Munro) and the comments made by the president of the Privy Council (Mr. Pinard), I note he commended the staff of the House for the tremendous work they have done since the report was tabled in this House and during the parliamentary recess. I would join him in this, because I know that this was a huge task, for which I am very thankful. They recognize as much as I do that this new book of rules is not perfect, it had to be put together fairly rapidly. Although the staff had very little time available, it is quite near perfection, but quite perfectible also. I could not agree more with the Hon. Member for Esquimalt-Saanich as far as the index is concerned. This book of rules is most difficult to consult. It is not possible to get along with only a table of contents when working with such a complex book of rules. An index should be provided that for instance would give an idea, under certain captions, of the motions that may or may not be debated, the length of speeches, the times and hours of adjournment and so forth, because we know what an index is. This is an absolute necessity, we must be in a position to use the Standing Orders fully and rapidly. So the index will be prepared, but there was not enough time available for the clerk and his staff to prepare it before this book went to press. However, the index prepared by the staff of the Library of Parliament will be updated including the changes, albeit provisional, which were made to the Standing Orders, and it will be made available to the Hon. Members as a separate item, so they use it pending publication of a final version of the Standing Orders of the House.

[*English*]

Mr. Lewis: Madam Speaker, I am sure there will be from time to time clarifications of your earlier comments. One that comes to mind, and perhaps you can address your attention to it, is the term "quoting poetry" or "reciting poetry". Within the context of a Member trying to make a 90-second statement, I think it would be in order to quote poetry if it is part of the statement that the Member is trying to make, rather than reciting, as the "bard of Red Deer" did on various occasions, his own poetry. I think there might be some latitude allowed there. In order to make a point, I suggest that there could be some brief quotation from poetry which fits in with the statement which the Member wants to make.

Madam Speaker: In these 90-second statements, if the Members says "as the poet said" and gives me one sentence of a quotation, I can accept that. But these statements may not be made in verse, no matter how pleasant they are to listen to. The idea is that these statements lasting only 90 seconds must be crisp, precise and concise, so the Member may have time to put a lot into those 90 seconds. Members will find out that one can put a lot into 90 seconds if the language is very strict and concise. I can accept a quotation of a line or two, but I guess that would be all.

GOVERNMENT ORDERS

[*English*]

SUPPLEMENTARY RETIREMENT BENEFITS ACT (NO. 2)

MEASURE TO MODIFY BENEFIT INDEX

The House proceeded to consideration of Bill C-133, an Act to amend the Supplementary Retirement Benefits Act (No. 2), as reported, (without amendment) from the Standing Committee on Miscellaneous Estimates.

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, I want to rise on a point of order with respect to the calling of this legislation today and with respect to the right of Members of Parliament to file amendments prior to today but subsequent to the report of the Committee on December 22, 1982.

As the House knows from looking at *Votes and Proceedings* for December 22, 1982, the Standing Committee on Miscellaneous Estimates reported out Bill C-133 without amendment. We then broke for Christmas recess and we are back today, on January 17, 1983, and this is the first order of business called. The question arises as to whether or not it can be called in the event that there are amendments yet to be filed.

I want to tell the House that on January 11, 1983—before we came here—I delivered by hand to the deputy principal clerk of the Journals Branch two report stage amendments which he did not accept. I am not quarrelling with that, but he did not accept those amendments.

Mr. Nielsen: I will be.

Mr. Baker (Nepean-Carleton): There may be others who will feel that he ought to have accepted them at that time and that they ought to have appeared on the Order Paper. In any event, he did not accept them and they did not appear on the Order Paper. Those amendments are still there and I would like them to be considered by the House. They are substantive amendments to the Bill.

The first one is to curtail the length of the application of the Act itself; the second one was put down for the purpose of assuring that after the period of limitation of indexing has been run, a superannuate, a person on a pension, will not have suffered any diminution of his pension rights as a result of that curtailment for the two-year period set forth in the Bill.

• (1150)

Those are the two amendments. The Hon. Member for Ottawa-Vanier (Mr. Gauthier) has one somewhat the same, but I felt it was important, the report state being what it is, that all Members of Parliament be able to express themselves, and that is what I wanted to do with respect to the appropriate amendments to this Bill. I want to have those amendments considered by the House, Madam Speaker. They were not accepted by the deputy principal clerk.

Supplementary Retirement Benefits Act (No. 2)

I am now suggesting on my point of order that, under the rules and practices of this House which go back for some period of time, those amendments should be accepted; and equally by the practice we ought not to consider Bill C-133 until the appropriate period of time has passed for those amendments to be filed, printed and dealt with in the normal way.

The Hon. Member for Ottawa-Vanier gave us the precedent with the judgment of Mr. Speaker Jerome on July 15, 1977, and that was the precedent for a report stage on a Friday, the Hon. Member being allowed until six o'clock on the following Monday to file his amendments. That is the weekend principle, and I think that a weekend principle applies as well.

Therefore, I have another case which I would like to bring to the attention of the Chair. It is the judgment of Mr. Speaker Lamoureux given on Tuesday, October 6, 1970, and it dealt with the case over a summer adjournment of the House of Commons. The only difference between these two is the weather more than anything else, but it was a long adjournment. I am going to read briefly from the judgment of Mr. Speaker Lamoureux, if I may. It appears at page 8841 of *Hansard* and reads as follows:

The report of the Standing Committee on Agriculture was tabled in the House on Friday, June 26 last, as appears in *Votes and Proceedings* for that date. This was the day on which Parliament recessed for the summer.

In this case we recessed for the Christmas adjournment. He continues:

As is the usual practice, distribution was made of those *Votes and Proceedings* the following Monday, June 29. The House met after the summer recess on Monday, October 5. Again, as is the practice, during the week before the resumption of the business of the House on October 5, the Order Paper was distributed to hon. members. That Order Paper carried as a government order the entry dealing with the report stage of Bill C-196. According to the Notice Paper appended to today's Order Paper, a number of motions standing in the name of hon. member for Crowfoot and other hon. members were received prior to 6 p.m. yesterday, October 5. Standing Order 75 deals with the report stage of public bills following their consideration in committee.

Hon. Members have referred the Chair to sections 5 and 8 of Standing Order 75. Perhaps for the record I may be allowed to quote sections 3 and 5 of the relevant Standing Order.

Mr. Speaker Lamoureux went on to do so, and then he continued:

The question for the Chair to determine is whether the requirements of the relevant Standing Order have been met. Section 3 of Standing Order 75 is clear that a committee report cannot be considered by the House until 48 hours have elapsed following the presentation of the report. How is this requirement to be interpreted?

There is another Standing Order which requires 48 hours notice. The unquestioned practice of the House has been that the 48-hour notice requirement is met when that period extends over a weekend or over two sitting days. For example, a notice tabled at six o'clock on Monday may be dealt with at two o'clock on Wednesday. Similarly, a notice filed at six o'clock on Wednesday can be dealt with by the House at eleven o'clock on Friday. A notice filed Friday afternoon can be dealt with on Monday afternoon at two o'clock, in spite of the fact that two sitting days have not elapsed . . .

I am sorry I am using a precedent which dates back to April 14, 1913, but I thought we should go back somewhat to indicate that this has been the practice for many years now. This precedent confirms my interpretation of the Standing Order, an interpretation which was accepted before the ru''ng of 1913 and which has been followed since then. The ruling can be found in Beauchesne's third edition at page 827.

If the 48-hour requirement is met in the circumstances I have just outlined, it has certainly been met if the report has been filed on a Friday and the report is brought forth for consideration on the following Tuesday, even if there has been an extended recess between the two days. I appreciate the point raised by the hon. member for Crowfoot, that it would have been unfair and contrary to the spirit of the Standing Order to have attempted to proceed to the report stage yesterday—

"Yesterday" was the day the question arose.

—since in practice there would not have been the proper time in which to file amendment motions. On this basis I suggest the report stage could not have been proceeded with yesterday. In fairness to the hon. member for Winnipeg North Centre (Mr. Knowles), this is a point which was made very clearly by him.

I quote this precedent, Madam Speaker, to indicate that I was denied, rightly or wrongly—and I am not making an accusation when I use the word "denied"—the right to file an amendment on January 11. I filed formally on January 11 an amendment which is important to me as a Member of Parliament and, incidentally, important to the Party. I believe I ought to have time to file that amendment, or I should have the unanimous consent of the House to file the amendment. We could argue about the procedure later on.

In any event, it appears that the Standing Orders of the House indicate that Bill C-133 cannot be considered, at least to the detriment of my right to file an amendment. That is my whole point. I am not arguing to hold up for an extra day the consideration of Bill C-133, but if it means that I cannot file my amendment or that my amendment is not now acceptable and will not be printed, then I am quite prepared to say that the Government business should stand. The Government House Leader said there are 17 other pieces of legislation which he has. One other of them should be called today so that my amendment can be filed in accordance with the practice set forth by Mr. Speaker Jerome in 1977 and Mr. Speaker Lamoureux in 1970. That is the point I wish to make.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I listened with a great deal of interest and also, I must admit, with sympathy to the comments made by the Hon. Member for Nepean-Carleton (Mr. Baker). On the one hand, the old Standing Order 75(5)1, that 24 hours must elapse before consideration at the report stage and that there has to be at least 24 hours, notice for the amendments, but this does not prevent the House from proceeding to the report stage on a Monday if a bill is reported on the previous Friday. On the other hand, the Hon. Member tells us that he attempted to give notice of an amendment to a bill during a recess. He also referred to a few precedents, namely a precedent dating back to 1939 which is so mouldy that it is difficult to read, and one more recent of a ruling given on February 15, 1977, which also seems relevant to the discussion.

The situation is therefore that Standing Orders prescribe the procedure to be followed on the one hand, and the Government has dutifully followed this procedure by calling Bill C-133, today which is now under consideration. I would like to refer

you to former Standing Order 75(5) which has now become Standing Order 79(5) and which gives the procedure to be followed. I suggest that the Government has complied with this procedure. The rule states:

> If, not later than twenty-four hours prior to the consideration of a report stage, written notice is given of any motion to amend, delete, insert or restore any clause in a bill, it shall be printed on a Notice Paper.

We received the report from the committee on Wednesday, December 22, 1982 and this is now January 17, 1983. The prescribed 24 hours have elapsed and we have indeed respected fully the intent of the Standing Orders. Nothing in our written rules says that we cannot proceed on a Monday when a bill is reported on the previous Friday.

As for the complaint first raised by the Hon. Member for Ottawa-Vanier (Mr. Gauthier), I must say that I have not quite as much sympathy, not for him personally because he is a very good friend, but with his argument, because in fact he has suffered no prejudice as a result of this situation. He himself gave notice of two amendments at the proper time, on the day when the bill was reported. I have here today's Order Paper and, on page IX, we see two amendment motions, Nos. 4 and 5, in the name of Mr. Gauthier. Therefore, without prejudice to him even though the bill was only reported around 3 o'clock on Wednesday, December 22, he managed to give notice of two amendments in good time.

The situation is somewhat different in the case of the Hon. Member for Nepean-Carleton (Mr. Baker) since he tried to follow the new Section 79(5) of the Standing Orders by giving his notice 24 hours before the debate was resumed. However, since this was during an adjournment of the House or by analogy, if we refer to the ruling of Mr. Speaker Jerome, during a weekend, his notice was refused. With all due respect to the officers of the House, I would personally challenge that decision. It seems to me that there was nothing to prevent the Hon. Member for Nepean-Carleton from giving his notice during the Christmas adjournment. First, it was a matter of common knowledge that, because of the urgency of the situation, we would proceed today with consideration of Bill C-133. This was not only a matter of common knowledge, but I had personally announced it in this House on December 22 for the information of the opposition Members. We subsequently had the opportunity to speak about this and I have had no indication from either the Opposition or the Government Members, including my hon. friend for Ottawa-Vanier, that they did not want us to proceed with this Bill today until this point of order was raised a few minutes ago. I therefore believe that the only actual prejudice resulting from this if indeed there is any, is that mentioned by the Hon. Member for Nepean-Carleton. In the circumstances, since the Standing Orders are not quite clear, that is since they are completely silent about the right to give notice during an adjournment, I believe that we would be ill-advised to object to the request made by the Hon. Member for Nepean-Carleton concerning these amendments, of which he tried to give notice before Bill C-133 was called today, on or about January 10 or 11, 1983. I believe that, legally, we could do so if we were to refuse the tabling of these amendments, and I suggest that we can nevertheless proceed now with the report stage of the bill. On behalf of the Government, in any case, I have no objection to the amendments of the Hon. Member for Nepean-Carleton being considered when the debate is launched later today on Bill C-133.

To conclude, Madam Speaker, we are being asked to consider not only the letter of the rules, but also their intent, just as we must look both at the letter and at the intent of a ruling. If I may, I would like to point out that Mr. Speaker Jerome said in his ruling: "I believe that we shall not be able to proceed on Monday with the report stage of the Bill because the Bill was reported only today, on Friday". I draw your attention to the fact that this ruling was made on Friday July 15, 1977. Two days ahead of time, at the very moment that the Bill was reported and the Government indicated its intention to proceed with the Bill on the following Monday, the objection was raised. This was done at the very moment the Government announced its intention to proceed with the report stage on the following Monday so that both sides of the House have reasonable notice of the change in the order of business. The situation is different today. The point of order was not raised on December 22, but at the very last minute when Bill C-133 had already been called, but in spite of this difference, we would be willing to allow the Hon. Member for Nepean-Carleton (Mr. Baker) to give notice of his amendments. In his ruling, Mr. Speaker Jerome had given notice to both sides of the House of his intention to prevent the House from proceeding with the report stage on the following Monday. As you can see, the situation is different in this case. No one rose on a point of order on December 22. On the contrary, several members gave notice of amendment motions. The Minister did so, an NDP Member did so, the Hon. Member for Ottawa-Vanier (Mr. Gauthier) did so and all this on December 22 before the adjournment. We then have the case of the amendment of the Hon. Member for Nepean-Carleton. I shall not repeat what I have already said. We are willing to agree that those amendments be added to the list. However, this consent notwithstanding, even if it were refused, I respectfully submit that the fact that we announced on December 22 our intention to proceed today with Bill C-133 was a matter of common knowledge and that no one rose on a point of order on December 22 when this House was informed of our intention to proceed today with consideration of Bill C-133. I therefore submit that in these circumstances, we are quite justified in proceeding with this Bill as soon as possible today.

Supplementary Retirement Benefits Act (No. 2)

• (1200)

[*English*]

Hon. Erik Nielsen (Yukon): Madam Speaker, if I heard the Government House Leader correctly, notwithstanding the fact that the amendments the Hon. Member for Nepean-Carleton (Mr. Baker) wishes to propose do not appear on the Notice Paper today, the Government is prepared, at the appropriate time in the report stage debate, to have those two questions put and to allow us, should we so choose, to divide on them.

In addition, if I understand it correctly, the position of the Hon. Member for Ottawa-Vanier (Mr. Gauthier) is that he still has an amendment to propose. I, therefore, on behalf of this party am prepared to extend the same courtesy to the Hon. Member for Ottawa-Vanier with respect to his amendment, nothwithstanding the fact that it does not appear on the Notice Paper.

Mr. Baker (Nepean-Carleton): They should be on tomorrow's Notice Paper.

Mr. Nielsen: As my hon. friend says, if the debate goes beyond today they should certainly appear on tomorrow's Notice Paper.

I want to endorse completely what the Hon. Member for Nepean-Carleton has had to say with respect to the precedent set by Mr. Speaker Jerome, but I also want to raise what I consider to be an equally important and related point to the whole process of filing amendments, perhaps not only at the report stage. It involves the nature and extent of the responsibilities of Table Officers. I do not wish them to take anything I am about to say in a personal way at all. I think we have some of the finest professional talent at the Table that I have seen here in many years in the House. However, the submission I am about to make to the Chair is going to require the Chair to clarify and perhaps reconfirm the duties of the Officers in the service of the House, and I intend to back up my submissions by appropriate citations from our precedents.

There is no doubt, in my submission, Madam Speaker, that among the duties the House Officers have is the task of receiving Members' notices of amendment and ensuring that such notices are printed on the Notice and Order Papers. Citation 139 of Beauchesne's Fifth Edition outlines the procedural duties of the Clerk. Subsection (6) reads as follows:

> He prepares and issues a daily *Order Paper* for each sitting of the House and, as required, a *Special Order Paper*.

Furthermore, Madam Speaker, Citation 141 outlines the duties of the Clerk Assistant, and in Subsection (2) this appears:

> They receive the notices of questions, motions and amendments which have to be entered on the *Notice Paper*. They also receive amendments from Members proposing to amend the motion before the House at that time. It is their duty to see that these are drawn according to the rules of the House and to refer to the Speaker, the Clerk or the interested Member any that appear to be out of order.

That is as to content, Madam Speaker, of the draft submitted by the Hon. Member wishing to file the amendment, and not with respect to the interpretation which Table Officers may from time to time place upon the Standing Orders with respect to the time of filing. That is a very important distinction.

Clearly it is the duty, in my submission, of the Table Officers to receive notices no matter what form they take. They also have the duty to ensure that such notices are drawn according to the rules of the House. However, they do not, in my respectful submission, have the authority to reject notices which in the view of the Table Officers are in an improper form. Indeed, where irregularities occur, it is their duty to notify the Member concerned and/or the Speaker of their belief that a given notice is not in proper form or fails to meet some other requirement of the rules. It is not, however, the duty of the Table Officers to make a decision on such a question. That authority resides in the House itself, and through the House in the hands of the Speaker.

• (1210)

Citation 120 of Beauchesne illustrates the point I am attempting to make. At page 39, under the heading "Procedural Duties of the Speaker", it reads as follows:

> Foremost among his many responsibilities, the Speaker has the duty to maintain an orderly conduct of debate by repressing disorder when it arises, by refusing to propose the question upon motions and amendments which are irregular, and by calling the attention of the House to bills which are out of order. He rules on points of order submitted to him by Members on questions as they arise. Many powers have been vested in the Speaker by virtue of the Standing Orders.

It is my submission that the rules and practices of the House are open to continuing interpretation both by the Speaker and by the House. This fact is underlined by Citation 11 at page 6 of Beauchesne. I draw your attention to that citation but I shall not quote it.

Finally, it is well established that the final authority in determining the proceedings of the House is the House itself. This point is emphasized by Citation 13 of Beauchesne. It was raised by my friend a moment ago and was anticipated by the Government House Leader when he gave an indication that the Government was prepared to have the question put that the Hon. Member for Nepean-Carleton would have proposed in his amendment.

My point in support of that raised by the Hon. Member for Nepean-Carleton is that the Table Officers are obligated to accept notices which Members wish to file as long as they meet the requirements of the Standing Orders and their practices as to form. In my submission, they have no authority to reject those notices, as appears to have been done in this case. The decision as to the acceptability of those notices should be made in this House by Members of this House, according to our long-established practices.

When notices appear on the Order Paper and they appear to any Member to be irregular for whatever reason, then it is the duty of the Member to raise that matter as a point of order, if he so wishes, for decision by the Chair.

What we have here, with the greatest respect expressed as to the conduct of whatever Officer or Officers at the Table rejected this notice, is that a judgment was made as to the interpretation of Standing Order 79(5). With great respect to

the Government House Leader, he has somewhat misinterpreted that Standing Order, according to my reading of it—and it has not altered under the experimental rules—which gives a Member of Parliament a right to file a notice of motion at report stage as long as it is done 24 hours before the order is called.

If my memory is correct, in this case it is the submission of the Hon. Member for Nepean-Carleton that the notice for filing was made on January 11; certainly it was well before that 24-hour requirement. In my submission, it would be undesirable as well as improper for either this House or the Speaker to expect Table Officers to make judgments on the merits with respect to any notice filed.

Briefly, I believe the Table is obliged to accept notices proposed by Members, and it is up to the Chair or the House to raise questions as to the irregularity at the time the order is called.

Madam Speaker: On this particular point of order, I should like to say that, strictly speaking, if we were to read the Standing Orders and apply the strict wording of them, we could proceed today. In consequence of that, the Government was obviously not at fault in wanting to proceed with Bill C-133 today. However, because of the time at which this particular report was received by the House, namely on the last day we sat before the Christmas recess, and, this being the first day we have reconvened, the interpretation is quite legitimate that, in the course of what is considered to be a weekend or, by analogy, some period of recess for the House, strictly speaking, we could take the report which had been deposited on the last day of the sitting.

This particular Standing Order does not make clear what happens when the sitting days are not consecutive to the one on which the report was received by the House, namely, when between that time and the time the report is to be considered there is either a weekend or a recess of the House. This has been interpreted by my two predecessors in two precedents, one of which was quoted by the Hon. Members who have intervened.

This point requires an interpretation. In this particular case, because the report was tabled late on December 22, and exceptionally we are reconvening much earlier than was normal, which would have been at two o'clock. So the time involved has been much shorter. I think the two precedents would have to inspire my ruling.

The President of the Privy Council (Mr. Pinard) has offered to give his consent to the amendments of the aggrieved Members being received by the House. I think that would have to apply to all Members but I do not know whether other Members have amendments. I suppose the idea expressed by the President of the Privy Council would be that all amendments which Members want to table would be accepted, not only those which would be proposed by the Hon. Member for Nepean-Carleton (Mr. Baker). Under unanimous consent I think we could do this and that is one way of solving the problem. If the House gives unanimous consent for the acceptance of these particular amendments, then we could quite easily proceed today.

I want to reply to the Hon. Member for Yukon (Mr. Nielsen) who raised the matter of the duty of the Officers of the House in receiving and printing amendments brought in by Hon. Members. He argued that under Standing Order 79 the Officers of the Table ought to have accepted the amendments and that the only latitude they have is to refuse amendments because they are not acceptable as to form.

I want to tell the Hon. Member that the Officers of the House have not been able to print the amendment brought in by the Hon. Member for Nepean-Carleton because they were acting under Standing Order 47. They did not on their own deny the right of the Hon. Member to table the amendments; they recognize that they must receive the amendments proposed by Hon. Members. However, they do have to be guided by the rules, and Standing Order 47(1) reads as follows:

> Such notice shall be laid on the Table before six o'clock p.m., or before five o'clock p.m. on a Friday, and be printed in the Votes and Proceedings of that day.

That was a hang up; simply because those amendments had not been presented before six o'clock on the day of the adjournment. That was the only basis. They quite rightly could not print the notice of amendment in today's Order Paper, so they did exactly what they were supposed to do according to the Standing Orders.

• (1220)

Therefore, perhaps I could ask the House to give its unanimous consent to accepting the notices of amendments.

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I listened with interest to your ruling. I wonder whether you might explain one part of it in order that I could make a clear judgment about it. If unanimous consent were not forthcoming—which I am not suggesting is the case—is the Speaker ruling that, because the 48-hour notice period was during an adjournment of the House and therefore the Friday to Monday rule came into effect, the Government cannot proceed with this piece of legislation today, that we would have to deal with a separate piece of legislation and allow the 48 hours to apply to the presentation of the amendments?

Madam Speaker: I did not rule. I commented on the different interventions made by the Hon. Members. I would not rule on a hypothetical situation. I said that the time had been exceptionally short and that the two precedents would inspire my ruling, but the situation as it stands now is hypothetical. If the House gives its unanimous consent, then we do not have a problem before us. Again I ask the House whether it gives its unanimous consent to accepting notices of amendments to Bill C-133.

[*Translation*]

Mr. Pinard: Madam Speaker, in your proposal you say that you are asking for the unanimous consent of the House to allow Hon. Members, and not just the Member for Nepean-Carleton (Mr. Baker), to give notice of amendments before

three o'clock this afternoon. Are we therefore to understand, and I would like to be quite clear on this, that even if Members have the right to give notice of amendments, this right does not determine the acceptability of the amendments? They could still be rejected? I would like to clear up this point about their acceptability.

Madam Speaker: That is exactly what I mean. Members may give notice of an amendment, but if the amendment is not acceptable as to form, obviously, and we normally do so if that is the case, it could be rejected. The same rules apply as before, and the only point being discussed now is whether the House is willing to give unanimous consent to allow Members who wish to do so to give notice of amendments.

[*English*]

Mr. Deans: Madam Speaker, I want to assure you that there is no intention on the part of myself or that of my colleagues to deny unanimous consent, but I want to be clear on something. I am concerned that, by going the route of unanimous consent, we are weakening the right of a Member to insist upon his or her opportunity to present an amendment, taking into account the precedents laid before the House by the Hon. Member for Nepean-Carleton (Mr. Baker). In any future discussions similar to this, we would once again have to go the unanimous consent route, since there was no clear ruling on whether the 48-hour notice period had been properly observed and the opportunity given to a Member to do what the normal practice and precedent would allow.

If it is in the opinion of the Speaker appropriate for a Member to challenge the legislation being brought forward at this time, and given that the 48-hour notice was not properly observed for the presentation of amendments, I would prefer that we go that route and then give unanimous consent to bring in the amendments, rather than give unanimous consent and not have a ruling on the position very well put by the Hon. Member for Nepean-Carleton.

[*Translation*]

Mr. Pinard: Not necessarily, Madam Speaker. If at some time in the future, you were to ask for the unanimous consent of the House and failed to obtain it, you could then make a ruling based on the circumstances. But today, we have a very specific situation which is different from the one with which the Speaker, Mr. Jerome at the time, had to deal in 1977, when the point of order was raised at the appropriate time. We have here a new aspect which was not dealt with in that ruling, and on which you will not have to make a ruling today, if you obtain the desired unanimous consent.

[*English*]

Madam Speaker: May I make it quite clear to the Hon. Member that it is difficult, at his request, for me to rule on a particular situation which has not yet arisen. If unanimous consent is not given, then I will deal with the matter. I do not think the right of the Hon. Member for Nepean-Carleton would be weakened if we went through the route of unanimous consent, because his right and that of all other Members to give notice of amendments is quite clear in the Permanent and Provisional Standing Orders. It is not weakened in any way. We have here a particular situation which we have abundantly discussed and that all recognize. In order to allow the Hon. Member to exercise his right to give notice of amendments, we would need unanimous consent. Will the House give its unanimous consent to allowing Hon. Members to give notice of amendments before 1500 hours?

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Madam Speaker, I have been listening carefully, and I think we have a problem here which I am unable to resolve. The Member for Nepean-Carleton (Mr. Baker) has two amendments which are stangely similar, at least as far as I have been able to ascertain, to my own two amendments which are on the *Order Paper*. If between now and one o'clock, we have time to start the debate on Bill C-133, are you going to let the Member for Nepean-Carleton, and this is purely hypothetical, discuss amendments or changes to Bill C-133 and give him ten minutes to speak to the same subject as I would? I asked for a debate on this point in the House. If so, I want to get back to my ten minutes' speaking time I mentioned earlier. If you allow the Member for Nepean-Carleton to table amendments that are strangely similar to mine and if you give him ten minutes more to speak to an amendment, I should also be entitled to ten minutes for Amendment No. 4 and ten minutes for Amendment No. 5, on a guaranteed basis, and the two amendments should not be combined to allow a total ten minutes' speaking time for both.

[*English*]

Mr. Baker (Nepean-Carleton): Madam Speaker, if I may say so, I think you dealt with that point. I believe it was you who said, in the course of discussion this morning, that the rules with respect to grouping would still apply. The Chair would have to take some part of lunch hour to review the amendments and decide whether or not my amendments should be grouped with those of the Hon. Member for Ottawa-Vanier. I would not mind that, if that is the way the Chair decided. I do not think that departs from the understanding in any way or that my friend is prejudiced in any way.

My point was that I did not think I should be prejudiced because I happened to be the one in the firing line in this matter, or that any other colleague in the House should be prejudiced by the rule. I hope there will be unanimous consent. Then I could march up to the Table and present my amendments, joined by the Hon. Member for Ottawa-Vanier in presenting his.

[*Translation*]

Madam Speaker: To answer the question raised by the Hon. Member for Ottawa-Vanier (Mr. Gauthier), I feel that it all depends on how the Chair decides to combine the amendments. If the Hon. Member's amendment and that of the Hon.

Member for Nepean-Carleton were combined, in that case, the ten-minute rule would apply.

[*English*]

Mr. Deans: Madam Speaker, I am not trying to stop the amendments, but I am trying to find out how the procedure could possibly work. We do not know what are the amendments. They are not on the Order Paper; they cannot be grouped now. We will proceed with the Bill immediately. It is entirely possible that some amendment may well be moved that will apply to a section with which we will proceed right away. It would appear to me to be an inconsistency or, for that matter, it would be depriving Parliament of the proper opportunity to deal with matters legally before it in an orderly manner.

I suggest that we give unanimous consent for the presentation of the amendments, but that the Bill simply cannot be proceeded with until the amendments are put on the Table, until those amendments are properly grouped and the groupings are then made known to Members of the House of Commons.

Mr. Pinard: Madam Speaker, there is a very easy way around this if we were to allow the House to start working now. It would be to start with Motion No. 2, in the name of the Minister, which needs a Royal recommendation and therefore cannot be joined with any other amendment coming from the Opposition. The Minister confirmed that he had no intention of moving any other amendment. Therefore, if we were to start debate now on Motion No. 2, this could be done and Parliament could start work right now; we would not have to waste half an hour.

• (1230)

Madam Speaker: I think I have to agree with the President of the Privy Council (Mr. Pinard). This is not unusual. Parliament has proceeded in this way before. Groupings have been made by the Chair so that debate may commence. Grouping at some point will be given by the Chair if it is necessary, and amendments will be dealt with consequently.

Does the House give its unanimous consent?

Some Hon. Members: Agreed.

Madam Speaker: Agreed and so ordered.

We do have a certain number of amendments. The Chair did proceed to the grouping of those for which it had notice. The grouping is as follows: Motion No. 1, in the name of the Hon. Member for Kootenay East-Revelstoke (Mr. Parker), goes beyond the scope of the Bill in that it introduces a method of determining pension benefits not contemplated by the Bill as adopted by the House at second reading. I refer the Hon. Member to Beauchesne's Fifth Edition, Citation 773(1). Furthermore, the motion seems to extend the objects and purposes as set out in the Royal recommendation. Once again I refer the Hon. Member to Beauchesne's Fifth Edition, Citation 773(7).

Motion No. 2 is procedurally acceptable and will be debated and voted on separately.

Motion No. 3 seeks to introduce into the legislative process elements which are not part of that process. In effect, the motion, if adopted, would place a condition on the coming into force provision of the legislation based upon an agreement between a Minister of the Crown and certain persons or groups of persons. The Chair is not aware of any procedure whereby members of the public could exercise the powers which are exclusively vested in Parliament. For this reason, I regret to say that the Hon. Member's motion is not acceptable.

Motion No. 4 will be debated and voted on separately.

Motion No. 5, standing in the name of the Hon. Member for Ottawa-Vanier (Mr. Gauthier), seems to be contradictory to the Bill as agreed to by the Committee. The Hon. Member proposes in his motion a method of indexing pensions as though the Bill was never enacted. In this regard I would like to cite, in part, paragraph (2) of Citation 773 of Beauchesne's Fifth Edition as follows:

> An amendment must not be inconsistent with, or contradictory to, the Bill as so far agreed to by the committee—

For this reason, I regret that I must rule Motion No. 5 out of order.

[*Translation*]

Mr. Gauthier: Madam Speaker, if I understand correctly, you said that Amendment No. 5 was rejected by the Chair. I have not had enough time to look into all aspects of the matter, but it seems to me that in this House it has been the practice to allow Members to defend their amendments or changes before the Chair rejects them. I might have wished to make a few comments in support of Amendment No. 5, and if that is not the case—

Madam Speaker: Motion No. 5 was ruled out of order because the Hon. Member's amendment is not acceptable as to form. It is contradictory, and in fact nullifies the provisions of the bill. It is, in fact, a new bill. Consequently, as the Hon. Member is aware, it cannot be allowed to proceed. The amendment is not acceptable, either in form or substance. It entirely contradicts the bill proposed by the Government. I could therefore not accept the amendment nor can the Hon. Member speak to this amendment.

[*English*]

Hon. Herb Gray (President of Treasury Board): Madam Speaker, could I also raise a point of order at this time with respect to Motion No. 4? With respect, I would like to suggest that this is also a motion which would require a Royal recommendation. I say this because presumably the Hon. Member's intent in moving it was to provide for the benefit index base to catch up to the level it would have reached without Bill C-133.

Mr. Baker (Nepean-Carleton): No, Madam Speaker, that is wrong.

Supplementary Retirement Benefits Act (No. 2)

Mr. Gray: I am arguing that this would require a Royal recommendation since it would increase the base from that provided in Bill C-133 for further indexation.

Mr. Baker (Nepean-Carleton): Madam Speaker, the Hon. Member may have an argument for some other amendment but certainly not with respect to Motion No. 4. All that Motion No. 4 says is what the Bill says, but it underlines and underscores it. The Government has told us, the Bill tells us, that this program is to be in effect for two years. All that the Hon. Member for Ottawa-Vanier (Mr. Gauthier) has said to the Government is: "Put your money where your mouth is". The Bill is to last for two years. If the Government is arguing about that, then I suspect perhaps there is something sinister in what the Government is considering by extending the period beyond that. That is all the amendment says. I believe I moved that amendment in committee for the Hon. Member because he could not, having been thrown off the committee by someone. I think the amendment should stand.

Madam Speaker: Hon. Members are debating that particular motion. I have ruled on it and I would hope the House will accept my ruling, debate Motion No. 2 and vote on it if necessary.

Hon. Herb Gray (President of Treasury Board) moved:

Motion No. 2.

That Bill C-133, An Act to amend the Supplementary Retirement Benefits Act (No. 2), be amended in Clause 2

(a) by striking out the figure "262.56" opposite the year 1983 at page 2 and substituting the figure "263.80"; and

(b) by striking out the figure "275.69" opposite the year 1984 at page 2 and substituting the figure "278.31"

He said: Mr. Speaker, this motion before us gives effect to the modification to Bill C-133, which I said I would be putting forward in my speech on second reading of the Bill. The Motion substitutes the benefit indices shown for 1983 and 1984 for those originally proposed in the Bill. The effect of these revised figures is to provide for pension increases under the Supplementary Retirement Benefits Act at 6.5 per cent in 1983 and 5.5 per cent in 1984, instead of 6 per cent and 5 per cent as originally proposed.

As I mentioned in my earlier remarks to the House, the Government has decided that this modification should be made as a result of representations primarily from Members of the caucus supporting the Government. Those Members pointed out, and I shared their concern, that there is a difference between the indexing arrangements made for retired federal public servants and the public programs to which the six and five limits are being applied; that is to say, the Old Age Security and Family Allowances Programs. The difference is that public servants have made some direct contributions toward the cost of indexing and these moneys are set aside in the Government accounts under the Supplementary Retirement Benefits Account until they are used to pay for an individual's pension increases. Old Age Security and Family Allowance payments are financed entirely from general revenues contributed by the taxpayers of Canada.

It was argued that to cap the portion of indexing payable from the Supplementary Retirement Benefits Account would, in effect, mean that the employees' own contributions were being taken away as part of the Government's restraint program. Since the program is intended to apply to Government expenditures coming from general tax revenues, this did not seem appropriate.

Accordingly, I am proposing that the restraint measures should be applied to that portion of indexing which is currently being directly financed by taxpayers in the same way as for Old Age Security and Family Allowances. We are accepting the principle that the restraint measures should not apply to that portion of indexing of Public Service pensions coming from direct contributions by the employees and the matching employer contributions.

I might explain, Mr. Speaker, how this principle has been translated into the 6.5 per cent and 5.5 per cent increases that will result from the indices proposed in the amendment. Hon. Members are likely aware that the indexing program has only been in effect and employees have only been contributing for this benefit since the early 1970s. Each individual's contributions are recorded and used to provide his or her own indexing benefits, which means that many pensioners have already received back all of their accumulations in pension increase payments. Subsequent benefits to these pensioners and benefits for those who never contributed because they retired prior to 1970 are payable directly from the Consolidated Revenue Fund which comes from moneys provided by the taxpayers generally across Canada.

• (1240)

Looking at the historical data, we find that the ratio of indexing paid directly by taxpayers from the Consolidated Revenue Fund to that paid from amounts set aside in the account is over 90 per cent to less than 10 per cent. We have estimated, as well, the possible ratios over the next few years, taking into account the fact that new retirees have contributed over longer periods and have paid more for their pension indexing while inflation rates are declining. We have concluded that it would be reasonable to cap 90 per cent of the indexing at 6 per cent and that the other 10 per cent of indexing for which advanced contributions have been made will not be capped but will be at the full 11.5 per cent level that would have been payable in 1983. On this basis, 6.5 per cent can be paid in 1983.

For 1984, the same approach using estimated full indexing of 8.2 per cent based on the 7.5 per cent inflation rate projected for 1983 by the Minister of Finance (Mr. Lalonde) in his October economic statement, will be used to allow an increase of 5.5 per cent. In passing, I would also like to say that all indications are that inflation will be very much lower than the projection of the Minister of Finance in his economic statement last October.

Inevitably, these calculations cannot be precise since they must involve estimates and assumptions about the future, but I believe they have been made on a reasonable basis. More

importantly, they do recognize the principle which I stated earlier, that employees' savings should not, in effect, be subject to the capping as part of the over-all six and five program.

I suppose it could be argued that instead of sharing this added amount to be paid as indexing among all beneficiaries, it should only be paid to those who still have a credit in the account. However, this would mean that those who retired over the last few years could receive full indexing until their credits were depleted, at which point they would suffer an actual reduction in their pension cheques. It would also mean that the added one-half of 1 per cent would not be available to those who have been in retirement for some time and who are more likely to be in need, as compared to those who have retired in more recent years when higher salaries were in effect. It is unlikely that this latter group would seek to maximize their own position at the expense of others.

I would also like to explain that there is no provision to actually charge the additional .5 per cent to be paid to all beneficiaries to those who still have a credit in the Supplementary Retirement Benefits Account. We recognize the principle that an amount equal to what would have been paid from the account will be paid, and the added cost of $6 million in 1983 and $12 million in 1984 will be borne by general revenues. This will reduce the projected savings available under Bill C-133 for reallocation to other programs in the area of job creation to $60 million in 1983 and $105 million in 1984.

I have gone into considerable detail on what might be called the mechanics of the modification I am proposing. I have done so because I wish to be very clear that the Government has not changed the application of its restraint program. We are, instead, recognizing the nature of the contributory benefit arrangement that has been established by Parliament for public servants and are endeavouring not to interfere with the contributory aspect of that arrangement. This is consistent with the fact that indexing under the Canada Pension Plan for which only direct employee and employer contributions are made has not been included in the restraint program.

During committee consideration of this Bill there has been comment to the effect that the financing arrangements for the indexing of pensions should be on a different basis and that the proportion being charged to the Consolidated Revenue Fund could be lessened by combining the pension accounts, and so on. In response, I want to reiterate what I said in my speech on second reading, that these fundamental and longer-term pension policy issues should be addressed in the context of the debate on national pension reform.

We are now concerned with a temporary measure that relates to a broad economic program to restore the Canadian economy, bring down inflation and interest rates and provide a basis for the maintenance and creation of jobs. This proposal should be looked at in that light. Polls continue to show that the need for this program is clear to the great majority of Canadians. I believe that although there has been an active campaign to express the understandable disappointment that many superannuants feel, as they consider the matter, I would like to think that they also will come to understand what the Government is striving to achieve through the six and five program; that is, to improve the economic situation for them and all Canadians. Therefore, I would ask the House to support this amendment.

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, I suggest that what first must become evident from the statements which have been made by the Minister today is that he has virtually wasted the Christmas recess, because he had an opportunity during that period to engage in some broadranging consultation. He has not done so. For the Minister to say that federal superannuants or serving members of the Public Service are disappointed with this Bill is, to say the least, an understatement.

I, too, want to repeat what I said at second reading stage. It is treachery, it is regarded as treachery and will be regarded as treachery. It will not be regarded by the Public Service as just a matter of disappointment. I suggest to the House that this issue and its effects will spread much further than among Members in the national capital area. If the Minister had taken time—which he obviously did not—to read the submissions that were made by the private sector actuaries as to the possible effects of this measure in terms of private sector plans reflecting the cost of living, and if the Government learned anything from it, it ought to have learned that it has embarked on a very dangerous precedent which will not be forgotten.

There has been a second breach of faith. The President of the Treasury Board (Mr. Gray) was not President of the Treasury Board when the statement was made in the Miscellaneous Estimates Committee by the former President of the Treasury Board, who has gone on to something else, that the Government had no intention of dealing with pensions except as part of a national pension review. I accepted that. The public servants accepted it. Their organizations accepted it. That was the second breach of faith within this Bill which was heralded in that budget of a Minister of Finance who has long since passed on to his just reward. I have always been told to speak kindly of the dead and I will. This Minister has lost the opportunity to redeem himself.

What is a Member of Parliament to do with respect to this bonus of 5 per cent for two years? I suppose it is closer to the 11.5 per cent than 5 per cent or 6 per cent so we are bound to accept it. But I do not want anyone in the House to assume that, by accepting this little crumb, this little pittance, from the President of the Treasury Board, he or the Government will ever be forgiven for putting the retired public servants into the trenches in the Government's war against inflation.

The Government speaks out of both sides of its mouth on this issue. The Minister of Finance, the Minister of Employment and Immigration (Mr. Axworthy) and this Minister's predecessor mentioned during CTV's "Question Period" this great fight against inflation. The Minister mentioned this morning that they are winning the battle against inflation since the rates are going down and will reach 6 per cent and 5 per cent. This is taking place even without this Bill being in place. This is occurring as a result of other economic policies of the Government which are impacting upon the recipients of

Old Age Security, Family Allowance and the supplementary benefits.

• (1250)

If those things are already taking place, then I must ask myself, why is Bill C-133 necessary at all? The Government has so run down the economy of Canada that even its legislation cannot speed the process any further. I did not make this point on second reading, but I say to the Government now that one of the things it ought to have thought about over the Christmas recess, when I had a chance to consider this situation, is why it is doing this when it is not in place. That is something the public should certainly think about. Already the Government is saying that its objectives will be reached, not because of Bill C-133, not because of changes in the old age pension, not because of changes in the Family Allowance, but, rather, by reason of its economic policies which have thrown people out of work and killed investor confidence. That is why inflation will go down.

Therefore, Bill C-133 is not even necessary at all except for one purpose, and the Minister put his finger on it when he said that the polls revealed the necessity for it. I would like to see the polls tabled some time. I would like to see how the questions were couched. I think I could guess. The question would have been: "Do you think those big, fat, happy, lazy public servants and those who are on pension should be cut off?" The answer would be "Yes". And the second question, "Do we have any more sympathy for federal superannuants than for the serving public servant"? Of course, the answer to that question would be "No". That is the poll he speaks of.

Mrs. Mitchell: How did you vote on Bill C-124?

Mr. Baker (Nepean-Carleton): I voted in favour of Bill C-124, and the Hon. Member knows it. If the Hon. Member wants to go out and talk to the serving public servant, the serving public servant said: "Yes, I am prepared to do my share". However, public servants are not prepared, any more than any other person, to see senior citizens, old age pensioners and retired public servants in the front line of this Government's fight against inflation. That is it.

Mrs. Mitchell: Inconsistent!

Mr. Baker (Nepean-Carleton): I should know better than to rise to what is an unbaited hook.

An Hon. Member: It's your guilty conscience.

Mr. Baker (Nepean-Carleton): That is the situation. Therefore, I will now say to the Government that Hon. Members of this Party will, of course, vote for the amendment which amounts to the 30 pieces of silver which are being set forth to bribe a wee bit of support out of the Liberal caucus, to apply just a little bit of cosmetic to the situation, enabling the Government to say: "We did do something for you". However, I say that the breach of faith which was apparent in the budget and in the introduction and second reading of this Bill still exists and that no amount of cosmetic will improve the Bill.

Mr. Deputy Speaker: Order. The Hon. Member for Nepean-Carleton (Mr. Baker) has given the Chair notice of his intention to move his motions and has given the Chair an opportunity to examine them. The Chair has some misgivings as to the procedural acceptability of the motion to amend Clause 1 of the Bill. The reservations which were expressed in relation to Motion No. 5 must also apply in this case and therefore, regrettably, the Chair must also rule this motion out of order.

The Hon. Member's other motion is procedurally acceptable, and for purposes of debate will be grouped with Motion No. 2. An affirmative vote on Motion No. 2 would dispose of this motion. A negative vote on Motion No. 2 would necessitate the question being put on the Hon. Member's motion.

Mr. Murphy: I rise on a point of order, Mr. Speaker. Your Honour just made a ruling on a number of amendments. We do not have copies and without that information we are really not sure what is being discussed.

Mr. Deputy Speaker: The Chair has attempted to set the record straight in order to assist Hon. Members in anticipating the debate following the debate on this particular amendment.

Mr. Gray: Mr. Speaker, I would respectfully like, at the very least, to reserve the right to raise a point of order with respect to what Your Honour said about the acceptability and grouping of the amendments. I understood Your Honour to say that one of the amendments of the Hon. Member for Nepean-Carleton (Mr. Baker) was acceptable and would be grouped with Motion No. 2.

Mr. Deputy Speaker: The Chair has made a decision on the matter.

Mr. Deans: Mr. Speaker, I rise on a point of order. With respect to what Your Honour said with regard to the amendments, in the interest of understanding what you ruled in order and what you ruled out of order, and given the fact that we have not seen the amendment, wonder whether you might be prepared to read the amendments—

Mr. Deputy Speaker: With all due respect to the Hon. Member for Hamilton Mountain (Mr. Deans), the Chair has attempted to make it easier for Hon. Members to understand by putting into *Hansard*, at this stage, certain decisions. I think that when the Hon. Member for Hamilton Mountain has an opportunity to consider subsequent amendments and debate, the record will be quite clear.

Mr. Deans: Well, on a point of order—

Mr. Deputy Speaker: The Hon. Member for Hamilton Mountain does not have a point of order.

Mr. Deans: How do you know?

Some Hon. Members: Oh, oh!

Mr. Epp: Are you challenging the Chair?

Mr. Deans: On a point of order—

Mr. Deputy Speaker: At the suggestion of the Hon. Member, and in the interests of clarifying *Hansard*, I will read the motion to the House with unanimous consent.

Mr. Deans: Thank you very much.

Mr. Deputy Speaker: Mr. Baker (Nepean-Carleton), seconded by Mr. Epp (Provencher), moves:

That Bill C-133, an Act to amend the Supplementary Retirement Benefits Act (No. 2), be amended in Clause 2 by striking out at page 2 the year "1984" and the figure "275.69" opposite the year "1984".

Mr. Gray: Mr. Speaker, could I respectfully ask a question? My Motion is before the House with the Royal recommendation because it affects the revenues and expenditures of the Government. I would respectfully like to inquire how one could group the resolution of the Hon. Member for Nepean-Carleton with mine. I know it does not have the Royal recommendation and is directly in the same line of activity, although with opposite effect to my resolution.

Mr. Deputy Speaker: For purposes of debate, the Chair has ruled that the Motions should be grouped. The Motion in the name of the President of the Treasury Board (Mr. Gray) is based on the assumption of a Royal recommendation. The adoption of a Royal recommendation would, in the opinion of the Chair, make it possible for purposes of debate to consider the other amendment at the same time. This is a grouping for purposes of debate only.

Mr. Gauthier: I rise on a point of order, Mr. Speaker. The Hon. Member for Nepean-Carleton (Mr. Baker) just finished making representations on Motion No. 2. I take it that since Your Honour has grouped his amendment with Motion No. 2, he will not be able to speak again on this grouping of two amendments.

Some Hon. Members: Wrong.

Mr. Gauthier: Well, I am asking the Chair.

Mr. Deputy Speaker: The grouping is done for purposes of debate. The Chair has indicated that an affirmative vote on Motion No. 2 would dispose of this Motion. A negative vote on Motion No. 2 would necessitate the question being put on the Motion of the Hon. Member for Nepean-Carleton. This is the ruling of the Chair.

Mr. Gauthier: I am sorry to insist, Mr. Speaker, but you have not answered my question. My question to you relates to the fact that since the Hon. Member for Nepean-Carleton has spoken on the grouping of two amendments, he cannot speak more than once on the grouping. Therefore, he has—

Mr. Deputy Speaker: The Chair has answered the Hon. Member's question very precisely. An affirmative vote on Motion No. 2 will dispose of the Hon. Member's Motion. A negative vote on Motion No. 2 would necessitate the question being put on the Hon. Member's Motion. I believe that deals with the point raised by the Hon. Member for Ottawa-Vanier.

It being one o'clock, I do now leave the Chair until two o'clock this afternoon.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

THE ECONOMY

DECLARATION OF CANADIAN CATHOLIC BISHOPS

Mr. Louis R. Desmarais (Dollard): Madam Speaker, it is with great pleasure that I take this opportunity, and I am in fact the first Member to do so, to make a statement under the provisions of Standing Order 21 of the new Standing Orders of this House.

The Catholic Bishops of Canada declared recently that the present economic situation constitutes a "moral disorder" in our society. Their political comments on unemployment, inflation, industrial strategy, social responsibility and the role of the unions and capital are very interesting. They are proposing major changes in our values and priorities. Finally, the bishops want to promote public debate on the subject. Madam Speaker, it is my earnest wish, and I hope that this will happen, that a Committee of the House would invite the bishops to come and study with us the possibilities for—

Madam Speaker: Order, please.

* * *

[*English*]

GRAIN

INCREASE IN STABILIZATION LEVY PAID BY PRODUCERS

Mr. Doug Neil (Moose Jaw): Madam Speaker, during the Christmas recess I received a large number of representations from grain producers expressing concern about the maximum levy payable under the Western Grain Stabilization Act. With low grain prices, and continually increasing input costs, the income of producers is being very seriously eroded. The latest increase of 33⅓ per cent means that the levy has increased 140 per cent since the program was instituted in 1976. The grain

producer has no choice but to pay. He is locked in. He cannot opt out. He is at the mercy of the Government. And many producers want the freedom to opt out.

Despite excellent suggestions made by the Official Opposition in debate and in committee, in 1975 and 1976, the then Minister, the Hon. Otto Lang, stubbornly turned a deaf ear. We therefore have a situation where the Government, by Order in Council, without debate in this House, has increased the levy 140 per cent. We also have a situation where farmers—

Madam Speaker: Order. Order, please.

* * *

HUMAN RIGHTS

SUGGESTED APPOINTMENT OF PHYSICIAN TO COMMISSION

Mr. Stanley Hudecki (Hamilton West): Madam Speaker, the practising physicians in this country by virtue of their training, their daily exposure to the physical and social needs of the people, and by the special trust which the public have in them, are right well suited to act as members of the Canadian Human Rights Commission. The insight which a physician could bring to the Commission is especially needed at the present time when the rights of the handicapped are being extended into so many human activities. A physician's special knowledge and understanding of the many complexities of the obstacles in the way of the handicapped qualify members of this profession for such a post.

My particular concern at this time is that, since the inception of the Canadian Human Rights Commission, those responsible for the appointments to the Commission have never selected a medical doctor to be a member of that important body.

* * *

LABOUR RELATIONS

IMPACT OF WORK STOPPAGE AT WEST COAST PORTS

Mr. Chuck Cook (North Vancouver-Burnaby): The costs of last fall's 17-day closure of British Columbia ports are now being realized. Our trading partners attach great importance to reliability of supply and, as a result, bulk commodity sales were lost, not merely deferred as was hoped. The grain loss alone has been estimated at $150 million by Wheat Board officials. In addition, the work stoppage resulted in the loss of $2.7 million in container revenue to the Port of Vancouver. The ports of British Columbia have lost the good will of their customers and a major battle in attracting new business.

The Hope Report listed eight major areas of contention between the employers' association and the union. These longstanding differences precipitated work stoppages and resulting federal intervention in 1970, 1975, 1979 and 1982. These contentious issues were once again ignored by the Government in November's back-to-work legislation and by the two parties in the last minute agreement which they were able to forge. Once again I implore the Government to strike—

Madam Speaker: Order, please. Order.

Some Hon. Members: Sixty seconds!

* * *

THE ECONOMY

STATEMENT BY CATHOLIC BISHOPS

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, I would like to make a statement today on the discussion paper entitled "Ethical Reflections on the Economic Crisis" which was issued recently by the Canadian Conference of Catholic Bishops. First, let me say that I agree wholeheartedly with the Bishops' message and believe that it offered Canadians both a comprehensive analysis of our economic conditions and an ethical standard for establishing priorities for an economic recovery program.

The human suffering and tragedy associated with a 12.8 per cent unemployment rate can no longer be tolerated. I am certain that all Members of the House support the Bishops' suggestion that being out of work, particularly in a country as rich as Canada, is a moral problem. In their words, "It is through the activity of work that people are able to exercise their creative spirit, realize their human dignity and share in creation". A person without work is a person without purpose.

We in the New Democratic Party support the Bishops' call for a basic shift in values which would see the goal of serving the human needs of all people in our society taking precedence over the maximization of profits. Our economic recovery strategies must incorporate the ethical principle that labour, not capital, must be given priority in the development of an economy based on justice. We add our voices to those of the Bishops in a call for community discussions of the issues raised in their statement, and call upon the Government to allocate ample time in the days ahead to allow the House to debate adequately the unemployment issue in an effort to identify answers and solutions to this most serious and destructive human and economic problem.

SUGGESTION COMMITTEE INVITE BISHOPS TO TESTIFY

Mrs. Ursula Appolloni (York South-Weston): Madam Speaker, like my colleague, the Hon. Member for Dollard (Mr. Desmarais), I also refer to the Catholic Bishops' statement pointing out the moral implications of high unemployment. I, for one, would like to make clear that I support the right of the Bishops to make such a statement and agree that more focus must be directed to the serious problem of unemployment, which is at near record levels in all parts of the country. While we might disagree with some of the economic analysis and solutions put forward by the Bishops, I believe we should accept their challenge and discuss the matters in their statement at greater length. Consequently, I would urge the

Minister of Employment to meet with this Committee of Bishops and, in addition, that under the new rules the Standing Committee on Labour, Manpower and Immigration invite the Bishops to testify before them.

* * *

• (1410)

INCOME TAX

MINISTER'S PROPOSAL ON SPOUSAL DEDUCTION

Mr. Jack Shields (Athabasca): Madam Speaker, the Minister responsible for the status of women has proposed that the income tax deduction for non-working spouses should be drastically cut or eliminated altogether. Her proposal has caused a great deal of anxiety for the thousands of Canadians who would lose this deduction if her plan were to be adopted. Contrary to the Minister's statement, most working spouses who claim this deduction earn less than $20,000 per year and are not, to use her word, "affluent".

The Minister's statement that non-working, childless women contribute nothing to society can only be termed misguided or ill informed. Surely all Members of this House will agree with me that the vast majority of non-working spouses have made and continue to make a tremendous contribution to Canada. I am referring to the hundreds of thousands of non-working spouses who make up the army of volunteers at the Red Cross, the United Way, hospital auxiliaries, and thousands of other volunteer organizations too numerous to mention. The direct saving to the Canadian taxpayer by our army of volunteers defies calculation.

The disguised attempt by the Government to increase its revenue by close to $1 billion by eliminating spousal deductions during these very difficult times of economic instability and high unemployment across Canada is causing anxiety and concern which must be cleared up immediately. The Government must clarify its position on this ill-timed trial balloon and remove the anxiety it has caused.

LIBERAL PARTY POLICY ON SPOUSAL DEDUCTION

Mr. Gilbert Parent (Welland): Madam Speaker, I want to make it clear that I, and the great majority of my constituents, strongly support the long-standing Liberal policy of providing tax exemptions for spouses who do not work outside the home—

Some Hon. Members: Oh, oh!

Mr. Parent: —while at the same time providing opportunities through the tax system for those persons who work outside the home and also care for children. I would urge the Government to make clear as quickly as possible that, while it might wish to do more for the parent who is employed outside the home, it will not penalize those spouses whose work is in the home.

LABOUR CONDITIONS

INTERNATIONAL HARVESTER ANNOUNCEMENT OF LAY-OFFS

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, the time allotted for this brief statement amounts to roughly seven one hundredths of a second on behalf of each of 1,200 workers at the International Harvester farm implement factory who have been told they will be laid off indefinitely at the end of April. Throwing out onto the streets another 1,200 families means yet another kick in the teeth to the Hamilton-Wentworth area as a direct result of the Government's economic policies. Because of high interest rates and low commodity prices, farmers simply do not have the cash to re-invest in new equipment and cannot afford to go into more debt.

The farmers will be working their land again, the farm implement business will come back, and International Harvester may survive. But the 1,200 laid off workers are still faced with making ends meet until the market warrants rehiring at International Harvester.

This latest addition to the Hamilton area's unemployment rolls underscores the urgency of having the federal Government designate Hamilton-Wentworth under the Industry and Labour Adjustment Program. The Government has recently seen fit to designate communities such as Sudbury and Port Alberni under ILAP, and cities like Brantford and Chatham have been given six months extensions on their ILAP designations. The Hamilton area is hurting just as badly as those other communities, particularly in the steel and farm implement machinery business. Surely the indefinite closing down of International Harvester is enough to convince the Government to help Hamilton-Wentworth under ILAP.

* * *

AUTOMOTIVE INDUSTRY

CHRYSLER CORPORATION CUT IN PRODUCTION

Mr. Derek Blackburn (Brant): Madam Speaker, Canadians just learned in a week-end interview with the Minister of Industry, Trade and Commerce (Mr. Lumley) that Chrysler is reneging on its commitment to Canadians by slashing production and, therefore, jobs in Canada. This is in complete violation of the funding agreement the company had with the Canadian Government in return for bailing it out of bankruptcy in 1981. Without that agreement, Chrysler would not have received any help from the U.S. and thus massive unemployment would have resulted in both countries.

The workers of Chrysler Canada, in good faith, agreed to freeze their income demand in order to make the company viable again. We in the NDP insist that the Government accept nothing less than that Chrysler live up to its commitments to the Canadian people.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

SOCIAL SECURITY

LEGAL AUTHORITY FOR CUT IN FAMILY ALLOWANCE CHEQUES

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is directed to the Minister of National Health and Welfare who will have received a letter from me asking that she publish the legal opinion of the Department of Justice which has led the Government to decide to issue family allowance cheques for less than the law requires. I understand the Minister has been in touch with the Minister of Justice, and I wonder if she will table now in the House of Commons, and make available to Parliament and the people of Canada, the legal opinion on which she is basing this action which we consider to be illegal and unjustified?

[*Translation*]

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, while I was away, my office staff advised the Hon. Leader of the Opposition that all legal questions were to be directed to my colleague the Minister of Justice. I am now able to confirm that the January Family Allowance cheques which recipients should receive within the next few days will be increased by 6 per cent, while Old Age Security Pension cheques for that month because of the difference in the phrasing of the legislation will be increased by 11 per cent, and then increased by only 6 per cent thereafter once the legislation is passed by Parliament.

[*English*]

Mr. Clark: Even the Minister of Health should know that when she gets the opinion she is responsible for tabling it in this House, or for defending the Government's refusal to table it in this House. The Minister of Communications tells me they are not tabled; of course they are tabled. One was tabled on November 30 by the Minister of Justice.

REQUEST THAT LEGAL OPINION BE TABLED

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, the Minister of Justice, in committee, indicated that he would not table legal opinions which reflected on an individual. This legal opinion does not reflect on an individual; indeed, it reflects upon the rights of this Parliament to legislate before the Government acts, and it deals specifically with the needs of hundreds of thousands of Canadians who may be denied what the law now accords them because this Government is acting illegally.

Will the Minister of Justice table that legal opinion?

Hon. Mark MacGuigan (Minister of Justice and Attorney General of Canada): Madam Speaker, as the Right Hon. Leader of the Opposition well knows, there is a long-standing tradition in this House of not tabling legal opinions of the Attorney General. The fact is, though, Madam Speaker, that I am perfectly prepared to enunciate the salient points of that opinion for the Right Hon. Member. I can tell him that the adjustments contemplated by the Family Allowances Act are annual adjustments, not monthly adjustments. In addition, the legislation does not require that the monthly payments should be of equal amounts.

Of course, if Bill C-132 is passed during the 1983 year, the amount paid under the new scheme will be exactly the right amount. If it is not passed during 1983, there would then have to be an adjustment at some stage to the monthly payments.

Mr. Clark: Madam Speaker, let me interpret what the Minister of Justice has said. He has said that if this Parliament does not approve the Bill by the end of 1983, then this Minister's action to deny payments due to family allowance recipients across the country is illegal. That is what the Minister of Justice has just now said in this House of Commons.

GOVERNMENT TREATMENT OF LEGAL OPINIONS

Right Hon. Joe Clark (Leader of the Opposition): I ask the Minister of Justice, Madam Speaker, to have the courage to place upon the Table of the House of Commons the full legal opinion which has been received. He did it once with regard to the legal culpability of RCMP officers, so may I ask him why he is prepared to table a legal opinion which may prejudice members of the RCMP but is not prepared to table a legal opinion which attacks the payments made to recipients of family allowances across this country. Why the double standard?

Hon. Mark MacGuigan (Minister of Justice and Attorney General of Canada): Madam Speaker, the right hon. Gentleman well knows the traditions of this House and I am sure that in most circumstances, when it is to his advantage, he wants to respect them.

As has already been indicated, this is as exact an interpretation of the statute as we can give. It is not our interpretation, for instance, of the old age security legislation, but it is the interpretation which my legal officers give to the family allowances legislation.

• (1420)

DIFFERENCE IN TREATMENT OF LEGAL OPINIONS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, let me put a supplementary question to the Minister of Justice. He will know that he himself, in a committee of the House of Commons, tabled a legal opinion regarding the position of certain members of the RCMP in respect of the McDonald Commission. He tabled that legal opinion. Now the Government is acting in a way which we believe to be illegal and which the Minister himself has admitted will be illegal if Parliament does not pass the Bill before the end of 1983.

Why would the Minister table a document that prejudices officers of the RCMP when he refuses to table a document—when he hides a document—why is he hiding a document that

the Government uses as the basis for denying payments that should be made to recipients of family allowances across the country?

Hon. Mark MacGuigan (Minister of Justice and Attorney General of Canada): Madam Speaker, the Right Hon. Gentleman attempts to make something of the question of illegality. There is no illegality involved. What we are involved in is an interpretation of the legislation. The legislation does not require payments on a monthly basis. It does not require equal payments. If there is any problem with this legislation, all it requires is a simple adjustment to the payments before the end of the year. That would satisfy any problem of legality which may arise.

* * *

LABOUR CONDITIONS

INCREASE IN UNEMPLOYMENT—QUERY RESPECTING PROGRAMS TO CREATE EMPLOYMENT

Hon. David Crombie (Rosedale): Madam Speaker, my question is directed to the Minister of Employment and Immigration. I am sure he is aware that unemployment levels in the country continue to rise at an alarming rate. We now have 12.8 per cent unemployment in the labour force, or over 1.5 million people unemployed, and the level continues to go up by 50,000 every month.

In the past couple of weeks most of the Minister's statements have dealt with the NEED Program which primarily accounts for about 4 per cent, at maximum, of those who are unemployed. Surely, in the face of the massive unemployment in the country, the Minister has some programs and policies which deal with the great bulk of the people, the other 96 per cent, who are unemployed. Would the Minister identify those programs and indicate when he is going to bring them forward?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, the Hon. Member's question is very broad. He knows of a number of programs that we have in place in addition to the NEED program. We have the direct employment programs under the Canada Development Projects. There is a program presently available under the work-sharing program and Section 38 of the Unemployment Insurance Act. In fact, Madam Speaker, I can point out to the Hon. Member that, on a rough assessment, in 1982 the direct employment programs of this Department provided jobs for close to 200,000 Canadians, so we have been making a major effort to assist those in need. Other initiatives have been taken by other Departments to help with housing, and the Department of Industry, Trade and Commerce has a program to spur economic development.

We still say that the ultimate solution to the problem is to provide a framework by which the private sector can begin growing again. Interest rates must come down in order for that to happen, and they are coming down. That has to be the basic strategy. In the meantime we will try to provide the complementary programs to help the people who are most in need, at a time when they need the help.

Mr. Crombie: Madam Speaker, I do not think anyone would be surprised that, while we hear the Minister talk about his programs, the unemployment rate continues to go up. Indeed, even the Government prolongs the time taken to make decisions that could create jobs for people.

REQUEST FOR INCREASE IN ARMED FORCES' RECRUITMENT LEVELS

Hon. David Crombie (Rosedale): Madam Speaker, I should like to put a supplementary question to the Minister of National Defence. For a number of months a proposal has been before the Minister with respect to increasing the recruiting levels in the Armed Services, and I think this has received the general agreement of most people connected with the program. What it needs is a commitment on the part of the Government, and an allocation of funds on the part of the Minister, to bring the program forward.

I would like to ask the Minister if he is willing to increase the recruitment levels in the Armed Forces in order to provide jobs and training for Canadians between the ages of 15 and 24. Will he provide the necessary funds? If the answer to those two questions is yes, when will he bring the program forward?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, as a Member of Cabinet I was also very concerned about the figures on employment at the end of last year. My Department was asked by the Department of Employment and Immigration to put forward different programs that could relieve some of the unemployment that currently exists in the country. At the moment we are collaborating very closely with the Minister of Employment and Immigration, because he is responsible for job creation. The Department of National Defence put forward different suggestions and programs in this regard and has told the Minister what we could do and how we would do it. We could do something quickly and efficiently. It all depends, of course, on the amount of financial assistance we can receive from his Department or from the Minister of Finance. As far as the Department of National Defence is concerned, it is ready to act promptly and efficiently on the issue at hand.

* * *

THE ECONOMY

GOVERNMENT POSITION ON BISHOPS' STATEMENT

Hon. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Deputy Prime Minister. During the Christmas break, Canadians experienced two significant events. On the one hand they learned that unemployment had risen to the record 12.8 per cent level, and at the same time the Canadian Catholic Bishops presented the people of Canada with their historic statement on the economy. Speaking for this Party I

can say that we accept the Bishops' morality and their economic analysis.

Considering that the Prime Minister of Canada, that economic genius, dismissed the Bishops' statement out of hand, will the Deputy Prime Minister tell us precisely what is wrong with what the Bishops had to say, either in terms of their moral analysis or in terms of their economic prescriptions?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, it would certainly not be correct to say that the Prime Minister dismissed the comments of the Bishops out of hand. As far as the Government is concerned, it has devoted its attention and its programs to the alleviation of unemployment in the country. The total economic strategy of the Government has been directed to reducing inflation so that economic growth could resume in Canada and so that jobs would develop and unemployment decrease.

There is a fundamental interconnection between unemployment and inflation, as the Minister of Employment and Immigration has pointed out, and that is, namely, that as inflation comes down interest rates come down and economic recovery will resume.

I am sure we are quite alive to the concern that has been expressed by the Social Commission of the Canadian Conference of Catholic Bishops because its concern with unemployment is a concern that has been shared by this Government for some considerable period of time.

Mr. Broadbent: Madam Speaker, I hope the Deputy Prime Minister reads the Bishops' statement, because it was precisely the analysis that the Deputy Prime Minister has just given us that the Bishops tore to shreds in their document.

GROUNDS FOR BISHOPS' STATEMENT

Hon. Edward Broadbent (Oshawa): Madam Speaker, I should like to ask another question that comes from the statement of the Bishops. They point out—and they use the language with care and seriousness—that in their judgment Canadians are living in a state of "moral disorder". They give precise reasons for saying that, and they attribute the cause to the Government of Canada, among other agencies.

Considering that the Bishops pointed out that the top 20 per cent of Canadians, in terms of wealth, have more than 40 per cent of the income, and that the Government does nothing about this but, in the meantime, attacks pensioners and recipients of family allowances with cutbacks, would the Deputy Prime Minister not agree that such a wrong set of priorities really does justify the Bishops' statement that we live in a state of "moral disorder"? If he disagrees, would he tell us why?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, the job of a Minister is to deal with Government policy, not to reach judgments on every view that is expressed by every group in the country, even such an exalted body as the Social Commission of the Canadian Conference of Catholic Bishops.

• (1430)

It is the judgment of the Bishops that there is moral disorder in Canadian society and throughout the world. That is a judgment which they are entitled to make. I am sure that, as the Government, we are entitled to make judgments on economic policies which we think are in the best interests of the country. We are prepared to debate these economic policies. Indeed, for two and a half years, as Minister of Finance, I took the view that if unemployment were to come down in Canada, if we were to succeed in providing jobs, we had to bring down inflation. That is our policy. It is the policy which has been followed by the Minister of Finance. It is a policy which has been followed by every western Government that I know. Every Government which subscribes to the International Monetary Fund subscribes to that economic analysis. That is our economic view.

The Bishops have taken quite a different economic analysis, and they are quite entitled to do so. We are quite entitled to defend our policies, as we have done for some years now. I think they will prove to be correct and will bring about the restoration of jobs in the country more rapidly than the rather dilapidated nostrums which the hon. gentleman puts forward.

Mr. Broadbent: Madam Speaker, if the Deputy Prime Minister looks at the record, he is right that inflation has been going down, but unlike what he said, instead of the unemployment situation improving, it has been getting worse. Every Canadian knows that but the Deputy Prime Minister.

REQUEST FOR DEBATE ON BISHOPS' STATEMENT

Hon. Edward Broadbent (Oshawa): Madam Speaker, since the Deputy Prime Minister indicated in his answer that he would like to have a debate—and presumably the Prime Minister, who has never participated in an economic debate in the House since the 1980 election, might agree with him—and considering that the Bishops precisely called for a debate on values and on economic prescriptions, will the Deputy Prime Minister agree to take action which will lead to a debate in the House on the return of the Prime Minister that will allow the Prime Minister, the Leader of the Opposition, and myself to debate the bishop's report fully and frankly?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, the Hon. Member's question is a bit phony. We have been debating these questions in the House of Commons since the very beginning of this Parliament. I must say that every day we have debated these issues; we have had prolonged debates. For the Hon. Member to say, "Let's start debating the issue now when the Prime Minister comes back", where has he been?

Mr. Broadbent: Good question.

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF PRESIDENT OF CULTURAL, FAMILY AND SOCIAL AFFAIRS COMMISSION OF FRANCE

Madam Speaker: I should like to draw the attention of the House to the presence in our gallery of Mr. Évin, Chairman of the Commission of Cultural, Family and Social Affairs of France, accompanied by a delegation of French parliamentarians.

* * *

[*English*]

INCOME TAX

SPOUSAL DEDUCTION PROPOSAL—GOVERNMENT POSITION

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, my question is directed to the Minister of State for Finance. It concerns the uproar which has been created by the Minister responsible for the status of women and her comments with regard to the spousal tax exemption, when she said:

—those families who are able to use the spousal deduction are at the top end of the income scale. It's only the more affluent families in our society that allow a woman to stay at home—

The Minister will know that in the 1980 tax returns those who were able to make use of the spousal deduction—75 per cent of them making that claim—earned $25,000 or less, including the working poor, the elderly, single parents; hardly what one would call the affluent. Is the Department of Finance giving serious consideration to the proposal either to reduce or eliminate the spousal tax exemption? Does it support that proposal or oppose it?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, I am surprised that the Hon. Member would not have addressed that question to the Minister who is purported to have made that statement. I must admit that I have heard the Hon. Minister responsible for the status of women answer that question a number of times over the last couple of weeks. The answer is that the Department is not considering it, but I invite the Hon. Member to direct her question to the Minister responsible.

Miss MacDonald: I thought that the Minister speaking on behalf of the Minister of Finance, who I understood dealt with taxation matters in the House, would be able to address himself to that question.

ASSUMPTIONS UNDERLYING PROPOSAL

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, since he is unable to do so, I direct my supplementary question to the Deputy Prime Minister who is also a former Minister of Finance. Does the Government accept the untenable assumptions under which the Minister responsible for the status of women put forward her proposal—first, that only affluent families benefit from the spousal tax exemption and, second, that women who work in the home and are childless make no contribution to society? I should like to know from the Deputy Prime Minister whether those assumptions are Liberal Government policy?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, the view of the Government of Canada is that all Canadians make a contribution to our society, whatever their status in our country.

Some Hon. Members: Hear, hear!

Mr. MacEachen: I do not believe that the assumptions as stated by the Hon. Member reflect carefully and fully the very thoughtful views which have been expressed by the Minister who, in my view, raised some issues which require considerable examination by the Parliament of Canada and by the people of Canada.

Miss MacDonald: They were straight quotations.

Mr. MacEachen: I hope they will not fall for the oversimplistic analysis of the Hon. Member.

* * *

FINANCE

REQUEST FOR INCREASE IN DEPOSIT INSURANCE LIMITS

Mr. John Evans (Ottawa Centre): Madam Speaker, all Canadians have become concerned recently about the issues surrounding the security of their deposits in financial institutions as raised by the issues of Greymac, Seaway, and Crown Trust. My question is directed to the Minister of State for Finance. Is he considering an increase in deposit insurance limits as they now stand, since they have not been changed since 1967 and do not reflect the level of inflation? If he is proposing to do this, how much would the limits be? When would this be done? Finally, will it be applied to those people who have deposits in the three institutions affected by Ontario and federal Government actions of recent weeks?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, I can confirm that the Government will introduce legislation which will be effective immediately. It will increase the amount of protection under the certain circumstances which the Hon. Member raised, from $20,000 to $60,000. The amount is in line with the recommendations of the Committee on Finance which the Hon. Member obviously knows. That increase to $60,000, as I said, is effective immediately. It applies to all depositors and all corporations which fall under the Canada Deposit Insurance Corporation Act. Generally the amount reflects the inflationary rise in the economy since 1967 when the $20,000 figure was struck.

Oral Questions

EFFECTIVE DATE OF PROPOSED NEW LIMITS

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my supplementary question is directed to the Minister of State for Finance. I understood him to say that this would be effective immediately and that it would apply to all depositors to institutions under Canada Deposit Insurance Corporation Act provisions. Does that mean that depositors who currently have money on deposit with the five institutions—Crown Trust, Greymac Trust, Greymac Mortgage Corporation, Seaway Trust, and Seaway Mortgage Corporation—are also covered, or is it only for new depositors from today forward?

• (1440)

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, to my knowledge there is presently no claim against the Canada Deposit Insurance Corporation. The Bill which is already drafted is effective as of today. It is intended to cover any circumstance in the future where any claim may be made under any circumstance so that would, of course, include the corporations specified by the Hon. Member. Presuming that they meet the provisions of the legislation, and presuming that they meet general legislation, yes, they would be covered.

REQUEST THAT PRIVATE MEMBER'S BILL BE SENT TO COMMITTEE

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, I am sure the Minister of State is aware that there are two Private Members' Bills before the House right now, one in the name of the Hon. Member for Kingston and the Islands and the other in the name of the Hon. Member for St. Catharines, both of whom are Progressive Conservative Members of Parliament. One of these Bills will be before the House this Wednesday, and is designed to raise the amount stipulated from $20,000 to $100,000. In order to show the sense of urgency that all Canadians are expecting from the Government in this very serious matter, will the Government agree to allow the Bill, which will be presented by the Hon. Member for Kingston and the Islands this Wednesday, to go immediately to committee so that it can be debated, dealt with, and thus address the anxiety of so many Canadians about their deposits—their life savings in some cases—which today are at risk in some of these institutions?

Mr. Nielsen: In the spirit of reform.

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, I believe the Government has done better than that. We have just indicated that we will introduce a Bill which is effective as of today. It would be my hope that the Hon. Member, who is a member of the Standing Committee on Finance, Trade and Economic Affairs which reported on bank profits and recommended the $60,000 limit, together with his colleague, the Hon. Member for York-Peel, and his colleague, the Hon. Member for Mississauga South—

Mr. Wilson: I am the Hon. Member for Etobicoke Centre.

Mr. Cosgrove: —would stand behind their recommendation for $60,000. We want it immediately. We have taken their advice. I do not know why, for example, the Hon. Member is referring to some other Member of his party who has some other idea on the subject.

Mr. Wilson: Come on now.

TRUST COMPANIES' ASSETS—INVESTIGATION OF TORONTO APARTMENT SALES

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I have a supplementary to the questions asked of the Minister of State for Finance. The Minister knows that on January 8 the federal Government seized the assets of Seaway Mortgage Corporation and Greymac Mortgage Corporation. Does what the Minister is announcing today mean that the Government has determined there are insufficient funds in these corporations, that is, assets in the corporations to cover their liabilities? Could the Minister tell us the results of those investigations, and would the Minister also confirm that the RCMP is investigating the Toronto real estate transaction?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, the Superintendent of Insurance for Canada acted under the Loan Companies Act subsequent to the action of the Province of Ontario which moved under provincial jurisdiction to take control of the assets of the three trust companies. Subsequently, because the two mortgage companies involved under federal jurisdiction were associated companies, and because they had been associated in transactions with the companies that were taken control of by the provincial Government, and for a number of other reasons the Superintendent of Insurance moved to assume control of the assets of the two mortgage companies that have been the subject of publicity of late.

I think that neither the Minister of Consumer and Corporate Affairs for the Province of Ontario, nor myself, nor officials, would want to go into a great amount of detail on these issues at this time because, as the Hon. Member may or may not be aware, the corporations involved have served notice both on the federal Government and on the provincial Government that they intend to hold the Governments responsible for any loss arising out of these actions. Therefore I think at this time it would be prudent, on the advice of counsel for the Goverment, not to go into detail.

Mr. Waddell: Madam Speaker, the Minister wants us to consider a Bill right away, but he will not go into any detail about the investigation which has been going on for about nine days or so.

NATURE OF RCMP INVESTIGATION

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I have a supplementary question for the Solicitor General. Would he agree with me that increasingly in Canada money is coming from criminal activity? For example, money from

narcotic drugs is coming here and distorting areas of Canadian business. Would the Minister tell this House whether the RCMP is investigating the Toronto transaction and, more precisely, the origin of the money put up for the transaction, the people behind the numbered companies and the so-called foreign investors with their Swiss accounts? Is the RCMP investigating this transaction? Can the Minister tell the House whether the RCMP is investigating some of the matters I have mentioned and, if so, when can we get a report to this House?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, I can confirm that an RCMP investigation is under way. It would be high speculation to suggest what precise grounds were being investigated, and it would be entirely improper for me to confirm or to describe what are the grounds of the investigation.

* * *

[*Translation*]

COMMUNICATIONS

REQUEST THAT COMMITTEE DELIBERATIONS ON APPLEBAUM-HÉBERT REPORT BE TELEVISED

Mr. Robert Gourd (Argenteuil-Papineau): Madam Speaker, my question is directed to the Minister of Communications. Since 1983 has been designated the International Year of Communications, can the Minister tell the House whether he will support the request of the Standing Committee on Communications and Culture which is now examining the Applebaum-Hébert report so that the proceedings of that Committee may be held before TV cameras and, if at all possible, right here on Tuesday and Thursday evenings when the House is not sitting?

Hon. Francis Fox (Minister of Communications): Madam Speaker, Canada intends to participate fully in the activities of the International Year of Communications as designated by the United Nations and I will soon have the pleasure of announcing the events which will take place in Canada to celebrate that year.

As to the suggestion of the Hon. Member, I think it is very commendable, but I would have to discuss it with the President of the Privy Council and Leader of the Government in the House under whose jurisdiction this matter falls.

* * *

[*English*]

NATIONAL GALLERY

APPOINTMENT OF ARCHITECT

Mr. John Bosley (Don Valley West): Madam Speaker, I have a question for the Minister responsible for the National Gallery of Canada who, I believe, is the Minister of Communications. The Gallery has announced that it will not be holding an architectural competition but will, in fact, simply appoint an architect for the new gallery.

Mr. Jarvis: Arthur Erikson strikes again.

Mr. Bosley: Could the Minister tell us whether the Government supports that decision and whether the reason for the support of that decision is so that Arthur Erikson, or someone similar, can get the contract? Or is it because there was a competition already and an architect whom the Government does not like won that competition some years ago?

[*Translation*]

Hon. Francis Fox (Minister of Communications): Madam Speaker, Hon. Members know that the Government has decided to go ahead and build two large museums in the National Capital, namely the National Gallery of Canada and the Museum of Man. As for all questions related to the construction of those museums, we have set up a Crown corporation responsible for making recommendations to the Government on the way to spend the funds and, of course, on the architects best qualified to carry out the projects. The construction corporation has made an analysis of various architectural firms and paid a visit to 78 of them across the country, from Charlottetown to Vancouver. I expect it will make recommendations to the Government which will have an opportunity to examine them and, naturally, the client—the Canadian Government—will make the ultimate decision about the selection of architects.

[*English*]

REQUEST THAT OPEN COMPETITION BE HELD

Mr. John Bosley (Don Valley West): Madam Speaker, my supplementary question is also for the Minister of Communications. There has been in the creation of institutions of such importance as the National Gallery a tradition in Ottawa that open competitions normally be held in order to make sure that public money produces the finest possible public buildings for the people of Canada. May I ask the Minister why that process will not be followed in this case? Why does the Minister prefer a procedure which is already tainted as a consequence of the embassy which is being built in Washington, and why will the Minister not recommend to his own Government that the open competitive process be used rather than another Liberal architect getting another job?

[*Translation*]

Hon. Francis Fox (Minister of Communications): As the Hon. Member is undoubtedly aware, Madam Speaker, in 1978 the President of the Treasury Board tabled in the House the policy concerning regulations for the selection of architects for the construction of public buildings. The Government has established other selection criteria which, when compared with others, are rather similar and whose objective is the same.

• (1450)

[*English*]

HOUSING

REQUEST FOR AMENDMENT OF INTEREST ACT

Mr. Paul Dick (Lanark-Renfrew-Carleton): Madam Speaker, my question is directed to the Minister responsible for housing. As he is aware, the Interest Act in Canada has not been amended for some 20 years. Section 10 of the Interest Act, by subsequent practice, is now completely outdated because we do not have mortgages of over five years' duration. Is the Minister proposing to introduce any amendments which would reduce the five year qualification down to one year in Section 10 of the Interest Act?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, I have had occasion to review a whole series of questions with the officials of the corporation during the past two weeks. That question did not come up but I will certainly make a point of discussing it. If it is feasible and advantageous to mortgage holders, I hope we can bring it forward.

REQUEST FOR EARLY ACTION

Mr. Paul Dick (Lanark-Renfrew-Carleton): According to CMHC research, it appears that there are some 707,000 Canadians who are presently trapped in mortgages of 17 per cent or higher. Now that the mortgage rate has come down, if the rule was changed to one year from five years it would alleviate much of the difficulty for those Canadians. Realizing that so many Canadians are trapped, will the Minister bring this forth with his officials on an urgent basis in an attempt to bring about an amendment?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, I will obviously give the Hon. Member's suggestion the attention it deserves.

* * *

SOCIAL SECURITY

REQUEST THAT FULL INDEXING OF FAMILY ALLOWANCES BE RESTORED

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, my question is directed to the Deputy Prime Minister. It concerns the recent statements made by the Minister responsible for the status of women. Unfortunately the Minister, in her very thoughtless remarks about tax deductions, insulted women who work hard in the home, with no pay and no pensions, and who certainly contribute to society in many ways. She ignored single women who need tax deductions, low income families who need tax credits, and also ignored the high unemployment which prevents many women from working.

Since the Deputy Prime Minister said earlier today that he cares for all Canadians, I would ask him if this also includes high priority for children and women and, if so, will he reinstate full indexing for family allowances and ensure the full indexing goes out on this month's family allowance cheques?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): No, Madam Speaker, I cannot give that assurance, but I will remind the Hon. Member that we have demonstrated our concern for the children of this country by the steps we have taken to enrich the child tax credit substantially. It is along those lines that the Minister for the Status of Women was thinking when suggesting possible ways of further enriching support for the children and women of this country.

* * *

LABOUR CONDITIONS

EMPLOYMENT PROGRAMS FOR WOMEN

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, my supplementary question is for the Minister of Employment and Immigration. In view of these same statements made by the Minister who is supposedly responsible for the status of women, which presumed that all women have the choice to go out and work and therefore need child care costs, would he explain the statistics, as far as unemployment for women is concerned, affecting women now and in the future? Will he tell the House that there will be jobs for all women who want to go out to work in the workforce?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I would certainly hope that we could provide the setting in which that employment would take place. To that extent we have introduced a number of new measures over the past year, particularly the new National Training Act which is designed to help women, along with all other Canadians, retrain for new technologies and jobs.

I should say that I had a very successful meeting with the provincial Ministers of Labour and Employment on Friday in which we agreed to co-ordinate our efforts in this area in a very co-operative fashion. I think we can maintain that spirit and reach the goal that the Hon. Member is seeking to achieve.

* * *

COMMUNICATIONS

PRODUCTION OF PORNOGRAPHIC SHOWS FOR PAY TV

Miss Aideen Nicholson (Trinity): Madam Speaker, my question is directed to the Minister of Communications. It concerns the CRTC requirements for Canadian content and artistic control in Pay TV, requirements which would ensure that talented Canadian writers and actors have the opportunity to work and establish their reputations.

We are now finding that some companies are producing in Canada, for Pay TV, shows which are written in the United States, thus excluding Canadian writers, and many are soft porn shows which exclude serious Canadian actors and actresses. If this is accepted as meeting the requirements for Canadian content, the companies are then free to buy all of their serious programs outside Canada, which effectively closes the doors on opportunities for Canadian actors, producers and writers. Has the Minister discussed this matter with the CRTC, and does it propose to bring in clearer standards and regulations?

Hon. Francis Fox (Minister of Communications): Madam Speaker, I think that two issues are involved in the Hon. Member's question. One is the question of obscenity and pornography. Quite obviously the Government of Canada did not uphold the decision of the CRTC to issue licences to Pay TV operators in order for them to turn the Pay TV system into one which promotes pornography or obscenity in Canada.

With respect to the question of Canadian content, I think the question raised by the Hon. Member quite clearly points out the necessity to tighten the rules for Canadian content. Some 18 months ago, in the area of capital cost allowance, the Government tightened up the Canadian content definitions in a rather stringent fashion. The CRTC held an issue hearing in the month of December on the whole question of Canadian content. I discussed the matter with the Chairman of the CRTC this morning. The Chairman of the CRTC shares the concerns expressed to me by many Members of the House. He has previously informed me that he expects to have a decision on the Canadian content hearings issue made public within the next month or two at the latest.

* * *

ADMINISTRATION OF JUSTICE

AUTHORITY FOR PAYMENT MADE TO CONVICTED MURDERER, CLIFFORD OLSON

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, my question is for the Minister of Justice. Many Canadians would like to know whether the $90,000 payment to Clifford Olson was made under what amounts to be an illegal document. Will the Minister tell us whether he has made a decision and whether he will sue to recover what is still available from that $90,000? Will he also agree to table the "black trust deed" that was entered into with Mr. Olson, signed on behalf of the Government of Canada, and approved by the Ministry of Justice?

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, I told the Hon. Member some weeks ago in the Standing Committee on Justice and Legal Affairs that I would look carefully into this matter. I have had the opportunity to do so. Given the fact that the original payment was made entirely under the authority of the Attorney General of British Columbia, I have come to the conclusion that any legal action which is instituted to recover the moneys paid over should be instituted by the Attorney General of British Columbia.

REQUEST THAT MINISTER OBTAIN LEGAL OPINION

Mr. David Kilgour (Edmonton-Strathcona): Madam Speaker, in view of the fact that his own officials advised the entering into of this agreement—it was signed on behalf of the Solicitor General's Department—would the Minister not agree to obtain an outside legal opinion in order to determine whether or not his earlier legal opinion was bad, in view of the obvious conflict or interest?

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, I think the hon. gentleman knows that the original decision was made by the Attorney General of British Columbia without the knowledge of either the Commissioner of the RCMP or of my colleague, the Solicitor General. Therefore, if any legal opinion is to be obtained, I should think it would be the Attorney General who would want to obtain those legal opinions.

USE OF WRITS OF ASSISTANCE ISSUED TO RCMP

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, my question is also for the Minister of Justice. Now that there have been at least two Ontario courts which have ruled against the validity of the use of writs of assistance, I wonder if the Minister of Justice or his Department has issued instructions to the RCMP, through the Solicitor General, that these writs—in Ontario in any event—are not to be used and, if he has done so, why have the same instructions not been issued to the RCMP in the rest of the country?

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, I have not yet had the opportunity to review the effect of the decision of Judge Belanger. I hope to be in a position to do that shortly.

LEGISLATION TO ABOLISH WRITS OF ASSISTANCE

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, while the Minister is reviewing the matter, with the very great public image that exists across the country against the use of these very arbitrary writs by the police, would he look at the Order Paper where there have been draft bills on it for two years now, standing not only in my name but, I believe, in the name of other Members of the House of Commons, to abolish the use of these writs absolutely?

Hon. Mark MacGuigan (Minister of Justice): Madam Speaker, I will of course be reviewing the whole subject while I consider the question of an appeal of the Belanger decision. I might say that I, myself, suggested possible alternatives to the present procedures, in the Standing Committee on Justice and Legal Affairs.

• (1500)

[*Translation*]

AIR TRANSPORT

STATE OF DISCUSSIONS CONCERNING QUEBECAIR

Hon. Roch La Salle (Joliette): Madam Speaker, my question is for the Minister of Transport. I imagine he can tell the House today where matters stand concerning Quebecair.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I want to say to the Hon. Member that the discussions are still going on between Quebecair and Air Canada and the representatives of both governments. We must however wait for the financial statements of Quebecair to be audited, which should be done around February 15. We shall then be in a position to compare these financial statements with the various commitments the Quebec government is willing to make. A quick computation will then determine whether the project is feasible, and the other discussions now under way will continue, concerning for instance the routes which Quebecair has renegociated and will keep for itself.

Mr. La Salle: Madam Speaker, if I understand the minister correctly, contrary to the statement he made in the House a few months ago, to the effect that Quebecair I would no longer exist, the government will now do everything in its power to save the existing Quebecair company instead of creating a new one.

Mr. Pepin: I have already replied to that question in the House and I have already confirmed what the Hon. Member of Joliette has said. There is nothing new in this. However, I stated at the time that I was not giving a blank cheque and that everything would be based on an audit of the financial statements, and this is what is happening at the present time.

* * *

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid on the Table the reports of the Clerk of Petitions stating that he has examined the petitions presented by the Hon. Members on Wednesday, December 22, 1982, and finds that they meet the requirements of the Standing Orders as to form.

* * *

STANDING COMMITTEES

APPOINTMENT OF STRIKING COMMITTEE

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, I rise on a point of order. To comply with the spirit of Section 69(1) of the New Standing Orders and after consultation with my colleagues opposite, I believe that if you were to ask unanimous consent for the following motion to be agreed to without debate, you would receive it, which would allow us to reorganize the committees of the House without delay.

[*English*]

Consequently, I would like to move, seconded by the Hon. Member for Yukon (Mr. Nielsen):

> That, notwithstanding any temporary or permanent Standing Order or any other order of the House, the Striking Committee shall consist of Messrs. Daudlin, Deans, Kempling, Nielsen, Parent, Pinard and Turner.

Hon. Erik Nielsen (Yukon): Yes, Madam Speaker, we would provide our consent to the moving of this motion now without debate. I assume, of course, that it will be the intention of the Striking Committee to prepare and report to the House within the ten-day time bracket which is now provided for in Standing Order 69. We will be reporting to the House within ten days from today.

Mr. Pinard: Yes, Madam Speaker, according to Standing Order 69(1) we must make that report in the first ten sitting days following January 1, and to allow this organization to take place within that ten days we have prepared for a meeting this afternoon at 4.30 p.m. in Room 112-N. We will have a clerk there to facilitate our proceedings, if this is acceptable to my colleagues on the other side.

[*Translation*]

Madam Speaker: In that case, is there unanimous consent for this motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

[*English*]

BUSINESS OF THE HOUSE

Mr. Nielsen: For the sake of the record, I wonder if the Government House Leader would please indicate the business of the House as far into the week as he is now able, assuming completion of the report stage of Bill C-133.

Mr. Pinard: I will consider my colleague's request and give him my answer later this afternoon when we meet. If we have completed report stage and third reading stage of Bill C-133 before the end of the week, it is quite possible that next Friday will be an Opposition day, as I indicated to him earlier today; but I will give him confirmation later today or tomorrow.

POINT OF ORDER

MR. NEIL—TIMING OF STATEMENTS PURSUANT TO S.O. 21

Mr. Doug Neil (Moose Jaw): Madam Speaker, when I came into the House this afternoon, I was of the opinion that Standing Order 21 provides that any Hon. Member may make a statement for a period of up to 90 seconds, or one and a half minutes. I had prepared my statement accordingly but I was cut off about three-quarters of the way through. My colleague, the Hon. Member for Red Deer (Mr. Towers), was timing my statement, and he tells me that I was cut off at the one minute point. Therefore, the important part of my statement is not on the record.

The Hon. Member for North Vancouver-Burnaby (Mr. Cook), who followed me, was also cut off. I took out my stop-watch and timed his statement. He was cut off by Your Honour after 62 seconds.

I just want to bring this to Your Honour's attention. I wondered if perhaps you had been making use, up until that point in time, of a metric clock or something.

Some Hon. Members: Oh, oh!

Mr. Neil: However, I would suggest, although I do not want to make an issue of this matter, as someone from the other side pointed out this morning, that it might be advisable to have a digital clock on the wall so that an Hon. Member knows exactly how much time he has left in which to speak, because it is very difficult to time oneself. Most of us, I think, do our utmost to stay within the time limits but we were not even permitted our time limits today.

Madam Speaker: The Hon. Member is quite right. He was short-changed by about 30 seconds and so was the Hon. Member for Red Deer (Mr. Towers) and two Hon. Members on this side of the House. I had to rely on a signal which was given to me by one of the officials in the House who was operating—

Mr. Nielsen: On metric!

Madam Speaker: —a stop-watch, and he had some difficulties with his stop-watch.

Some Hon. Members: Oh, oh!

Mr. Lewis: Swift!

Madam Speaker: However, he caught on to the system quite quickly and for the rest of the period I think all Hon. Members were given their 90 seconds.

As for a digital stop-watch on the wall, I wonder if Hon. Members would just let me deal with that suggestion, because I do not think it would look too nice. We already have three clocks on the wall and to add a fourth one would perhaps not be a very good idea. Therefore, I will look after it and I think Hon. Members will be satisfied. However, I thank the Hon. Member; he is quite right.

Some Hon. Members: Hear, hear!

Mr. Shields: Madam Speaker, I wonder if, in the spirit of good will, we should not allow the four Hon. Members who were short-changed to make their statements now. I am sure that, with unanimous consent, we would allow that to happen.

Mr. Ouellet: Tomorrow!

Madam Speaker: I really do not know what to do. I feel awfully sorry for Hon. Members, but what should they do? Should they make their statements all over again or just the last paragraph? I suppose it would amount to the last paragraph. However, it is not quite fair because some Hon. Members on the other side of the House were also short-changed and they have left the House.

Could not Hon. Members try to make a more complete statement on another day? I think that would be the easier thing to do.

Some Hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Jack Burghardt (Parliamentary Secretary to Minister of Communications): Madam Speaker, the following questions will be answered today: Nos. 3,766, 4,535, 4,541 and 4,558.

[*Text*]

CANADA-U.S. TAX CONVENTION

Question No. 3,766—**Mr. Cossitt:**

1. Do arrangements exist between the Canadian and the United States Governments to determine the identity of Canadian residents with term deposits in United States banking institutions who do not report and pay income tax on the interest they receive from the deposits and, if so, what are the arrangements?

2. In each of the past four years, how many Canadian residents were (a) investigated in this regard (b) caught not paying the tax due to the Government?

3. Will the government take further steps to determine how many non-payers exist and to determine what the loss is annually to the federal treasury?

4. (a) Is it Government policy to close any loopholes that exist to ensure that proper taxes will be collected (b) would such a collection enable the government to collect less in taxes from those taxpayers who make honest declarations?

Hon. Pierre Bussières (Minister of National Revenue): 1. Under the provisions of the Canada-U.S. Tax Convention, term deposit interest payments made to Canadian residents from United States sources are not reported annually from the U.S. Internal Revenue Service. Negotiations are presently under way with the U.S. Government to have this type of payment included in their annual report.

2. Revenue Canada-Taxation does not maintain separate statistics on the reporting by Canadian residents of United States term deposit interest.

Order Paper Questions

3. The determination of exigible Canadian income taxes and identification of those who have failed to pay those sums is a continuing ongoing principal objective of Revenue Canada-Taxation. Investigations are conducted to determine world income, from all sources.

4. (a) It is policy to ensure that proper taxes will be collected and existing third party information reporting processes are considered adequate in this regard. (b) Taxes collected are at rates established by law.

STUDY "ENERGY COSTS AND FERTILIZER PRICES DURING THE EIGHTIES"

Question No. 4,535—**Mr. Mazankowski:**

Was a study conducted on behalf of the Department of Agriculture regarding "energy costs and fertilizer prices during the eighties" and, if so (a) what were the terms of reference (b) to whom was the study contracted (c) for what reason was it not done internally by the Department (d) what amount did the study cost (e) what conclusions and/or recommendations were reached (f) what action will be taken or has been taken as a result of the conclusions or recommendations?

Hon. E. F. Whelan (Minister of Agriculture): Yes. (a) See "Statement of Work" below. (b) Deloitte Haskins and Sells of Guelph, Ontario. (c) The type of specialist resources were not available during the period the study was to be carried out. (d) $11,000. (e) None, since final report has not as yet been completed. (f) No action can be taken until final report has been received and reviewed.

Statement of WorK

Title: Energy Costs and Fertilizer Prices During the Eighties

Background: Fertilizer is becoming one of the most important and costly inputs in the crop production sector of agriculture. Farm sector expenditures for fertilizer has increased by 620 per cent for the period 1971 to 1981 and now exceeds $1 billion annually. There has also been an increase in terms of fertilizer's share of total farm operating expenses. Before the dramatic rise in energy prices in 1973, fertilizers accounted for approximately 5.5 per cent of operating expenses. In 1981, this figure had increased to 9.4 per cent.

While potash and phosphate fertilizer materials are refined from mineral deposits, nitrogen fertilizers are manufactured with natural gas being the originating feedstock. With rising costs for natural gas and other energy inputs required for its manufacturing, the price of nitrogen containing fertilizers will continue to escalate during the rest of this decade. With increased agricultural production targets being a part of Canada's agri-food strategy, and higher nitrogen application rates being one immediately practical way of achieving this goal, it is imperative that price projections and anticipated levels of supply should be available for the information of both the fertilizer industry, the farming community and government analyses. Such information would be required by the Directorate for presentation at the annual Outlook Conference.

Requirements: The final report should contain information on the following:

(1) North American nitrogen fertilizer capacity. The location, capacity and level of technology used for both existing and new plants presently under construction or expansion should be included. (2) Energy inputs required for production. A section on the various direct energy inputs required for the production of a tonne of ammonia and urea and their relative importance in overall production costs. (3) Price projections for energy inputs. The latest available price projections for natural gas, electricity and other energy inputs required for the production process. (4) Trading patterns for nitrogen fertilizers. A regional accounting of trans-border nitrogen fertilizer movements. (5) Supply and demand projections for nitrogen fertilizers. The emphasis should be on the North American supply and demand situation but some projections on the world situation is also warranted. On a Canadian level, projections should be on a regional basis as well as nationally.

(6) Nitrogen fertilizer price projections. Only ammonia and urea prices need to be considered as these are the major nitrogen fertilizer materials.

Methodology: The proposed methodology for determining future levels of supply and demand is to use a simplistic approach rather than a full scale econometric model. A number of regression equations should be developed which use presently available data series and the most recent price projections to determine the probable course of future fertilizer prices.

Relevant reports which can provide guidance and/or information in completing this study include: (1) Challenge for Growth, (2) Global 2000, (3) Canada West Foundation, (4) FAD and OECD food production projections.

In addition to the pure statistical work, there should be a close linkage to the fertilizer industry. The issues addressed are of vital concern to individual companies and some of the larger corporations have personnel involved in this area. Close co-operation is seen as a way of avoiding duplication of effort and improve the quality and relevance of the results.

MRS. SUSAN WARNER

Question No. 4,541—**Mr. Stewart:**

1. Did a Mrs. Susan Warner, Field Officer, Classification PM-2, in the Barrie office of the Department of National Health and Welfare's Income Security Program, attend a French language training course at the Ontario Studies in Education in Toronto between September 14, 1981 and August 11, 1982 and, if so, what did it cost the Government in (a) wages (b) accommodation (c) expenses for Mrs. Warner during this period?

2. Was a Mrs. Judy Kelly employed to fulfil Mrs. Warner's duties while the latter was taking the course and, if so, what was the total amount paid in wages to Mrs. Kelly during this period?

3. Based on statistics from the Barrie office, what percentage of the total yearly transactions require (a) written (b) spoken use of the French language to provide service?

4. From 1974 to 1982, how many French language forms available in the Barrie office have been filled out by applicants?

Hon. Monique Bégin (Minister of National Health and Welfare): 1. Yes, Mrs. Susan Warner, Field Officer, in the Barrie District Office, did attend French language training during the period September 14, 1981 and August 11, 1982.

(a) Cost to Government in wages: PM-2 Salary range: $22,698—25,571

(b) Accommodation: $845 per month for 11 months 9,295

(c) Expenses: $600 per month for 11 months 6,600

2. Yes, Mrs. Judy Kelly was employed in an acting position to backfill during Mrs. Warner's period of French language training. Amount paid in wages to Mrs. Kelly—PM-2—$22,698—25,571.

3. (a) and (b) No statistics are kept. Mrs. Warner visits the Midland Office once a week where it is estimated that French is used 70 per cent of the time.

4. No statistics kept.

PASS PRIVILEGES FOR CN-CP TELECOMMUNICATIONS EMPLOYEES

Question No. 4,558—**Mr. Benjamin:**

Were pass privileges for employees of CN-CP Telecommunications terminated and, if so (a) on what date (b) for what reason?

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): The management of VIA Rail Canada Inc. advises as follows: Yes. (a) July 1, 1982. (b) At the request of the management of CN-CP Telecommunications, following the conclusion of a new collective agreement between CN-CP Telecommunications and its employees.

[*English*]

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

[*Translation*]

Madam Speaker: The questions enumerated by the Hon. Parliamentary Secretary have been answered.

• (1510)

[*English*]

Mr. Stevens: I rise on a point of order, Madam Speaker. I would like to ask this Parliamentary Secretary, as I have asked another Parliamentary Secretary, why we have to date still not received a reply to question No. 2,042 which was placed on the Order Paper almost two years ago and deals with the Prime Minister's world tour. It simply asked what was the cost of that world tour and, specifically, how much was being borne by the taxpayers of Canada.

Perhaps, Madam Speaker, in view of the fact that we have the Prime Minister off on a new jaunt, we could catch up in at least reporting to the people of Canada what these trips, including five others I have asked for on October 23, have cost Canada to date.

Mr. Burghardt: Madam Speaker, I will certainly take notice of that question on behalf of the Parliamentary Secretary to the House Leader. I would like to remind the Hon. Member that to date some 83 per cent of the questions have already been answered.

[*Translation*]

Madam Speaker: Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

SUPPLEMENTARY RETIREMENT BENEFITS ACTENO. 2

MEASURE TO MODIFY BENEFIT INDEX

The House resumed consideration of Bill C-133, an Act to amend the Supplementary Retirement Benefits Act (No. 2), as reported (without amendment) from the Standing Committee on Miscellaneous Estimates, and the motion of Mr. Gray (p. 21886) and the motion of Mr. Baker (Nepean-Carleton) (p. 21889).

Hon. Allan B. McKinnon (Victoria): Madam Speaker, the Christmas recess is over, we are back again, and it seems as though we have never been away.

I had hoped Bill C-133 would not be in front of us on our return, despite what the Government House leader had said. I had hoped that during the Christmas and New Year's recess the Members of the Government would have consulted with their constituents and other interested parties and decided not to go forward with Bill C-133, which is an amendment to the Supplementary Retirement Benefits Act, otherwise known as the SRBA.

What is this Bill all about? It is part of a trio of Bills and relates closely to Bill C-131, which is an amendment to another Act for the same purpose, and that is to limit the indexation which takes place each year of old age pensions, civil service pensions and the pensions of the Armed Forces. These two Bills, C-131 and C-133, are a pair and do the same thing, only to different groups of people. They started off with the intention of lowering the indexation capping or ceiling to 6 per cent this year, 1983, and to 5 per cent next year, 1984.

After a great deal of discussion and dialogue and the beginnings of a revolt in the Liberal Party, the President of the Treasury Board (Mr. Gray), in a fit of uncharacteristic kindness, increased the limits by one half of 1 per cent. This was enough to cause the Hon. Member for Ottawa-Centre (Mr. Evans) to give up his principles of supporting his constituents and decide to vote with the Government. Some other Liberal Members decided to stick with their principles and do as they said they were going to do, and they voted against the measure.

To determine what this is all about, we should go back a little into the history of it, and I am quoting from the report of

the President of the Treasury Board, who is here this afternoon, of March 31, 1981. He pointed out:

Prior to the 1973 amendments, the amount of the increase was related to the increase in the cost of living since the year of retirement or death, as the case may be, with a maximum increase of 2 per cent per year, similar to the Canada Pension Plan at that time. Effective January 1, 1974, this 2 per cent ceiling was removed and provision was made for an annual increase in pensions related to the full increases in the cost of living.

The amount of this increase in any January is equal to the percentage increase in the average of the Consumer Price Indices for the 12 months ending on the preceding September 30 over the average for the 12 months ending a year earlier.

That should have been clear enough to everyone concerned and certainly the civil servants and the Armed Forces felt, because of the report of the President of the Treasury Board, that they did have a guarantee of such increases. The report went on to say:

Between April 1, 1970 and December 31, 1976 employees contributed one half of one per cent of salary. Effective January 1, 1977 this rate was increased to one per cent.

It was presumably increased to 1 per cent to make it pay for itself. That is why there was no complaint from the Armed Forces or the civil servants about having their contributions doubled. The report continues:

Prior to January 1, 1974, the Act also provided that all supplementary benefits would be charged to the Account. Since that date, however, those benefits paid in respect of a former contributor are charged to the Account only until their accumulated total equals the aggregate of all amounts credited to that Account in respect of that person. Supplementary Benefits paid in excess of that aggregate are then charged to the Consolidated Revenue Fund.

The same report points out that there was at that time a balance in the Account of $900 million in the spring of 1981.

When we talk about indexation of pensions, it is clearly set out in the legislation, and we have it from the Statutes of Canada, Chapter 43, in the "Short Title":

This Act may be cited as the *Supplementary Retirement Benefits Act.*

As you well know, Mr. Speaker, when we get a complex Act, it generally has an interpretation section, and this Act is no exception. The interpretation section says this about "Pension Index":

"Pension Index", with respect to any year, means the average for that year of the Consumer Price Index for Canada, as published by Statistics Canada under the authority of the *Statistics Act,* for each month in the twelve-month period ending on the thirtieth day of September in the immediately preceding year;

That is repeated again under the Supplementary Retirement Benefits Act. For this reason, those employees of the Government who are either in the Forces, the RCMP or the Civil Service, or employees at large of the Government, I suppose felt they did have a firm commitment from the Government that this indexation would be made. After all, it spells out what the indexation is supposed to be and it is not supposed to be at 6 per cent. It is to be the difference between the two Consumer Price Indices. It points that out in the legislation and it was promised in the House.

Finally, it was also promised in a letter written by the Prime Minister (Mr. Trudeau). I think this is what particularly irritates all public servants, members of the Armed Forces and others to whom this Bill is going to apply. The Prime Minister, in response to a letter from a Mr. Power, wrote and thanked him for a telegram which he received on September 27. I will quote the philosophy of the Prime Minister. I am doing this so that the people here can see why the public servants thought they had a pretty firm commitment. They had it in the Act and they had it in this letter. I quote from the Prime Minister's letter:

In our society, pensions provide a means of sharing risk so that we can retire in reasonable security and dignity, without fear of the future. Protecting pensions from inflation by indexing them to increases in the cost of living should be an integral part of our pension schemes. Indexing does not give pensioners an increasingly larger claim on our economy's production, that is, more money to buy things they could not earlier afford. Rather, indexing merely enables pensioners to maintain, roughly, their same standard of living.

Even a modest rate of inflation destroys, at a devastating rate, the buying power of people on fixed incomes. Pensioners are out of the work force and cannot bargain or strike for larger incomes.

Perhaps the party on my left will think of that. There is quite a difference between Bill C-133 and Bill C-124, and I will repeat the words of the Prime Minister here:

• (1520)

Indexing does not give pensioners an increasingly larger claim on our economy's production ... Rather, indexing merely enables pensioners to maintain, roughly, their same standard of living.

The Prime Minister then goes on to say:

Pensioners are out of the work force and cannot bargain or strike for larger incomes. They are not the cause of inflation; they are its victim. We have an obligation to help protect them.

The Prime Minister closed by saying:

I have asked my staff to send a copy of our correspondence to the President of the Treasury Board, the Honourable Robert Andras.

Yours sincerely,

"P. E. Trudeau"

That letter was dated October 12, 1977. Surely, with that in his hand, the civil servant must have felt that he had a commitment, and that he had it from the Prime Minister. The legislation mentioned what the indexing was to be. Yet we now are faced with this current piece of legislation which is going to change all that summarily, not with the consent of the civil servants, not with the agreement of the Armed Forces. The Government has not even tried to negotiate with them. They have not said: "Look, we are running short of money in the Supplementary Retirement Benefits Fund; we need more money, so you people have to put in more money". I suspect they could have reached an agreement on something like that, but they did not even try. The President of the Treasury Board simply brought in a Bill saying from now on we will stop this indexation.

I have been attending the meetings of the Miscellaneous Estimates Committee on this subject for I don't know how many meetings we had. It went at a frantic pace for two weeks before Christmas. The tenor of those meetings was all the same. The various elected representatives, and others, appeared in front of the Committee to explain that the people

they represented were in no way satisfied with what was going on, that they were entirely in opposition. This went on day after day, and one can hardly blame them.

The Acting Speaker (Mr. Corbin): Order. I regret to interrupt the Hon. Member but the time allotted for his speech has expired. He could continue with the unanimous consent of the House. Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. McKinnon: I would like to thank all parties of the House for their unanimous consent. I will try to be as brief as I can. When I was at home over Christmas, as other Hon. Members were, I am sure they as well as I received a lot of petitions and people came to see them on this subject. The PSAC in Victoria called a meeting and asked me to address them. It was the largest meeting they had ever held. They were adamantly outraged that they had been deceived and let down by the Government in this manner. The Hon. Members on this side, I believe, are totally opposed to this amendment. Therefore, I would ask Hon. Members opposite to search their consciences very carefully to see if they should in any way support this amendment.

Thank you for the additional time, Mr. Speaker.

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I believe that the Bill before us could not be improved upon as an illustration of the bankruptcy of the Liberal Government. Before I go into the details of what is wrong with it, I want to make the point that this Bill is wrong in itself; it is wrong as being illustrative of the much broader six and five program, it is wrong morally and economically, and any Party or Hon. Member who cares either about economic improvement in the country or has a sense of fairness and morality should have nothing to do with it.

I want to say to the Hon. Member who has just spoken that I find the Conservative position more than a little interesting. This Bill is not some accidental outflow of the six and five program. This Bill is not a fluke in political history. This Bill which we are debating now is inextricably linked to the six and five measure which the Conservative Party of Canada voted for with the Liberals. Therefore, for the Conservatives to get up now and oppose it is, as I say, a little strange. I point out to the Conservative members, who are looking a little perplexed about this, that the "Budget in Brief" document dated June, 1982 contains on page 6 an explicit reference to the six and five program applying to public sector pensions. And the Conservatives supported that program.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Broadbent: I say to my Tory friends, they cannot have it both ways. They can get up and oppose this piece of legislation; and if they are going to oppose it, they should oppose related legislation. If they want to support the Liberals in something they perceive to be popular with the public, then they have to have the guts and integrity to get up and support the Liberals when they do something unpopular. They cannot have it both ways.

I have said, Mr. Speaker, that this Bill is wrong both morally and economically. It is wrong because it says to more than 200,000 pensioners who entered into a contract in good faith to create a fund which they contributed to, and which the Government, after the fact, is unilaterally going to break: "We are going to take over the next two years some $100 million out of your pockets".

It is bad enough, Mr. Speaker, to attack pensioners at this very difficult time in our economic history, especially when the same Government leaves upper income Canadians entirely alone, but I say the immorality is compounded when the pensioners are attacked on the basis of a program, a contractual arrangement, which they negotiated in good faith. Now the Government, which has the electoral power in this House to do so, is arbitrarily going to change the contractual arrangement.

I say, Mr. Speaker, particularly to all those Canadians in the private sector, that public servants ought to be receiving a fully indexed pension because they negotiated it. They contributed 1 per cent of their salaries. The Government was supposed to put up the rest as the employer, and that fund has a $14 billion surplus now. I say to the Government of Canada that this money does not belong to it; this money belongs to the pensioners and the Government is wrong to take it away from them.

This Bill, and the superficial amendment which the Minister has introduced today to try to cover himself and to protect the Government, is a perfect illustration of what the Bishops in Canada described in their statement over the Christmas break as the moral disorder which characterizes our political and economic arrangements now. And to their credit, the Bishops did not leave their critique in general terms. They made a general critique, but they give examples and specifically cited the six and five program. I regret to say we have in this country a system which can be described as one of moral disorder. The Bishops did not say that because they have suddenly discovered inequality or they have suddenly seen unemployment existing in Canada; not at all. They make their criticism not on the basis of past injustices but on the basis of this Government's approach to dealing with these very real difficulties.

On behalf of my Party, I want to make it clear that we regard the Bishops' statement as one of the most significant in the history of the Church in our country. We say it is a document that ought to be read not simply by Roman Catholics, not simply by Christians, but also by Jews and people of other religious faiths, and indeed by Canadians who have no religious faith at all. It is a document superb in its intelligence, superb in its moral analysis, and in our view it is a document which is morally and economically sound. The Bishops have not only made a moral criticism but have also given us a sound economic analysis far exceeding in its depth and range of concern that which is produced, if I may say so, by most economists in Canada at this time.

Supplementary Retirement Benefits Act (No. 2)

• (1530)

In recommending this document to the people of Canada, Mr. Speaker, I do not want to dwell on its details but on its relevance to a Bill which is unfair precisely in terms of the Bishops' analysis. I want to make three points about that analysis which I think ought to arouse the concern and interest of the people of Canada. First, not in their words but in the over-all impact of their analysis, what do the Bishops say? They insist that moral priorities are inextricably linked with any economic decision made by the Government of Canada. They reject the banal approach so often taken by professional social scientists and the Government of Canada that somehow you can separate instrumental political/sociological decisions from their moral implications. To their credit, the Bishops draw our attention and the attention of the people of Canada to the reality that you cannot separate morality from economics. That is very important. Specifically in the context of unemployment, they have now said not that there is unemployment, which is hardly new, but that there is unnecessary unemployment. In that context they have said that unnecessary unemployment is not simply sad or difficult or unpleasant for people; they have drawn the appropriate moral conclusion and have said in fact it represents political immorality because a Government that can be doing something better in terms of the job requirements of Canada is to be morally condemned if it is not doing those things.

Second, Mr. Speaker, the document says with great emphasis that men and women, not only in Canada but beyond it, really achieve their full humanity through the work process. They say that work is essential.

[*Translation*]

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

The Acting Speaker (Mr. Corbin): Order, please! The Hon. Member for Ottawa-Vanier (Mr. Gauthier) on a point of order.

Mr. Gauthier: Mr. Speaker, I have been listening to the views of the Hon. Member on the discussion paper issued by the Bishops for at least four minutes. I do not see how it is relevant to the amendment under consideration, and without telling the Hon. Member what to do, I would like him to focus on the matter under discussion, namely amendment No. 2.

[*English*]

The Acting Speaker (Mr. Corbin): The point has been made that the Hon. Member for Oshawa (Mr. Broadbent) is not relating to the subject matter before the House. The Chair has been listening to the comments of the Hon. Member for Oshawa and although he has departed from the main thrust of the point now before the House, it is my understanding that he is, however remotely, relating to that subject.

Mr. Broadbent: Mr. Speaker, I commend—if it is appropriate to pass judgment on the Speaker's ruling—your judgment. It did not surprise me that the Liberal Member opposite could not see the connection between the moral points I was making and his abysmal legislation. He was illustrative of the point.

Mr. Baker (Nepean-Carleton): He is opposed to it.

Mr. Broadbent: I quickly correct myself, Mr. Speaker, because he is the Liberal Member on the other side of the House who is forthrightly and with integrity going to oppose this legislation.

The second point I was trying to make about what the Bishops have to say is something I would like to see taught in every class in every part of our land. That point is that they have said that for men and women to really realize themselves as human beings, to use their phrase, "To exercise their creative spirit, realize their human dignity", they ought to be able to work. They ought to have the right to develop their capacities and talents by labouring in their community. Surely that is a fundamental point and it goes to the root of the philosophy of social democracy. Historically it has gone to the root, of course, of a form of Christian socialism. We share in that and we would like to see it debated and discussed in the context of this kind of legislation.

The third point I would make about the Bishops' statement, which is so relevant to this Bill as an example of the six and five legislation, is that it makes a cogent analysis of the international economy, particularly the Canadian economy, both from the point of view of the efficacy of certain economic programs and from the point of view of the morality of those programs. I note in this context, Mr. Speaker, that the objections to the Bishops' statement over Christmas, in my judgment, were not accidental. The Prime Minister (Mr. Trudeau) objected in his casual and dismissive way. The Conservative Party's financial critic objected. I would suggest that they objected not because the Bishops did not understand the economy; they objected precisely because the Bishops understood the economy only too well.

The Acting Speaker (Mr. Corbin): Order. I regret to interrupt the Hon. Member but the time allotted for his speech has now expired. He can continue with the unanimous consent of the House. Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Broadbent: I will not abuse the courtesy shown to me by the House and I will try to conclude quickly.

I made three points which seemed to me to be very important aspects of what the Bishops were trying to do for the people of Canada. The moral passion and concern which led to the creation of this immensely important document was rooted in their concern that the people of Canada ought to have the right to work. They were deeply concerned that in a nation as wealthy as ours in potential and with men and women who want to work, but because of our political and economic arrangements more than 1.5 million Canadian men and women cannot experience the dignity which comes from labour.

I want to conclude with this observation. They offered us the injunction that we debate and discuss this matter throughout Canada. They put it forward modestly, made arguments modestly, and I think some of us should praise those arguments extravagantly because of the fine work they did. They called for the debate to take place about the basic principles they raise, but on behalf of my colleagues I want to appeal to Members on all sides of the House to recognize what the Bishops have done for us. I want to urge them to read the document, set aside their prejudices and consider the morality of the argument and consider the economic analysis. Above all, I appeal to the Government, having done that, to consider what the Bishops have urged us to do. They have said to us as parliamentarians, implicitly: get rid of your past prejudices, get rid of your present set of priorities which are wrong, and get on with the job of producing more programs in Canada immediately so that all those men and women in our land who would like to get a job and the dignity that comes with it are able to do so. I say in conclusion, let us get on with that job.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, the Hon. Member for Oshawa (Mr. Broadbent) made some comments about a very important document, and I admit to him that the importance of the Bishops' statement deserves full debate in this House. I do hope some day when the NDP have an opposition day they will put it down to be discussed thoroughly.

I found it rather amazing that, in addressing himself to Motion No. 2 under study at this time, the Leader of the NDP did not once address himself to the amendment before us which concerns Bill C-133 which proposes to substitute some figures and increase the indexing which was six and five to 5.5 per cent and 6.5 per cent. I want to make it clear, in speaking to Motion No. 2, that I find it equally difficult to accept such a low amount of adjustment to what I consider public servants should have, that is full indexing of their pensions, since they have paid for it.

This Bill has an unusual aspect to it in that it is legislation which proposes to decrease expenditures rather than increasing expenditures. Public servants to whom I have spoken over the Christmas break said they cannot understand why at the moment the Government is calling for better inflation protection for all pensions in its "Better Pensions for Canadians" Paper, while at the same time it is moving with great haste to curtail the inflation protection of public service pensions. Some pensioners are looking for an explanation as to how this circle can be square, and are beginning to conclude that maybe—just maybe—there might be something to the charge made this morning by the Hon. Member for Nepean-Carleton (Mr. Baker) that they are being made the scapegoat for inflation.

• (1540)

Another claim made this morning by the Minister in regard to the 6.5 and 5.5 amendment was that the six and five program only applied to the Consolidated Revenue Fund contributions. Pensioners regard with deep suspicion the claim that they have only paid for .5 per cent annual indexing. They wonder, first of all, why it is that a 1 per cent contribution to the Supplementary Retirement Benefits Act only brings .5 per cent indexing, when a 1.8 per cent contribution to the Canada Pension Plan buys basic retirement, survivor and disability pensions, plus 11.2 per cent indexing, out of the Consolidated Revenue Fund. Secondly, they wonder what has happened to the statements and explanations given by the Government in 1978 and 1979 when it argued that, in determining the amount of indexing paid for by pensioners, it was necessary to take account not only of the Supplementary Retirement Benefits Act contributions, but also of the inflationary interest being earned on their share of the Public Service Superannuation Act, Canadian Forces Superannuation Act and the Royal Canadian Mounted Police Act.

I am not aware of any analysis or study that the Government has issued to show that what was wrong with its 1978 and 1979 statements and nothing has been corrected by this Bill. As far as I can determine, the Government has simply ignored its statements of three and four years ago, hoping perhaps that, if ignored, they will go away. This, quite frankly, mystifies pensioners and causes them to shake their heads in disbelief when they read "Better Pensions for Canadians", the Paper I mentioned earlier, and find the Government espousing what appears to be the underlying philosophy of its 1978 and 1979 statements and advocating that this philosophy be based in the private sector.

There are some arguments to be developed regarding the funding of the PSSA. The fund is derived from matching contributions by employer and employees of 6.5 percent of payroll contributions. Any unfunded liability is to be liquidated by the employer over a number of years. In the last actuarial report in 1977 on the PSSA, with an actuarial assumption of 5.5 per cent for salary increase, 6.5 per cent for interest rates and 3 percent for inflation, the Department of Insurance recognized that there would be deficiencies in the fund. For the fiscal year ended March 31, 1982, the amount the federal Government credited to the PSSA, the main fund, due to salary increases in excess of 5.5 percent, was approximately $951 million.

Capping salary increases to 6 and 5 per cent fortuitously gives rise to an average salary increase of 5.5 per cent, which is the actuarial assumption for salary increases. The Government will effectively be relieved of its statutory obligation to credit the fund with any moneys resulting from excess earnings on the interest the fund now bears.

In the past, the interest earned in excess of the actuarially assumed rate of 6.5 per cent was used by the Government to offset its $951 million contribution. With a capping that will produce a rate of salary increase equal to the actuarially assumed rate, there will be no need to liquidate the deficiency. The question that arises is how the excess interest will be used. There is a substantial amount of interest being paid on the fund of $15 billion invested at an average rate of interest of 10.5 per cent, based on 20-year Government borrowing.

In the private sector the interest earned on pensioners' shares is used to finance, in part, the increase in benefits. This

practice seems reasonable because the excess interest earned from inflation is used to offset the effects of inflation. This is not the case, however, with the Public Service Superannuation Act and the Supplementary Retirement Benefits Act. All the excess interest has been used to offset the employer's share of the cost of inflation for its actively employed members. The situation is acceptable as long as the employer honours his promise to provide fully indexed pension benefits. If a restriction is placed on such benefits, consideration should be given to using the excess interest earnings for the purpose of increasing pension benefits.

The projected annual pension payout as of December 31, 1982, in respect of the PSSA and the SRBA is about $900 million. Capping indexing at 6.5 per cent next year will create some savings for the Government. In 1984 the savings at 5 per cent, by the Minister's own account this morning, are estimated to be in the neighbourhood of $160 million. The excess earnings on the PSSA, the main fund, for the fiscal years ending March 31, 1983 and 1984 are estimated by the Government to be approximately $539 million and $661 million, respectively. Bearing in mind that the Government no longer needs to use these amounts to offset its share of contribution due to salary increases in excess of 5.5 per cent over the next two years and that the pensioners' share of the PSSA is about 30 per cent, according to the 1977 actuarial report, the share of pensioners' excess interest earnings would be in the neighbourhood of $162 million in 1983 and $198 million in 1984.

In fact, the current restraint program already saved the Government about $951 million in respect of salary increases which have been capped. Using at least part of the excess interest earnings from the PSSA to fund the benefits paid out of the SRBA would enable the Government to live up to what many of us believe to be a contractual obligation. In effect, what it should propose is to use the surplus from the PSSA to fund the deficiency in the SRBA. A similar view was expressed in the 1977 actuarial report by the Chief Actuary of the Department of Insurance, Mr. Walter Riese, because the funding of benefits through one account would result in greater stability and avoid the situation where one account would have a surplus while the other had a deficit.

Another point about the funding and indexation issues related to the Public Service Superannuation Plan, is the investment of funds exclusively in Government of Canada bonds. According to the Tomenson-Alexander Report of 1978, commissioned by the then President of the Treasury Board, the PSSA would have earned at least 1 per cent more if its investment had been in a diversified program instead of strictly in Government bonds.

Finally, by law, the excess earnings on interest rates will be credited to the PSSA account under Section 34 of the Act. This will further enrich the main pension fund while not changing by one iota the Supplementary Retirement Benefits Act.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, there are essentially two points that I wish to make in this debate. The Hon. Member for Victoria (Mr. McKinnon) read into the record part of a letter from the Prime Minister (Mr. Trudeau) to someone who had been asking how firmly committed the Government was to applying the CPI to a pension. The letter was dated 1977, but I think it is a very pertinent document today as it gives the ironclad guarantee of the Government of the day to apply to pensions the difference between the CPI at the end of one year and the CPI at the end of another. I think the end of the year comes in September but nonetheless there is a 12-month difference. I think it would be very useful if the President of the Treasury Board (Mr. Gray), who has only recently assumed that office, could have that commitment of the Prime Minister in front of him even though it was given seven years ago. I am sure that in the time he has been in office he has not had a chance to look at all the correspondence. This is a very important piece of correspondence and he should see it before he embarks too fully on the course he has set. If the Hon. Member for Victoria, when he gets the document back, might be permitted to send a copy across to the President of the Treasury Board, I think it would be a very useful contribution to this debate.

• (1550)

Mr. McKinnon: It could be appended to *Hansard*.

Mr. Munro (Esquimalt-Saanich): If it would suit the Chair, the Hon. Member for Victoria has actually offered to table the document and have it appended to *Hansard*.

An Hon. Member: Agreed.

Mr. Munro (Esquimalt-Saanich): I think that by unanimous consent we will have it appended to *Hansard*: that is very good.

Now I will come to the two comments I should like to make. The first one is one of substance and the second one deals with form. I am not sure that time will permit me to deal with both of them, but I should like to make a few comments on the matter of substance and also read into the record a couple of remarks which were contained in correspondence between a Public Service pensioner and the former President of the Treasury Board. Again I should like to send a copy of it across to the present President of the Treasury Board because he may not have seen it. It was dated August 30, 1982.

Meanwhile, on the substance side, I want to underline first and foremost the consideration that the commitment made to public servants was ironclad. It was in the letter of the Prime Minister. In effect, the present legislation breaks faith with those people who are no longer able to speak for themselves from within the Government as they once were. As public servants and through their collective bargaining agency they could negotiate with the Government. When they are on pension and no longer on the salary roll, they are no longer in a position to exercise the same pressure. Therefore that is the group in this particular situation with whom faith is being broken.

Of course the Government should be used to breaking faith by now. Canadians are becoming used to this Government

breaking faith, but these are the servants of the Government and of the people of Canada. It does not become any Government to break faith with its own servants.

I would modify my comment about their lack of organization to some extent because public service pensioners do have an organization which is known as the National Federation of Superannuants which operates from outside the Government. On occasion it can and does make submissions to the Standing Committee on Public Accounts or Miscellaneous Estimates when it does its utmost, but without the same sort of emphasis which can be made from the inside.

When these public servants were still serving the country in an active form, they entered into a binding contract, which was mentioned by the Hon. Member for Victoria, that indexation, as represented by the difference between 12 months' variation in the cost of living, would be applied to their pensions once they left the service. In addition, to indicate that they were prepared to make their contribution to this contract, they fulfilled their part of the bargain. First, by adding an extra one half per cent and then 1 per cent to the pension to which they were contributing. Now that they have made that contribution, the Government is denying the existence of the contract. Therefore, there are two points to remember in considering this matter. There is the extra contribution which public servants made while they were in the service, and there is another matter, that is the size of the pension.

Let us remember that the maximum pension which a public servant is able to obtain is the average of the best six consequential years of employed service; thirty five-fiftieths of the best six consecutive years of employed service, in other words, 70 per cent of the average within that six years of service. It is not the full salary; it is 70 per cent of what they were getting. As has been indicated, that 70 per cent was to have been indexed under the provisions of the law to allow those no longer eligible for annual increments since they were no longer salaried employees—and salaried employees would be eligible in those circumstances for annual increments—to maintain a way of life to which they had had to adjust, taking into account the ravages which runaway inflation cannot fail to have on fixed incomes. The 70 per cent mentioned is a theoretical percentage because the formula for calculating pensions is thirty five-fiftieths of the average annual salary over the best six consecutive years of employed service.

I have before me an extremely well-written letter by a former public servant. I would like to read most of it into the record if time permits, and I would like to send a copy to the President of the Treasury Board because it was sent to his predecessor on August 30, 1982. He wrote on that date to express his strong concern over the implications of the Government's proposal at that time to limit the indexing of the superannuation benefits of Public Service pensioners to 6 per cent this year and to 5 per cent in 1984. The adjustments have been made since to 6.5 per cent and 5.5 per cent. He wrote:

I am deeply concerned first of all by the breach of faith and of principle which the proposal, if implemented in its present form, would represent. The undertaking to provide fully indexed pensions to retired members of the Public Service has a firm and specific legislative basis which involves obligations to be discharged both on the part of the employer and on the part of the employee. It was the problem of inflation which at the time of the enactment of the legislation sharply posed the need for it. In previous years Public Service pensioners had suffered heavy erosion in their standards of living. In the circumstances the introduction of such legislation was not only a progressive step and a matter of simple justice, it also had a financial justification in the requirement of an additional premium from contributors.

I see that Mr. Speaker seems to be somewhat uneasy.

The Acting Speaker (Mr. Corbin): Order, please. I must inform the Hon. Member that the time allotted to him has expired. Of course he may continue with unanimous consent of the House. Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Munro (Esquimalt-Saanich): I feel that this letter is worth putting into the record. I will send a copy to the Minister as well. He continued:

Mention of the contributors' additional financial obligation cannot help but place the Government's proposal in a very curious light. For there has been no suggestion in Government statements on the matter that the resources of the Superannuation Fund are inadequate to the requirements of providing fully indexed pensions.

As I am sure you will agree, pensioners have particularly strong reasons to be concerned about the effects of inflation. In our society they are, as a group, most strongly disadvantaged by those effects. Public Service pensioners are initially disadvantaged at retirement by the adverse impact of inflation on the level of their pensions . . . For some years now the range of variation over any six-year period had been quite substantial because of the factor of inflation.

He continued:

Where there is such discrepancy in income levels, both actual and prospectively increasing, Public Service pensioners must inevitably be concerned also about the inequitability of applying the Government's proposed limitations of 6 and 5 per cent to Public Service employees and pensioners alike. For such a simplistically conceived approach appears to ignore the very different situation of pensioners, specifically that they have a much lower level of income, that the real impact of the limitations will therefore be heavier on them and that, unlike people in the work force, no procedures or mechanisms exist to offer them the hope of recapturing in later years when the economic situation improves the reductions in their income.

● (1600)

In the final paragraph, he continued:

I do not mean to imply by the foregoing comments that Public Service pensioners should be excused from making their contribution to the fight against inflation. Since they are the most strongly disadvantaged by it, pensioners are indeed bound, in my opinion, to be the strongest supporters of firm, fair and consistently-implemented measures to combat the disease. The Government's present proposal is not such a measure: as well as constituting a breach of faith it would permanently disadvantage pensioners. It cannot therefore attract the kind of co-operation which I am sure pensioners, in accordance with their limited financial means, would be ready to accord to the Government if they could recognize the sacrifice asked of them to be fair and well considered.

With your permission, Mr. Speaker, I will have a copy of this letter made and sent across to the President of the Treasury Board.

Supplementary Retirement Benefits Act (No. 2)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Corbin): Order, please. Before I recognize the Hon. Parliamentary Secretary to the President of the Treasury Board (Mr. Lang), may I deal with the proceedings on the adjournment motion this evening?

It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Athabasca (Mr. Shields)—Finance—Small business development bond program—role of chartered banks—(b) Request that Minister investigate situation; the Hon. Member for Halifax West (Mr. Crosby)—Fisheries—Disclosure of Kirby Task Force report contents—(b) Request that recommendations be made public; and the Hon. Member for Kootenay West (Mr. Kristiansen)—Trade—Representations to United States authorities on lumber industry—(b) Query respecting possible diplomatic note.

GOVERNMENT ORDERS

[*English*]

SUPPLEMENTARY RETIREMENT BENEFITS ACTENO. 2

MEASURE TO INCREASE BENEFIT INDEX

The House resumed consideration of Bill C-133, an Act to amend the Supplementary Retirement Benefits Act (No. 2), as reported, (without amendment) from the Standing Committee on Miscellaneous Estimates, and the motion of Mr. Gray (p. 21886) and the motion of Mr. Baker (Nepean-Carleton) (p. 21889).

Mr. Peter Lang (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I rise briefly to speak on the amendment put by the Hon. Member for Nepean-Carleton (Mr. Baker). The amendment reads:

That Bill C-133, an Act to amend the Supplementary Retirement Benefits Act (No. 2), be amended in Clause 2, by striking out at page 2 the year 1984 and the figure 275.69 opposite the year 1984.

I want to indicate that while the Government respects the ruling of the Chair with regard to the admissibility of this amendment, the Government does not accept this as precedent-setting since the Government had no opportunity to make representations in the House in this regard.

Also, while I am on my feet, I have a couple of points with regard to Motion No. 2 which increases the payments to Public Service pensioners from 6 per cent to 6.5 per cent. This is done to respect the principle of not in any way reducing the payments based on contributions made by former employees, former public servants, and matched by the Government. This results in an increase of $18 million in payments. I find it difficult to understand how the Conservative Party spokesman, the Hon. Member for Nepean-Carleton, can call this a pittance or a crumb. We once heard an Hon. Member say, "What's a million?" Now we have the official spokesman for the Opposition Party saying, "What's $18 million?"

The amendment is a very simple one. It respects the contributions made by public servants, and the indexation based on those contributions will be at the CPI inflation rate of 11.5 per cent. The contributions that are made from consolidated revenue by the taxpayer will be limited to 6 per cent and 5 per cent.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, this is the third or fourth time that I have been on my feet in recent days talking about Family Allowances, the decision to cap those, the Old Age Security payments and the decision to cap those, and now today talking about the Government's determination in effect to put a 5 per cent tax on all retired civil servants. I cannot help thinking as a Member of this House how rotten it feels to stand here and be faced with pieces of legislation, one after the other, which have the effect of taxing every senior citizen in this country, because that is what the OAS legislation will do.

This legislation today is a specific 5 per cent tax on all retired civil servants. Also on our agenda we have a 5 per cent tax on all the children in the country. I look across at the 147 Members of the Liberal Party and wonder how they can support these measures with any kind of priority.

I hear the answer from time to time that we are going to save the Government money. The Parliamentary Secretary said that $18 million is not inconsequential. I agree. Eighteen million dollars is a lot of money. Hon. Members over there supported the Government which spent $650 million to buy service stations just two or three months ago. They supported the Government that has provided $1 billion in hidden subsidies to one Crown Corporation called Petro-Canada. Supporting an expenditure of $1 billion on the one hand and putting a special 5 per cent tax on retired people to get back $18 million or $80 million on the other hand, where is the sense of fairness in that? Where is the sense of social justice?

Hon. Members should read the briefs which came before the Committee on Health, Welfare and Social Affairs. Where is the economic sanity in these measures when the nation has 1.5 million people unemployed? We have 1.5 million people unemployed because the people of Canada do not have enough money in their pockets to buy the goods and services which workers could produce. When you have no markets, then there are no jobs.

When a person stands in this chamber and says that we are going to take money out of the pockets of the poorest segment of society by way of a specific tax just to provide a little more money for the Government, we are saying in economic terms that we are taking money out of the pockets of those who spend everything they get because they are so near the poverty line and have no choice. When we say that the Government is going to save $18 million or $80 million, what we are really saying is that we will throw more Canadians out of work

because that tax money is coming out of the pockets of the people who would spend the money on the necessities of life which, in turn, creates jobs. That money is being taken away from those people and it is being put into Government's coffers.

We get into these amounts of $18 million, $80 million or $1 billion and sometimes we lose sight of what they represent.

This Bill before us today which Government Members are going to support as sure as can be will impose a 5 per cent tax on a specific segment of our population. Who belongs to this segment? Let us not lose sight of who they are. The segment includes everybody who serves in the Canadian Armed Forces for a length of time; any war veteran; everybody who serves in the RCMP or their widows. These are the people. What about the maintenance people who throughout an entire working lifetime never made a wage close to the average industrial wage? These people retire on $5,000 a year, perhaps $4,000 a year. But the Government is going to take a special 5 per cent tax from those people who have a pension entitlement of somewhere in the neighbourhood of $5,000 only. What about all the clerks who serve this Government and the people of Canada so well? These people had a contract with the Government. Yet on the last day before Christmas we saw the best paid civil servant in this country, someone who made over $100,000 a year, hand in his resignation which was accepted, become eligible for a pension of about $60,000 annually. To reward this civil servant for his long-term service, he was put in the Senate at a cost to Canadian taxpayers of about $6.5 million, if he serves in the Senate until he is 75 years of age.

• (1610)

On our first day back in the House after being away for Christmas we are asked to take an average of $30 a month from the pockets of the poorest element of Canadian society, those living on fixed incomes and pensions. That is to come from the pockets of people who have pensions amounting to between $6,000 and $7,000 a year. At the same time the Government has been handing $6.5 million to one individual. Where is the justice in that? Where is the priority and the social conscience that is supposed to be a part of every political party and of every Member who is sent to this House?

If the Government is genuinely interested in saving money, does it really believe that its priority should be an attack on pension incomes in order to save that money? It should reconsider some of its decisions, or are Government Members prepared to stand in front of their constituents and say that they believe in this attack on the senior citizens of this country with a special tax rate of 5 per cent per year for the rest of their lives while its priority for spending should be the purchase of $650 million worth of service stations? Is that the Government's priority? Is the Government's priority to spend its money for the ownership, power and control of service stations in this country which it will recover from the pockets of senior citizens, mothers and children of this country? This is the priority that Parliament is being asked to endorse.

It is an abomination and not what 99.9 per cent of the people in my riding would view as appropriate Government policy. The Minister is denying reality when he rises in the House to say that the six and five program must be universal. The Government controls the superannuation accounts and is a participant in the Canada Pension Plan. One is indexed and the other is capped. The Government is creating first, second, third, fourth and fifth class senior citizens in Canada, depending upon their source of income. There is no logic or justice to the Government's policy.

This group of people with whom we are concerned have spent a lifetime serving the taxpayers of this country. They retired with a contract with the people of Canada, through the Government of Canada, in which they agreed to pay extra funds during their working life in order to participate in a pension plan that will be indexed. These employees could have reached an agreement with the Government to contribute less money into the fund and save more for themselves to protect them against inflation. However, they trusted the Parliament of Canada to keep its bargain. I hope that Members opposite will join our Party to defeat this Bill and this amendment.

Mr. Sid Parker (Kootenay East-Revelstoke): Mr. Speaker, I rise to speak to the amendment to Bill C-133 which was moved by the President of the Treasury Board (Mr. Gray). One might call it the half per cent solution. It is an insult to the public servants and pensioners of Canada. It is simply a gimmick to buy off some Liberal consciences. It is a cheap price.

Through this amendment, the Government is pretending that the purpose of this Bill is to deal with the problems of the pension accounts. Well, if there were problems in the pension accounts, they should have been dealt with otherwise than through the six and five legislation. As well, certainly changes should not have been initiated without consultations with the unions and the civil servants through their pension associations.

It is not often that we find the Conservative Party agreeing with the New Democratic Party in opposition to this piece of legislation. The Conservatives usually agree with the Government, as evidenced by Bill C-124 which is the legislation which started us down this slippery road. I want to say that the Conservatives cannot deny the fact that they knew, on June 12, 1982, the Government's intention when it was clearly stated in the budget that was brought down at that time. The Conservatives supported Bill C-124 which was an Act to implement the six and five program. The Government clearly stated that it would also apply to people receiving Public Service pensions, and the Conservatives were aware of this at that time.

Mr. McDermid: Did we support the budget?

Mr. Parker: The Conservatives supported that Bill.

I was very interested by some of the Minister's comments. He said that this amendment tried to avoid interfering with the fundamentally contributory nature of the program and that

the Government did not want to change the pension arrangements fundamentally because that should be done in the context of over-all pension reform. Yet, many delegations came before the committee and told us that there was no consultation whatsoever with the Government regarding its intent to change the rules about the indexation of their pensions. If the truth were to be known, the Government is interfering with the most basic and fundamental aspect of the program. It is interfering with the rights of pensioners and working people to be consulted about their pensions. Even the most rotten of private sector employers—those who have pension plans—generally carry out consultation before they change the pension rules. This is not the case with this Government. In its arrogance, it just rammed measures like this through Parliament.

The Minister, in his arrogance, even denied us the right to question him before the committee after all the delegations had appeared. The Minister was unfortunately unable to return after we received all these delegations so that we may have the opportunity to question him on the facts which were disclosed at those hearings.

The Government is attempting to say that the changes in the pension plan concern the funding of the program. This is nothing but a smokescreen. If there were problems with the pension plan, the Government could have discussed them with the union and the pensioners. However, the Government does not operate in this fashion. The Hon. Member for Nepean-Carleton (Mr. Baker) stated that the Government should have taken the opportunity of the Christmas recess to consult with the people on this issue. The question of consultation is an important one which I had hoped the Conservative Party would have taken more seriously before Christmas. The Conservatives were absent at many meetings at which important witnesses appeared. Although they were entitled to have seven Members at the Committee, we were usually lucky to see two. In some cases, even those who showed up admitted that they knew nothing about the legislation. In this light, it is ironic to hear the Conservatives talking about consultation.

In closing, I would like to comment on the statement made by the President of the Treasury Board that he hoped pensioners would understand what the Government is trying to do. I suggest to him that they fully understand the Government's intentions. In fact, I am sure, as a result of the contact I have had with pensioners, that they understand its intentions. It is trying to steal money from the pensioners, raid pension funds which workers have contributed to, while blaming pensioners for inflation. It is breaking a contract with its workers that pensions would not be changed without consultation. In other words, the normal procedure would provide for consultation in order to explain to pensioners and retirees and their associations the Government's plans before they were initiated. There is no question in my mind as to whether pensioners know exactly what the Government is doing. Hopefully, they will make the Government pay for it.

• (1620)

Mr. Gordon Taylor (Bow River): Mr. Speaker, I want to deal again with the principle of the Bill and will commence by saying that the principle is wrong. When one starts from a wrong premise, no matter what one does, it remains wrong. Consequently, the device of giving back a half of a half per cent, as has been suggested by the President of the Treasury Board, (Mr. Gray), will not make the Bill any more right, because it has been wrong from its beginning. The amendments may carry out certain improvements, but would not correct the wrongness of the principle of the Bill. The injustice wrought by passage of the Bill would still be there, and the only way that it could be corrected would be to withdraw the Bill entirely, and that is what the Government should do.

There are a number of arguments which show that the Bill is a double-cross of superannuates, in particular, and also, to a lesser but still a large degree, of those who are still in the Public Service. I want to use some of the arguments used by people in the Public Service to prove that very point.

The Supplementary Retirement Benefits Act and the Public Service Superannuation Act are really the follow-up of other Acts which have been in place for a long time. Under the PSSA, which was consolidated in 1924, the sums deducted from the pay of employees and former employees for their contributions have been greater than the total amount paid out in pensions and indexation combined or, in other words, the amount paid by the Public Service and by those who are now superannuates, some of whom have passed on, and by former and present employees, is greater than the amount paid out. Consequently, this fund has been carried by the contributions of the civil service, of those who are involved, of the 26 organizations involved in this particular Bill. In this group are included the Civil Servants Widows Annuities Act, the Canadian Forces Superannuation Act and the War Veterans Allowance Act, just to cite a few examples.

Therefore, the amendment proposed by the Minister, which we are now being asked to accept, would not correct the things which are actually wrong. It is an attempt to make the Bill a little more palatable, but it is still basically wrong and it is still a double-cross.

The Government has never addressed the point that the people have put their money into a fund. This matter concerns their contributions. While the Government has stated that it has made so many contributions, in actual fact the amount paid into these funds by the civil service, by employees, is greater than the amount paid out. Civil servants have been paying into these funds for at least 55 to 58 years. Over this period employees have contributed a total of more than $4 billion. Matching contribution transfers by employers over the same period total about $4 billion. Accumulated interest totals about $5.5 billion, and the actuarial liability adjustment totals about $6 billion. Therefore, the total payouts from the PSSA and SRB accounts total about $4.5 billion.

We can see where the Bill is basically wrong. It is saying that the Government is contributing something which is being paid, whereas the amount being paid out has actually come out

of the pockets of former employees of the various associations which are now affected. To make matters even worse, in the days in which the Hon. Lester Pearson was the Prime Minister of Canada, in the early sixties, the employees and superannuates were contacted and a deal or an agreement was entered into. Representatives approached staff associations with a proposal to exclude superannuation from collective bargaining. In return for excluding superannuation from collective bargaining, the Government of the day promised to make no unilateral changes to the Canada Pension Plan. That is something we should not forget. The employees were asked, and a bargain was signed and sealed with them, namely, that if they would give up their rights to bargaining for their superannuation, then the Government would put it into legislation and would not change it unilaterally.

No agreement should be changed unilaterally unless there is provision for it in the agreement. If Bill Jones, a man out on the street, sells a cow to Bill Smith and agrees that Bill Smith will pay $20 a month until the total cost of the cow has been paid, that agreement cannot be amended unilaterally. Bill Jones has no right to say, halfway through the deal, "We will change the agreement and charge you $30 a month for the use of that cow", even if the price of milk does go up. Because the country is now in a deep depression, much of which—not most of which—has been brought about by the policies of the Government, it is not right for the Government to go to the pensioners and say, "We will now make you pay. We will take some of your pensions away to pay for the expenditures which have been wrought because of the deep depression we are in", the depression or recession, whatever one wants to call it.

Had the Government not introduced the National Energy Program, there would still be thousands of people working who today are unemployed, who have used up their unemployment insurance benefits. Had the Government not introduced many of those parts of the budget of November 11, 1981, thousands of people would be employed today who are unemployed. Those were the factors which brought about the situation we are currently facing. Why should the Government now go to those who are receiving the least, those with whom an agreement was made that their pensions would be indexed for their financial security, and say to them, "We will cut some of that off, unilaterally, whether you like it or not"? That is not the way any Government should act. The Government would not permit a private organization to do that, not on your life. As a matter of fact, the Government already has legislation on the books wherein it is stated that a private company which is paying out pensions may not reduce those pensions unilaterally. Such companies simply would not be allowed to do it. Pension plans registered under the Canadian Income Tax Act are prohibited by law from reducing either accrued benefits or any supplementary benefits which may come from that particular Bill, yet the Government is doing what it forbids private industry to do.

The Bill is a double-cross and it should be withdrawn. That is the only way the people of Canada can be satisfied.

• (1630)

Mrs. Ursula Appolloni (York South-Weston): Mr. Speaker, I had no intention of entering this debate until I sat here, and sometimes in the lobby, listening to what is being said in this House today. I am fearful that the wrong impression is being created in the minds of many Canadians who may possibly be listening to this debate.

Nobody can argue, particularly on this side of the House, that this is a popular measure. On the other hand, nobody can really expect all Government measures to be popular because Government by itself has to lead, and it cannot strive constantly to be at the top of the popularity polls, as Hon. Members in the Opposition would have us suspect.

Government means sometimes taking hard and harsh measures where it is possible, and in this case the only way it is possible to take these measures is within federal jurisdiction. It also means inciting to voluntary action, where the jurisdiction does not exist; and that is exactly what the Government has done.

Government means on occasion also having to tell the people the truth, which is not always pleasant. In this particular case inflation certainly is not pleasant. But unfortunately it is a fact not only of Canadian life but also of global life.

Government has to lead; it does not have to follow. It has to lead in the fight against what is one of the worst attacks on the global economy, this inflation. Inflation has to be fought and, like any war, the measures that are used, the weapons that are used, to combat inflation are not always pleasant. Nobody, particularly on this side of the House, even pretends that the present measures are pleasant.

However, let us be very careful that what we are saying is the exact truth and not some kind of distortion of the facts. The impression left by the Hon. Member for Calgary West (Mr. Hawkes), that the Government is taking 5 per cent out of the pockets of pensioners, is simply not the case. To take out of people's pockets implies that it is already in their pockets, and that is not the case. What the Government is saying to pensioners is, "Look, do not make the prophecy of higher, continuing inflation a self-fulfilling prophecy". We are saying, "Look, let all Canadians, irrespective of age or position in life, join in the fight against inflation so that we do not, with our own expectations, continue to fuel the flames of inflation". That is what we are doing, not taking away money which is there already but money which could conceivably, under the old legislation, accrue to these pensioners. I think we have to be very careful about that.

How is this fight against inflation going? The present indices are extremely good. Inflation is coming down. Interest rates are coming down. Despite all the efforts on the part of the Opposition members to paint a total picture of gloom and doom, there are good signs on the horizon. And for that we all have to be thankful. One sector of the economy alone cannot carry this fight against inflation.

The Member for Calgary West also, when he was specifying what kind of pensioners are being hit by this piece of legislation, mentioned the military. I, too, would like to mention the military pensioners, for whom I have the greatest respect and admiration. But it is because of my respect and admiration for the military pensioners that I can guarantee to the Hon. Member for Calgary West, or a Member from any other riding who would like to use the same example, that the military pensioners are in the forefront of fighting not only past wars but even the present war against inflation. I can guarantee that on the basis of my own conversations with these military pensioners. They are the ones who say, "Yes, we have a war, a different kind of war, and we all have to get together in it, and what will the Government do if it manages to save some of our money, albeit it is our money?"

I will tell you some of the things the Government can do, Mr. Speaker. It can create jobs for people who would give their eyeteeth to be able to collect a pension. They cannot even collect unemployment insurance, the way things are at present. They have no jobs. If some of the money which may have gone eventually to some of these pensioners were, instead, to go to some of these young people, particularly the young people, to give them a chance in life, to give them a chance to contribute to the economy and get the economy on track so that inflation is down for all of us, so that unemployment is down, I defy any Member opposite to show me the military pensioner who would object to seeing some of the money that he or she may conceivably receive in the future deny that chance to the young people of today.

We have spoken today in the House of the possibility of the Armed Forces being opened up to young people. I would have it known that that proposal came from the Liberal caucus and I, for one, am damned proud of it. But before that proposal can be adopted, before our dreams can materialize, we are going to need money. I defy any Member in this House to show me the convinced military person who is going to deny a few bucks of his possible potential income to a kid who might join the Armed Forces, get a better training and be able to support his country.

The Acting Speaker (Mr. Corbin): Is the Hon. Member for Vancouver-Kingsway (Mr. Waddell) rising on a point of order?

Mr. Waddell: I wonder if the Hon. Member who last spoke, the Hon. Member for York South-Weston (Mrs. Appolloni) would permit a question?

The Acting Speaker (Mr. Corbin): Is that agreed? The Hon Member for Vancouver-Kingsway.

Mr. Waddell: During the period in the House today when statements were made, the Hon. Member made a statement, I believe, in which she mentioned listening to the Catholic Bishops and debating what they said, and bringing it before some group in the House, or words to that effect—strong words. Now the Hon. Member has just given a speech in which she has said that inflation is the main problem, that we have to fight a war against inflation. Does the Hon. Member not consider that she is being inconsistent in, first of all, saying that she wants to look at what the Bishops have said, and they have said that unemployment is the main problem, not inflation, specifically? Now she has just given a speech in which she said that the poor military pensioners must again lead their country in a war against inflation, a war that apparently Canadians do not want to fight. They want to fight the war against unemployment.

Mrs. Appolloni: Mr. Speaker, as you will notice, I gave that speech without particular notes. I would have to check the "blues". I do believe that what I said was that inflation was one of the worst scourges facing the global situation at the moment. I did not say it was the most important. I believe I did say it was one of the worst. I can agree that unemployment is equally bad. I will agree with that.

I also did say in my speech today, speaking about the Bishops' statement, that whereas I understood and agreed with the drift of it, I did not agree with all their economic analyses. I stand by that. I still say that we all have to help with unemployment. There is no use sitting back and whining about it. A million and a half Canadians unemployed—it is easy to say that, but it is not so easy to do something about it. This is where leadership comes in, this is where the Government comes in, and know some of the pensioners we are talking about, this is where they will be in, too, helping instead of just whining.

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, in response to the last speaker from the Liberal caucus, the Hon. Member for York South-Weston, (Mrs. Appolloni), who stated that she is proud to be in the Liberal caucus, may I ask how she can possibly be proud of a Bill which is going to break a contract with several thousand senior retired civil servants who honoured their part of the contract. That is the essence of this Bill. It is a Bill which is breaking a contract which is signed, sealed and delivered, and under which the retired federal civil servants performed their part. We are not talking about somebody breaking their contract so, therefore, we are going to break ours. They honoured their contract. And the Hon. Member says she is proud to be a Liberal Member of caucus. How can she be proud of a Liberal caucus which for years has been spending more money than it has been taking from Canadians by way of taxes. They have achieved it by way of a fraud, by borrowing the difference and offering people programs with a low tax and saying, "Don't worry, folks, we'll borrow the difference", and the Hon. Member for York South-Weston stood up and voted for every one of those budgets for the last 14 years which have had an increasing deficit attached to it. Inflation is simply too many dollars chasing too few goods, and the Liberal Government turned on the printing press, Mr. Speaker. It was not the retired federal civil servants who turned it on. It was not the ordinary Canadians, the farmers and others, who turned it on. It was the Liberal Government, backed by a Liberal caucus which in vote after vote has stood up and voted for the policies of the Government, which have put the nation into the position it is in today.

• (1640)

We cannot get around the fact, Mr. Speaker, that this Bill is unilaterally breaking an agreement with people who honoured their side of it. Public employees for years have paid 7.5 per cent of their salary to support the pension fund. In a recent letter from the President of the Professional Institute of the Public Service of Canada, Mr. Jack Donegani, points this out:

> In the private sector, employee contributions seldom exceed 5 per cent and are frequently less.

We cannot get around the next point Mr. Donegani makes, and that is:

> Benefits paid from the plan to date have been more heavily financed by employees than by their employer. Of $1,360 million paid out between October 1981 and September 1982, employees contributed $735 million compared to the Government's $625 million.

The third point, Mr. Speaker, which is the principal one to my mind is this, and I again quote from Mr. Donegani's letter:

> There is a surplus of $15.5 billion in the Public Service Superannuation Account.

Therefore, Mr. Speaker, for years they have been paying in an extra 1 per cent. It has been piling up in the superannuation account, and now the Government is taking it away from them. They took the extra 1 per cent. It is in the fund and it should at least be paid out until the fund is at zero. If we were going to be honest and decent about it, we would at least say to them, "As long as inflation continues, you will get your inflationary increases until the fund is down to zero." In the alternative, let us at least be honest with the retired civil servants and give them the 1 per cent back.

An Hon. Member: Plus accumulated interest.

Mr. Thacker: Naturally. Give it back to them, plus interest. The ultimate humiliation, Mr. Speaker, is that we are not only breaking the agreement, we are forcing and continuing to force the present federal civil servants to pay the 1 per cent extra, and yet they receive no guarantee at all that they are going to get it back. We are taxing them to the extent of 1 per cent extra but we are not imposing that tax on the rest of the general taxpayers. The Government cannot get around the fact that it is breaking a contract, however it might try to weasle and squirm about it and however much Members from the Liberal caucus refer to all the great past Liberal victories and the great Liberalism and support for the people.

When someone in our country breaks a law, the full weight of the Government will come down upon him. That is what our criminal law is. If somebody breaks the law, the whole weight of society bears down upon them and puts them in jail, if necessary. We have a rule of law, Mr. Speaker, that if I have a contract with you and I break it, you can invoke the power of the state and take me to court, get a judgment against me, and use the power of the state to collect that judgment. People cannot break contracts. Yet the Government can break a contract because of the absolute power of the legislature. If it decides it wants to break a contract, it can by law. Canadians out there across this whole country need to understand that is what is happening, that they have a Liberal Cabinet that is breaking the law, that is breaking a contract and a trust. How does Government expect people to trust it if it is going to pass laws and then turn around and break them?

The reason we are down to six and five—and indeed it is probably much less than six and five for most people—is not Bill C-133. The Hon. Member for Nepean-Carleton (Mr. Baker) hit it right on the head when he pointed out that it was the past economic policies of the Government which are driving this country into a recession, and probably a depression, which is causing inflation to fall. If this Bill were never passed, we would still be down to six and five this year and the following year. Therefore, why are they taking it away by way of a statute which breaks a contract and breaks that whole concept of trust in Government, when the economic conditions for this year and thereon will take it down? These civil servants deserve to receive 11.6 per cent inflationary increases because they not only have a contract which says they get it, but they paid their premiums and there is a surplus in the superannuation account of $15.5 billion. Until that superannuation account is at zero, Mr. Speaker, I say that we, the Parliament of Canada, have to honour the contract we have entered into.

We all know that the reason for Bill C-133 relates solely to the polls. The polls told the Cabinet that if they brought out a six and five policy, which would accord pretty close to the reality starting this year and next year, they would gain some political benefits. If it wants to do it that way, that is fine. Let it try to get its political benefits. But every Member in the Opposition will stand and speak to the people of Canada and say it is solely as a result of the recession that it is going down to six and five. We could have zero inflation, and we will, if the Canadian people stick with the Liberal Government, because they will drive us into a depression where we will have negative growth. There will not be any talk of 1 per cent or 2 per cent. We will be into negative figures. They have taken this nation right now from the second highest standard of living, when these guys first came to power, to twenty-fourth in the OECD under most of the major indices when they compare us with other industrial nations.

Surely, Mr. Speaker, we as citizens should expect that the Prime Minister of the land would respect the rule of law and the commitments which the Government had made. The Prime Minister (Mr. Trudeau) had previously committed the Government to full indexation of Public Service pensions as a right earned during the working years. Why cannot Canadians expect the Prime Minister of the land to look out for their interests? Why does the Prime Minister not look out for this rule of law? Most of us Hon. Members represent our constituents because we are elected from there, but certain people, by virtue of the office they hold, are supposed to represent the broad interests and primarily to uphold the Constitution and the rule of law. The Prime Minister is not doing that and, certainly, we from the western part of this country have no sense, and have not had any sense for years, that the Prime Minister even understands how we feel about the issues, or

even cares. Whenever he comes out to talk to us, and he makes promises, as he did at the Western Economic Development Conference of 1974, we find afterwards that the actual policy and the actions of the Government belie the fine words which the Prime Minister can put out and, therefore, the Office of the Prime Minister has been reduced in stature and image as a result of the conduct and actions of the Government.

We have had this before. In the oil agreement, the Minister of Energy, Mines and Resources said to the Alberta Minister of Energy that the Government would follow a certain course of conduct, and the very next day turned around and did exactly the opposite. So the next time we had an oil agreement, or a natural gas agreement, we insisted it be signed. The Government signed, sealed and delivered an agreement on gas pricing, and 24 days later the Minister of Energy stood in the House and unilaterally broke that agreement. We from the West have no illusions about the integrity of the Government in its upholding of contracts. We have had them broken before, and now every retired federal civil servant is in the same boat. They signed an agreement. They made their extra payment. And they are now being robbed of 1 per cent. That is the type of action, Mr. Speaker, we will not tolerate, and we will oppose this Bill at every possible point. I hope that the Hon. Members opposite, who genuinely care for their constituents and for the rule of law as being the prime difference between a democracy and a totalitarian state, that concept of the rule of law, that you do not break your contract, will stand up one of these days for that rule of law, or this nation is finished.

• (1650)

Mr. Rod Murphy (Churchill): Mr. Speaker, it was very interesting to listen to the Hon. Member for Lethbridge-Foothills (Mr. Thacker) speaking about the sanctity of the contract, the need for the Government to recognize that it must keep its word, that a deal is a deal, and all those other phrases the Member uses to oppose this legislation. I would remind that Member, as I remind other Members of the Conservative caucus, that Bill C-124, which this Liberal Government introduced and which the Conservative Party supported, with the exception of two of its Members, did exactly that. It broke every signed collective agreement this Government had with its workers, agreements which affected over 300,000 Canadians. It is pure hypocrisy, if I can call it that, Mr. Speaker, for the Conservatives to get up now and talk about the sanctity of a contract or agreement. If that is what they believe now, what did they believe last July or August when, time after time, on 16 different occasions, the Conservatives got up on recorded votes and supported the Liberal Government in breaking collective agreements? Remind yourselves of that, please, and let Canadians remind you on election day.

I would like to speak in opposition to the amendment before us, Mr. Speaker. The Government has made a big "to do", another one of its PR schemes, in saying that it is increasing the increase of pensions of retired Government workers from 6 per cent to 6.5 per cent in 1983. However, the Government has failed to point out two very significant things. First of all, under the present legislation those pensioners are entitled to approximately an 11.4 per cent increase this year. Secondly, the fact that this Government is only increasing, through this amendment, the increase from 6 per cent to 6.5 per cent means very little to the average retired Government worker. It means an average of approximately 10 cents a day, not a significant increase. Ten cents no longer buys a newspaper or a cup of coffee or tea. In today's society, ten cents a day does not buy a darn thing except perhaps the vote of one or two Liberal MPs. The real shame of this amendment and this Bill is that the Government has broken its word to thousands upon thousands of Canadians. It has promised, from the Prime Minister (Mr. Trudeau) on down, that it would consult with retired Government workers before it changed their pension scheme. Those pensioners, and those about to go on pension, have the word of the Liberal Government that it would not make changes without consultation with those workers. Well, what good is that word, Mr. Speaker? What faith can people, who in some cases have spent forty years working for the Government, put in the words of the Prime Minister if sometime in the future, for political reasons, the Government decides it wants to break its word?

Like many Members of Parliament, I have received letters from individuals affected by this legislation. I would like to tell you how these people feel. This is a letter from A. J. Willis in Flin Flon, Manitoba. He says:

> I am a superannuate, having retired seven years ago after 39 years of service—
>
> I am sure that you will realize that the passage of Bill C-133 will place superannuates such as myself in a serious position, and I would like to cite the following situations:
>
> As of January 1 my water bill has increased from $55 per quarter to $69.
>
> There is no natural gas pipeline to Flin Flon so much of the home heating is done by oil, which has increased from 28 cents a litre a year ago to a current price of 35 cents a litre.
>
> I would urge you to impress on your colleagues in cabinet the inequities which would be created by the passage of Bill C-133.

So there is one person who worked for the Government and people of Canada for 39 years and he is going to lose. Yet his expenses are not going to increase by 6 per cent and 5 per cent. Home heating costs in northern Manitoba are not insignificant and are going up by 25 per cent. A few months ago he believed that this Government was going to give him a pension increase, to which he was entitled, of 11.5 per cent. He would plan on the basis of that increase, but that can no longer be the case. He now has to get by with a 6 per cent or a 6.5 per cent increase, yet his costs are increasing much more drastically than that.

There are others throughout this land who have written letters talking about their own particular situation and how they are suffering under the Government's legislation. I have letters here which were written not by constituents of mine but by constituents of Liberal Members of Parliament. They feel they have to write to Opposition Members in order to get support for their position in the House of Commons. I hope the Government Members realize the situation they have put their own constituents in. With the exception of three Liberal MPs, they have put their constituents in a situation where they can

no longer trust their Members of Parliament to represent them or their interests.

Throughout this process the intention of the NDP has been to make sure that those who have views in opposition to this Bill have a chance to speak. We allowed this Bill to go to committee. My colleague, the Hon. Member for Kootenay East-Revelstoke (Mr. Parker), submitted the only list of witnesses to be called to the committee. We talked to and contacted a number of groups across this country and insisted that the Liberal majority on that committee allow these witnesses to be heard. I am glad we did because we found out a number of interesting things through speaking with those witnesses. We found out that this pension plan has a surplus of about $15 billion. We found out that in most private pension plans the employer pays over 50 per cent of the contribution. So this Government is not generous because it is paying less than most employers on a percentage basis. We found out this Government reaps a benefit of approximately 1 per cent by taking money from this plan rather than borrowing on the market. So we have that information, Mr. Speaker, and we will be using it in the rest of this debate to prove why this Bill is unnecessary, why this Bill is not only a betrayal of the trust of the retired Government workers but why this Bill is completely unjustified, except for the political gain of this Liberal political machine. It has nothing to do with the restraint program and it has nothing to do with good government. It is strictly a public relations effort of the Government. As each Member of this Party has an opportunity to speak, he or she will point out to Members of the Government that they should defeat this Bill.

• (1700)

I would remind you, Mr. Speaker, that if three more Liberals show the courage of their convictions and vote against this Bill and if the attendance of the Conservative Party and the New Democratic Party is sufficient, the Bill could be defeated, and then the public servants of the country would have their trust in Government restored.

Mr. David Kilgour (Edmonton-Strathcona): Mr. Speaker, I am delighted to speak in opposition to this Bill. I urge all Members of the House to join with the Hon. Member for Ottawa-Vanier (Mr. Gauthier) and the Hon. Member for Ottawa West (Mr. Francis) in voting as their constituents perceive their duty to be, and that is, against the Bill.

As has been stated by a number of Members who have spoken already, the Bill would limit the increase in Public Service benefits to 6 per cent in 1983 and to 5 per cent in 1984. It would affect all retired federal public servants, Armed Forces personnel, members of the RCMP, diplomats, judges, Governors General and widows of the same.

I think the motivation for the Bill is very simple. Hon. Members opposite, other than the two I have mentioned, are capable of anything because they stand for nothing. If their pollster tells them that something is going to be popular, then, ipso facto, they are immediately in favour of it. If their pollster told them that 50.1 per cent of the population is in favour of lowering the ceiling of this Chamber, they would immediately be hot for it and could scarcely contain their enthusiasm.

This Bill shows that they are descendants of Commodore Vanderbilt who, you will remember, Mr. Speaker, was famous for saying, "The public be damned". Hon. Members opposite have added the twist, "Retired public servants be damned, public trust be damned, public sanctity be damned and public integrity be damned." These are the people who purport to form the Government of the most favoured country on the face of the earth.

The Bill is wrong for many reasons, Mr. Speaker and in the brief time available to me I will offer some of the reasons.

First, public employees pay 7.5 per cent of their salary to support their pension plan. It follows, I submit, that they are entitled not to be treated in this way.

Second, benefits paid from the plan to date have been more heavily financed by employees than by employers.

Third, there is a surplus of $15.5 billion in the Public Service superannuation account.

Fourth, the Prime Minister (Mr. Trudeau) has committed the Government to full indexation for public servants and his Ministers have defended the plan over the years, yet they are now unilaterally breaking the contract with the public servants.

Fifth, the Government's Green Paper on pension reform clearly supports the need to protect all pensioners against erosion by inflation.

Sixth, the six and five program has been justified on the basis of national interest.

I ask, Mr. Speaker, if it is truly in the national interest to deny pensioners, one of the groups in society least able to adapt because it has no more working years ahead, the right to protect their standard of living.

I should like to quote from a book by John Kenneth Galbraith entitled "Money", which Hon. Members opposite might find interesting. He points out that on December 8, 1931, with one-sixth of the total German labour force out of work the Government of Heinrich Brüning decreed a reduction of 10 to 15 per cent in most wages, this being a rollback to the level of four years earlier. He went on to say that earlier, the wages of public employees had been reduced by one-fifth and taxes on wages, salaries and incomes sharply increased. Unemployment benefits had also been reduced. He pointed out that in the following year unemployment rose to one-fifth of the German labour force and in the next year came Adolf Hitler.

These economic ghouls think that the way to deal with diminished demand is to cut the pensions of retired public servants, amongst others. These economic ghouls think that the way to get people back to work is to reduce the purchasing power of retired public servants, amongst others. They think the way to get inflation down, as was pointed out by the Hon. Member for Lethbridge-Foothills (Mr. Thacker) is to reduce

the purchasing power of a large group of Canadians by throwing many of them out of work, by punitive interest rates, by an unduly restrictive monetary policy. You could make a list of ways to create unemployment in Canada and I submit that you would find the Government has gone through virtually everything on that list.

According to Mr. Galbraith's theory, the way to add to a recession is to reduce purchasing power. That is now the case with respect to retired public servants in this country.

There is no point in talking to Hon. Members opposite about the sanctity of contract after what they have done in the energy industry, as was pointed out by the Hon. Member for Lethbridge-Foothills.

I put it to you, Mr. Speaker, that after this Government has gone, things will be better for every retired public servant and every self-respecting Canadian in all parts of the country. There is no point in pleading with it to respect contracts. It does not have any contracts it respects, except the one with Mr. Martin Goldfarb, its pollster. Mr. Goldfarb has told the Government that breaching its contract with retired public servants would be a popular move. That is the end of the argument.

I see seven or eight Members opposite, and I submit that each of them has retired public servants in their riding who undoubtedly have written to them. But Hon. Members opposite will not respond to cries of, "I need the money to get by". I would remind you, Mr. Speaker, that the average federal public servant's pension is something in the order of $7,000. I would also remind you that this proposal would reduce the average federal pension next year by $345. There is no point in telling Cabinet Ministers, with their Jamaica tans, that a $345 reduction is going to hurt some people. They do not give a damn. They have a poll from Martin Goldfarb that tells them that if they push the Bill through it will look as if they were doing something about inflation.

Most Hon. Members opposite do not have the slightest idea of what causes inflation. The Secretary of State for External Affairs (Mr. MacEachen) has told them that the way to lick inflation is to put the small business community out of business or to create more unemployment. In my view, most of them do not have the energy or the material between the ears that would lead them to examine the causes of inflation. If they did, I submit they would discover that some of the causes are printing money, excessive interest rates, throwing people out of work who then cannot pay taxes, which then drives taxes up for others and drives UIC contributions up. These things are beyond their understanding. They do not know what makes the world function in the eighties.

In closing, Mr. Speaker, I repeat that if four of them would put their retired constituents ahead of Party discipline, this Bill would be defeated. Then a great many public servants who paid for these pensions and expected to receive them would get them.

• (1710)

Finally, in the few seconds remaining let me say that someone who has worked in the federal or a provincial Public Service for ten years will not forget the fact of Hon. Members opposite passing this Bill. There is not a single retired public servant, federal or provincial, who will forget what was done through this Bill.

I should like to give a personal example. An uncle of mine worked in the Public Service for 40 years at a lower wage than he would have received in the private sector because he believed he would have some security on retirement. People like him and thousands of others in the federal Public Service are completely at the mercy of a Government, a Government which would make Commodore Vanderbilt and his "public be damned" blush with embarrassment.

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, in addressing Bill C-133 it strikes one that we are being asked to view a quadruple feature horror series at a local drive-in. First, the Government presents Bill C-124, "Dracula", sucking some of the lifeblood out of the economy. Not content with that, the series goes on to Family Allowances, pensioners and Public Service pensioners—featuring Bill C-131, "Son of Dracula"; Bill C-132, "Daughter of Dracula"; finally, Bill C-133, "Dracula Sucks". Those are the names of four films. Other Members who have teenagers as I do are probably well aware of them. They are not particularly great drama, but they are full of gore and there are many victims. Not only do we see the Government and its Ministers acting like Dracula toward Public Service pensioners, recipients of Family Allowance and Old Age Security pensions and Public Service workers, we have seen the Official Opposition, who had lots of warning that this was all part of the deal, acting like nothing less than Igor, running around and helping to prepare the way and the victims for Dracula to descend upon. Now they try to act as the victims' defenders.

How do we know this? If we go back to the budget, it was referred to as part of the entire six and five program—"A Strategy To Bring Down Inflation". It was all laid out there so clearly and simply that even a Tory should have been able to understand it. Thankfully, two of them did. Two Conservatives saw the light, but what about the rest of them? Now they are claiming to be champions of the family, children, old age pensioners and Public Service pensioners. They were prewarned in writing and verbally, and only now do they discover that innocent people are being hurt at this time and well into the future. This strikes one as more than somewhat odd.

Many odd things have happened in this debate. We watched the spectacle of some Liberal backbenchers who were really brave when there were public meetings of public servants in the Ottawa area. At those meetings they said that they would oppose this legislation.

Mr. Baker (Nepean-Carleton): With all their might.

Mr. Kristiansen: Yes, with all their might, as the Hon. Member for Nepean-Carleton (Mr. Baker) just said. The Government responded, and of course it made a great to-do about that fact. Instead of six and five, it responded by increasing limits to 6.5 per cent and 5.5 per cent.

If we take the average Public Service pension—and these calculations may not be exact—and average them with the survivors' allowance or pension, we come up with an average pension of something in excess of $6,000 per year, and one half per cent of that is roughly $30 per year—30 pieces of silver. Now we know what it takes for Liberal rebels to be brought around—30 pieces of silver. It is Public Service pensioners who will get it in the neck.

In a number of briefs before the Committee there was ample testimony. One of the best briefs was from the economists, sociologists and statisticians association. Mr. Potter, chairman of its pensions committee, gave some very interesting facts. He stated that Public Service pensioners had been willing to be patriots. They had not minded that the Government had misused, misallocated and had been bad business managers in dealing with their pension funds over the years, as long as the promised full indexation was provided.

The Dave Becks and Jimmy Hoffas of the Canadian pension industry sit over there on that side. It is a pension heist, it is a pension steal; it is nothing less. Talk about breaking contracts as some people do—there has been a lot of that going on.

As reported, Mr. Potter made the following statement in committee:

> The idea is that the pension account and the indexing account collectively earn less interest than a fair return on a well-managed private pension plan by about one percentage point, according to Tomenson-Alexander.

Also, in quoting an answer given to one of the Members from Halifax, he pointed out the difference by indicating the following:

> The actual amount of the indexing account was $807 million.

If these funds had been invested in an appropriate manner, as was often recommended—and this has been done outside the federal Government sector in many areas—and if the 1 per cent extra were added, which the Tomenson-Alexander report suggested, the amount in the fund would be somewhere between $6.3 billion and $10 billion, rather more than a little over $800 million. The Public Service pensioners of Canada did not mind the fact that the Government was using their money to finance its other operations as long as they got the agreement that was indicated by the Prime Minister (Mr. Trudeau), by Prime Minister Pearson and other Cabinet Ministers over the years. Instead of a written contract they had an "iron clad guarantee" of full indexation. When this is taken away, how much can we rely upon the good faith of people who have been hosed and bled? Now they are being told that they will be bled for years to come, while other public sector workers will do their bleeding over just two years. How long can we expect good faith from the workers when the Government itself has not shown any? The Government has shown no respect for the sanctity of contract. The Official Opposition on Bill C-124 did not show any respect for the sanctity of contract despite its words today.

If we are to look forward to a period when labour and management, whether in the private or public sector, come together in order to arrive at some sense of harmony to provide a beginning to proper social and economic reconstruction, we must build upon a better foundation and better principles than the fact that the Government can break its word at any time although it demands different standards from the private sector in the pension industry. It is absolutely rotten, it is despicable; it is bad government and it sets the worst precedent possible.

As was indicated in testimony before the Standing Committee on Miscellaneous Estimates when it was dealing with Bill C-133, it demonstrates that "the Government is a bad credit risk". We do not need that kind of reputation today.

Finally, enough has been said by many people on this subject. I urge backbench Government Members to read very carefully the detailed submissions. I am not referring to wild arguments about principle but to the detailed submissions showing that there is ample money available through contributions of Public Service workers to finance full indexation and much, much more. If they believe this and are human enough to feel even a little twinge of guilt, I ask them to pressure, to lobby and to talk to their Ministers. Canadian public servants, Canadian pensioners and Canada as a whole deserve proper, fair and reasonable treatment.

• (1720)

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, my remarks, I hope, will be short and to the point. I had planned to speak just on two subjects, but one was dealt with very well by the Hon. Member for Lethbridge-Foothills (Mr. Thacker) when he put forward the basic concept of free ownership society, namely the sanctity of contract. I am glad to see that the NDP are accepting this principle in relation to this Bill. Secondly, I wanted to put this whole matter into a wider perspective. I have listened to much of this debate and I think that is the one missing ingredient.

Many years ago, as a teacher of history I used to bemoan the fact that teachers of history, both at the high school level and at the university level, had to rely almost entirely on sources that were American in origin and as well to some extent the Cambridge history series from the U.K. As a Canadian, knowing just a litle bit about our history, this was always a matter of offense to me. When I got my chance in 1957 as Minister in charge of resources in Canada, and I include in that human resources, I asked the leading historians of Canada to get into a group and select among their number the most learned and literate in their specialty to write a series of books on the history of Canada for Canadians from the Canadian viewpoint. That series is almost complete now. The original plan was for 18 volumes. The volumes take us up to 1967. The volume I have in my hand is the one covering our history from 1939 to 1957. I found out that after these books were published very few appeared in the schools of this nation. They were not designed for children; they were designed for adults. I find that very few Members of Parliament over the last 25 years, since these books began to be published, have read any of them. MPs are busy people.

However, I went so far a few years ago as to invite some of my colleagues to a dinner. I paid for both the solids and

liquids, and presented each one of them with a copy of this volume. A couple of years later I quizzed them all on whether they had read it. Not one had. One fellow said he had leafed through it. But, after all, he is now a Senator and has more time than most of us.

I point that out because what we are doing in this debate is ignoring the lessons of our nation in the past. If you look at this short, devastating, punchy volume of our history from 1939 to 1957 you will notice that, first of all, it is entitled "The Forked Road". What were the forks in the road that we took as a nation during that period from 1939 to 1957? One of the forks that we took was the gradual process of turning the real power of decision-making in our nation over to what is called by one author as the managerial elite. A more popular description taken from the Chinese of a few mandarins is how we refer to them. These mandarins believe, to the extent of making it a religion, that they, and they alone, know what the right decisions are. They draw from all the experts in their departments and from all across the world all the knowledge there is, from organized committees and other committees who examine committee work. Out of it all comes a rational thought. It was a battle for a while. Parliament did put up a bit of a battle. But because of the success of these early mandarins Canada went through the war with ultimate ease. War usually devastates a nation economically, but Canada grew in all forms during the war. Yes, we lost a few tens of thousands of our boys, but the country grew. It became mature under the leadership of this very self-styled elitist group who ran the civil service.

More modern books were written as monographs. "The Ottawa Men" was published last year, in 1982, written by Granatstein. I urge all Hon. Members to read this book to find out how that control mechanism got command. Granatstein admits at the very beginning that he admires tremendously the concept that only the gifted and the elite shall rule. Not Parliament, not the people, only those gifted by high degrees from Oxford, or famed universities in the United States are fit to rule the Canadian people. The choosing of this fork during the war ended probably in 1946 with a White Paper, a brilliant Paper on the future of Canada looking ahead 20 or 30 years. Following that there was the Gordon Commission which looked ahead 20 years to 1980. There was a real positive thrust and drive to this elite which we in Parliament, I regret to say, accepted as God's word.

Now we come to a little Bill where the end is shown in all its ugly facets. We are asked under this Bill, in a policy on which a great majority of Parliamentarians agree in a time of duress, at the middle and the end of a recessional period, that we should put restraints on those who are earning money that we should not ask for too much which would keep inflation growing. The great majority in Parliament voted for the six and five program. They did that without any breaking of contracts with those working because when you are dealing with people who are working contracts can be amended, particularly those that come under the power of Governments, provincial or federal Government.

In this particular section we have an unusual thing. The Government has extended this six and five rule to apply to people who no longer are employed and who have been charged heavily these last ten years for this indexing in order to build up the fund. If you look at the figures on these funds you will find that, because of the large payments made by all of those who work for Her Majesty's service here in Canada, we have collected a lot more money in these funds than we will ever use. It is found money for those who manage our money, in other words, the Department of Finance. Here we see the end product of turning power over in this fashion to a self-styled superior group of elitists. They really believe in their hearts that they are the voice of God and the people. They come down to a level where they state, with regard to these people who have slaved for 30 to 40 years of their lives and were charged more than the private sector for their pensions and have been fully charged and more for their indexing, that they will be consistent. They said, "We are rational people. We do not distinguish between those who continue to work and those who are helpless and on retirement." Therefore, the fork in the road that we chose during the war to save ourselves and after the war to follow the great plan for the future of Canada now comes down to this disgusting bit of meanness that sometimes falls from the table of these men who sit around and control our country.

• (1730)

I suggest that any nation or Parliament that does not know where it has been certainly does not have any future. I will close by simply pointing out that I want as many people in Canada as possible to know that this Government will go in due time. I am positive that there will be another Government in its place. I am positive, and God willing I will be there, that this law will be changed and will have the support of every NDP Member who is in Parliament at that time, every Conservative and every Liberal, because once these Liberals are removed from the threat and the power of the elitists to whom they have surrendered, they will vote as human beings who have a mind and can think and act with justice and equity, as we should.

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I appreciate the opportunity to speak against this Bill C-133. I will not go into the statistics since other Members have spoken about the amount of money that was paid into the fund and which is held by the Government of Canada in trust, I might say, for these retired people and those who will retire in the future.

I will not argue as to whether the fund that was set up for indexing is actuarially sound. I would suggest that if the fund is not actuarially sound, it is not the fault of the pensioner or the public servant who is presently contributing to the fund, but the fault must fall squarely on the shoulders of this Government. It should have been monitoring the fund on a continuing basis over the years and adjusting contributions and investing the funds in such a manner as to ensure that there would be sufficient money to cover the indexing and that the fund was actuarially sound.

A few weeks ago a letter was delivered to my constituency office in Moose Jaw. It was written and signed by the President and Vice President of the Moose Jaw Branch of the federal Superannuates National Association. The letter is dated December 3 and is addressed to the Right Hon. Pierre Elliott Trudeau, Prime Minister of Canada. I would like to read an excerpt from this letter. It says in part:

An extract from the 1974 Treasury Board booklet, "your superannuation plan", reads in part as follows: "In any year when there is an increase in the cost of living, pensions will be increased in an amount directly related to the increase in the consumer Price Index, without limit".

I would like to underline the words "without limit". They go on to say:

We note that the latest issue of the Treasury Board booklet omits such a direct statement and wonder why the change.

We have fulfilled our part of the agreement with our contributions and those that follow in our footsteps continue to contribute to the S.R.B. Account at the same rate of one per cent. Our pensions were earned, we contributed our best years, our best efforts and to applying an agreed portion of our salaries to the Superannuation and S.R.B. fund in trust. These funds should not be tampered with but be handled with trust.

Should the Federal Government break this trust with Bill C-133 it would be equally rational to apply the six and five formula to Canada Savings Bonds and the Bank of Canada. We could also apply the same formula to our 1983 and 84 income tax returns.

The Hon. Donald Johnston, a former Treasury Board President, recognized the indexation of pensions to the Consumer Price Index as a 'minimum benefit'. The breaking of this agreement with Bill C-133 will completely destroy the integrity of our Government.

I would submit that the statement quoted from the 1974 Treasury Board booklet indicates that there is a contractual obligation between the Government of Canada and the superannuates. I suggest that any court of law would find, if there was not an actual, written binding contract, an implied contract in that statement.

The superannuates and the civil servants have carried out their part of the contract by making their contributions on a monthly basis. Surely the Government can be expected to carry out its obligation. It is either a contractual obligation or an implied contract and, at the very least, a moral obligation. When I was a boy people said that a man's word was his bond, and so it was. They also used to say, perhaps not with the same conviction, that if a Government gave its word, it could be trusted. The present Government, over the past 14 and 15 years, has eroded that trust. This Bill will further erode that trust very seriously. When the public loses its trust in Government, it can cause very serious problems in society.

I would like to read another excerpt from the letter I referred to earlier which is addressed to the Prime Minister (Mr. Trudeau). This excerpt is under the heading "Who Can be Trusted". They say:

Mr. Prime Minister, in your speech to the nation you requested the people of Canada to 'trust me'. Should your Government really expect our trust in view of Bill C-133 which will take from us something which we have contributed to by agreement?

• (1740)

Then they go on to discuss the people who will be affected by this indexing. These are people who can least afford to have their incomes cut. They have been faced over the years with very high rates of inflation, rates which are continuing. They have been faced with high costs for food, shelter and clothing, and in many cases they find that it is almost impossible for them to carry on.

I would urge that the Minister reassess his position, consider the question of trust and integrity of the Government, and withdraw the Bill. If the Minister will not do this, I would then suggest that the individual Members of Parliament on the Government side join with the Hon. Member for Ottawa-Vanier (Mr. Gauthier) and the Hon. Member for Ottawa West (Mr. Francis) and vote against the Bill, and let the people of Canada see that at least some of the Members on the Government side can be trusted. We must rebuild the trust in Government. We must rebuild the integrity which has been lost over the last 14 or 15 years.

I would again urge Hon. Members opposite to stand up, to be honest with themselves and with their constituents and to show that they have integrity by voting against the Bill.

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, the Bill with which we are dealing today, Bill C-133, is indeed about money, pensions and indexing, but, far more than that, it concerns integrity, trust and fair play. Those words are not written into the Bill, it is true, far from it, but that is really the basic issue we are discussing here.

We on this side of the House have listened with amazement to the unbelievable and really hopeless attempts of the Government and of Hon. Members opposite to justify Bill C-133, a piece of legislation which, in fact, makes a mockery of Government trust. I say that we have listened with amazement to the speeches which have been made by Hon. Members opposite and to the arguments in committee because it is very hard to understand—indeed, it is impossible to believe—that Hon. Members opposite would once again, not for the first time, go back on their word and, in this instance, reduce the indexing of pensions of superannuated public servants, of Armed Forces and RCMP personnel. There really can be no justifiable reason nor logic behind a decision to cap these pensions at 6.5 per cent and 5.5 per cent.

On many occasions I have head Government Members rise in this House and unequivocally state their support for pensions, their interest in pensioners and, especially, after some initial reluctance, they even came out strongly in support of that extra security of indexing which would ensure that inflation did not erode the inherent value of the pensions which our senior citizens, our retired citizens, receive. Yet, with little thought, little concern and certainly no consultation, the Government has decided arbitrarily and unilaterally to declare an agreement void, to throw it out, to really declare its non-existence.

Bill C-133 essentially declares that the contract between employer and employee, the contract which deals with Public Service and Armed Forces pensions, is null and void; it is over, it is through. However, it does more than that. With such a dictatorial measure, the Government has effectively destroyed

any remaining hope of retaining its integrity as an employer. It certainly cannot go on to say that, from here on, it will negotiate in good standing, in good faith, in the hope that others will retaliate, in the hope that others will come back on the same terms with the Government. This has been destroyed. The fact that Government employees have personally paid into this pension so that indexing can continue obviously means nothing to most of those opposite. Their actions to push this Bill through at any cost show a total lack of concern for the ramifications of this legislation, where it will lead. What will be the next step? If this agreement, this contract, can be broken, what other contracts can be broken? Where can it be done on the national scene? Can it even be done on the international scene?

Passage of this Bill would allow the Government to steal pension moneys away from those who have worked in the Public Service, in the Armed Forces and in the RCMP. It really questions the dedication of those people to successive Governments over the years. They have earned their pensions and Bill C-133 is a slap in the face of those who are now retired and who rely heavily on the security of an indexed pension. There are many such people who live in Kingston and The Islands. Many have worked for years in the Public Service, either as Armed Forces personnel or as civilian staff at the base at Kingston, in the penetentiaries or in the many other Public Service outlets in the Kingston area.

There is sometimes a view abroad that public servants, and retired public servants in particular, live on a very comfortable, secure income. If one looks at the average of those pensions, including the people who are the widows of pensioners, one finds that that average is slightly under $7,000 a year, which is in fact well below the poverty line.

Mr. Baker (Nepean-Carleton): Sixty-nine hundred.

Miss MacDonald: That is what we are discussing. We are not discussing people who sit back on incomes of $50,000 a year. We are discussing the great majority who live below the poverty line on these pensions, and it is this group of people from whom the Government is stealing this miserable pittance.

I see that the Hon. Member opposite is arguing again today.

Mr. Baker (Nepean-Carleton): It is the Parliamentary Secretary, part of the great conspiracy.

Miss MacDonald: The Parliamentary Secretary may be content to take money out of the hands of retired public servants and retired Armed Forces personnel. He may be content to take money away from the widows of those people.

Mr. Baker (Nepean-Carleton): He has OHIP.

Miss MacDonald: However, I can tell Your Honour that we on this side of the House are not.

The Prime Minister (Mr. Trudeau), toward the end of last year when he produced that television series, spoke of great and noble qualities. He spoke of faith, hope and trust. He did not mention charity because the Prime Minister really does not know much about charity. However, he spoke of faith, hope and trust when he addressed the nation. How can he honestly expect these qualities, which he emphasized will be demonstrated across the nation when his Government introduces legislation like Bill C-131 to place limits on the indexation of old age pensions, or Bill C-132 to place limits on the indexing of Family Allowances, or this Bill, Bill C-133 to place limitations on the pensions of public servants and Armed Forces personnel?

• (1750)

Earlier in the debate my colleague, the Hon. Member from Nepean-Carleton (Mr. Baker), referred to this vicious trilogy of legislation. One cannot help but wonder if the Government is using this as a means to introduce a new kind of removal of benefits from the general public, removal of benefits by breaking contracts and ignoring agreements which the public has come to expect. The very Government which has placed this country into severe recession because of its policies is now attempting to use its victims as guineapigs on which to try to rebuild the economy, and these guineapigs it is singling out, the people to whom this limitation of indexing applies, are the very people who are most vulnerable to the high interest rates and to the inflation which the Government has created.

I really find it quite incredible that the Government holds to this plan with such tenacity; indeed, I would say with such bullheadedness. Have the Members opposite no understanding of their obligation to fulfil the terms of what is really a social contract, an agreement made, so we thought, in good faith and respect for the other party concerned? No, sir. It is obvious that such a decision to introduce this Bill was made with very little regard for the parties involved. The successive regressive actions by this Government are placing public trust, respect and confidence in Government in a very, very precarious state.

Times are very difficult. Why does the Government add to the situation by destroying whatever confidence is left in the country? Unemployment continues to rise and there is no relief in sight. Bankruptcies continue. Canadian businesses and labour struggle with little encouragement or incentive from this Government. In the midst of this recession the Government has decided to introduce policies that will place increasing burdens on the very Canadians most affected by the economic instability which it has created, not worldwide problems, but which it has created.

The proof of what I say is that when one looks at the last OECD Report on how the industrialized countries in the world are doing, Canada ranks twenty-fourth out of 24 countries. It is what the Government is doing here in this country that is creating the economic instability, not what is coming from abroad, and the Government's response to it is to introduce Bills which make it more difficult for those who are most vulnerable.

Where does the Government go from there? One has to ask, because I was astounded, as most of the people in this country were, to hear comments made by the Minister responsible for the Status of Women (Mrs. Erola) to show that the next step

the Government proposes is to take away the benefits of spousal tax exemptions, again from those who can least afford it. That Minister has indicated that it is her intention to remove spousal tax exemption, and that spousal tax exemption is used by 75 per cent of the families who receive $25,000 a year, or less, as income in this country, the people who are at the lower end of the income scale.

That seems to be the progression of the moves that this Government is taking.

I understand that my time has elapsed, but I am very concerned. I would say to you that Bill C-131, Bill C-132 and Bill C-133 show a progression of the kind of steps that this present Government is bent upon taking, and the statements by the Minister responsible for the Status of Women just show another indication of that progression. It is to hit those who are at the lower end of the income scale, those who can least afford it and to break trust with those with whom agreement has been made. How can the Government expect any kind of support for that kind of action which denies decency, fair play, justice and integrity?

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, there are only a few minutes left in today's session, but I would like to begin to speak on this amendment, to speak against it.

I would like to speak for my constituents, particularly those who have paid into government pensions. I would like to put on record a short letter that I received today from a member of my constituency, Thomas Barrie. Mr. Barrie has written me a very short, concise letter that says, as far as I am concerned as clearly as anything I have heard in the House today, what the debate is about. He says:

> Bill C-133 is unfair. Any pension that is not sufficiently indexed in these times of financial stress is a one-way ticket to welfare.
>
> As a retired federal public service employee I, along with my counterparts, have paid for indexed pensions and paid well for them.
>
> Please do your utmost to put this Bill out of business.
>
> Sincerely,
>
> T. S. Barrie

I do not think anybody could say it more concisely, more clearly nor more surely than Mr. Barrie has said it to me, and which I have now read to this House of Commons.

What is involved in this particular amendment, is what many Members this afternoon have spoken about. It is a breaking of trust, it is the breaking of a deal.

The Hon. Member for Moose Jaw (Mr. Neil) brought back to me the memory of my own childhood, when I grew up in a community I suspect not unlike the one he grew up in, where it was taken for granted that there was a universal acceptance of another person always keeping their word. I remember when I was very small my father simply said, "You don't have to write things down because if a man gives you his hand, if a man makes a deal with you, it is a deal. If I make a deal with someone, it is a deal". To me that means not going back on something which has been accepted by both sides. What has taken place, as has been said very clearly this afternoon by several Hon. Members, is that this particular Bill is the breaking of a deal. It is a deal between the Government of Canada and the civil service people who have paid into pensions. That was an arrangement which came about by negotiation, bargaining, and finally the hand was put out. It was called a deal. They said, "We will shake on it; we can believe in each other". Now that deal is being broken. That is why we are against what is going on.

Mr. Speaker, may I call it six o'clock?

The Acting Speaker (Mr. Blaker): Is it agreeable to the House that we call it six o'clock? It is only a moment before that time.

Some Hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

FINANCE—SMALL BUSINESS DEVELOPMENT BOND PROGRAM—ROLE OF CHARTERED BANKS. (B) REQUEST THAT MINISTER INVESTIGATE SITUATION

Mr. Jack Shields (Athabasca): Mr. Speaker, on December 22 I questioned the Minister of Finance (Mr. Lalonde) with regard to the Small Business Development Bond. If all Hon. Members can give me their attention for a moment I would like to point out the problem that is facing small business in Canada today with regard to the Small Business Development Bond.

The advertising the Government is perpetrating on small business right across the country is such that the businessmen who have found themselves—particularly small businessmen—in financial difficulties because of the downturn in the economy, high interest rates and so on, are approaching their banks and asking for assistance under the Small Business Development Bond, and are finding that the Small Business Development Bond is indeed a myth.

• (1800)

The Small Business Development Bond was first introduced by a Conservative Government to assist small businesses to develop and expand their operations. The present Government in an ill-advised way said that the Small Business Development Bond would continue for businesses in dire straits.

Because of the Government's introduction of that Clause, "financial difficulty" into the Small Business Development Bond, it has become totally ineffective. Banks are profit-

oriented and they do not want to lend money to a company which is in dire straits because that company will probably go bankrupt and they do not want to lose their money. That is eminently reasonable. My contention, therefore, is that the Small Business Development Bond has become totally and absolutely useless because the Government has introduced the two words "financial difficulty" as a prior qualification before a small business can apply for this bond.

The words "financial difficulty" cause two problems. First, many small businessmen do not want to admit that they are in dire staits because every small businessman is an eternal optimist and feels he can pull his company out. Second, banks are profit-oriented and are unlikely to throw good money after bad. The Government, to pretend that a Small Business Development Bond is in place, that it is available for small businesses which are having financial difficulties and they can rely on this, is an absolute, monstrous lie. It is a monstrous misleading of the Canadian small businessmen for the Government to continually indicate through the advertising media, radio, television and newspapers, that for small businesses which are in dire straits or in financial difficulty there is assistance available to them through the SBDB.

The bankers see it this way: that unless the bond can salvage the company, it is unwise to lend the money. There are so many factors affecting the survival of a small business—Liberal Government policies, red tape, bad budgets, a myriad of things—that it is unlikely that the bond alone could save the company.

In my question to the Minister, I asked about the Small Business Development Bond. I tried to point out in my questioning on December 22 that the banks themselves not only are not making available the Small Business Development Bond to businesses which apply for it, but require from the business a statement from their chartered accountants or auditors to the effect that the bond is needed or the business will go bankrupt. It is criminal to think of the number of small businessmen across the country who look to the Government for assistance when they do hit dire straits, and are told they can get the Small Business Development Bond, but when they go to the bank find they are refused.

In addition, as I pointed out in my questioning, they go from one bank to another and find that the banks have an agreement among themselves that no matter what the circumstances, one bank will not make the bond available to a client who has been refused by another bank. So we have shades of collusion between the chartered banks whose branches have received directives from their head office that they are not to even accept an application from a small businessman who has applied at one bank and has been refused. That is considered "raiding" one bank's customers and they do not want to do this.

• (1805)

To sum up, Mr. Speaker, I would like to say that previously many, many small businesses across the country used the Small Business Development Bond very effectively. They created jobs and expanded into other markets. Then the present Government said that the bond would continue for small businesses in financial difficulty only. Adding those two words "financial difficulty" totally destroyed the concept and effectiveness of the bond. This made it absolutely useless for small businessmen in dire straits, facing possible receivership or bankruptcy, to go to a bank and expect to get some assistance under this bond. It is just not happening.

Mr. Douglas Fisher (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I want to thank the Hon. Member for his representation and tell him that we are taking it very seriously, as I hope to show in a moment.

The Small Business Development Bond is a very important part of the Government's ongoing program to help small business. As the Minister of Finance (Mr. Lalonde) pointed out to the Hon. Member, it was for this reason that we included the Small Business Development Bond in the budget last June and extended its life.

The Hon. Member has now raised very serious questions about collusion between the banks, and neglect towards small businesses who have great trouble. He mentioned in particular the Royal Bank. The Minister promised to check with both the office of the Inspector General for banks and with the Royal Bank. Because we took the Hon. Member so seriously we followed up on his representation and also went to the Canadian Bankers' Association. I would invite the Hon. Member to give me copies of any documents he might have. He referred to a directive from head office to branches concerning how to handle these applications. If he has a copy or knows of a copy of such a directive, I would like to see it. We have not had it from him and I am acting without that knowledge in telling him what we now know.

We have found that borrowers are quite free to go to any bank to put in an application for such a loan. I must remind the Hon. Member that these programs are geared to people with financial difficulty. That obviously presents practical problems for the banks because they are going to be dealing with an application from a stranger who is in admitted financial difficulty. They are going to be slower or less happy to deal with them on that basis. Also, the banks' willingness to get involved with this program will depend, very correctly, on their existing portfolio and on their tax position. Now, that does not mean neglect or collusion.

The Royal Bank, for example, has 38 per cent of the all-bank financing under this program. I would refer the Hon. Member to the comments of the Canadian Federation of Independent Business about the behaviour of the banks, particularly the Royal Bank, which in their opinion came out very well in its attitudes and lending programs towards small business. The Royal uses a degree of risk in its existing portfolio as the basis for decisions on such loans.

• (1810)

Finally, I should like to point out that the Canadian Bankers' Association has very strongly denied the existence of any hidden agreement or collusion between banks on such borrowers' practices. They say that any borrower is free to go from one bank to another to seek such a loan, without having the banks react badly to them.

If the Hon. Member has a copy of such a directive, I will follow up on it. The Minister followed up on his earlier recommendation which we took seriously. We hope this information will move the issue along for him.

FISHERIES—DISCLOSURE OF KIRBY TASK FORCE REPORT CONTENTS. (B) REQUEST THAT RECOMMENDATIONS BE MADE PUBLIC

Mr. Howard Crosby (Halifax West): Mr. Speaker, the matter I wish to bring to the attention of the House relates to the report of the Task Force on the Atlantic Fisheries which was announced by the Prime Minister (Mr. Trudeau) on January 8, 1982. At that time the Minister appointed Michael J. L. Kirby as Chairman of the Task Force and said that he would succeed to the position of Deputy Minister of Fisheries and Oceans when the work of the Task Force was completed. When the Prime Minister made that announcement he attached urgency to the work of the Task Force and the indication was that a report would be forthcoming very shortly thereafter.

In August 1982, six or seven months later, the Chairman of the Task Force, Mr. Kirby, indicated that he would be ready to report in September. At that time he distributed, amongst persons interested in the Atlantic fishery, a questionnaire which he thought would be the final activity of the Task Force. Oddly enough, notwithstanding the Prime Minister's indication that the work of the Task Force would involve far reaching inquiries amongst those interested in the fishery, in fact the Task Force held no public hearings and only dealt with people on a private basis. No real public discussion was generated by the work of the Task Force and thereafter it became a matter of media activity and investigation. The media informed the public what was going on.

That media activity is of concern to Members like myself; the Hon. Member for South Shore (Mr. Crouse), and the Hon. Member for Vancouver South (Mr. Fraser). It was also our concern last December when we raised the matter in the House and asked when the report of the Task Force on the Atlantic Fisheries would be released.

There was reason for our concern because by October 1982 it had become clear that the Task Force report had been completed. There were rumours abroad in the City of Halifax that it recommended the takeover of two of the largest organizations in the fishing industry in the Atlantic area, that is, H.B. Nickerson and Sons Limited, which I believe still has control of another large fishing group, National Sea Products Ltd., and also the Newfoundland Lake Group Ltd., which I understand is the largest private concern in the fishing industry in Newfoundland. This rumour was met with shock and alarm and had a very upsetting effect on the fishing industry in the Atlantic Canada, particularly Nova Scotia.

That was not the end of rumour, Mr. Speaker. On November 29, 1982, a report in the Halifax *Chronicle-Herald* indicated that the Minister of Fisheries and Oceans (Mr. De Bané) had provided information to the London correspondent of that newspaper, indicating matters that were included in the report of the Task Force.

To remove any doubt that parts of the Task Force report were being leaked to media persons and other officials, a series of articles appeared in the Toronto *Globe and Mail*, of all newspapers. It is not noted for concern about the Atlantic fishery. On January 4 and January 14 of this year these articles indicated very clearly that the newspaper, or the reporter involved, had possession of copies or parts of copies of the report of the Task Force on the Atlantic Fisheries. The fact that a reporter for the Toronto *Globe and Mail* could tell readers exactly what was contained in the Task Force report indicates that what we are observing is a report by trial balloon. Mr. Kirby and his officials involved in the Task Force, are simply sending out trial balloons to the public by way of leaks to newspaper reporters and others about what is included in the report.

• (1815)

I think the most serious leak to date was the indication that large private concerns in the fishing industry were about to be taken over—in effect nationalized—so that the Government could enter directly into the Atlantic fishery by way of operating a part of it.

There is no question that the Atlantic fishery is of vital economic importance to all four Atlantic Provinces, but particularly to the Provinces of Nova Scotia and Newfoundland. In the case of the Atlantic fishery, it employs thousands of persons in fishing vessels of independent fishery operations and onshore plants. International exports from the Atlantic fishery alone total $1.5 billion. Mr. Speaker, you do not have to use your imagination to realize what effect the Atlantic fishery has on the economy in eastern Canada.

For the Government and its appointee, Mr. Kirby, as head of the Task Force, to play fast and loose with this vitally important matter is a shame and a sham. I call upon the Government today, as I did a month ago, to release immediately the report of the task force on the Atlantic fishery; not to send out any more feelers to find out how the public and the Atlantic fishing will react to the conclusions or recommendations of the report, but to put on the table the actual material included in the report so that it can be judged by those interested in the Atlantic fishery.

It is wrong that the Government and the chairman of that task force, Mr. Kirby, should adopt this process and procedure of leaking bits and pieces of the report. It is harmful to the Atlantic fishery and it is dangerous to the economy of the Atlantic Provinces, particularly the Province of Nova Scotia.

I ask the Government to stop this sham and this shame and to come clean with the Atlantic fishery and those persons whose lives, existence and future security depend upon what action will be taken by the Government of Canada with respect to the recommendations, made not only by the Task Force headed by Mr. Kirby, but by all other persons and officials who are knowledgeable and interested in the Atlantic fishery.

At the risk of repeating myself, I ask the Minister of Fisheries and Oceans and the Government of Canada to take immediate action, come clean and stop this chicanery once and for all.

Mr. Brian Tobin (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, I greatly admire the Hon. Member for Halifax West (Mr. Crosby). I have sat with him many times in committee and I know that he is seriously interested in the Atlantic fishery. But I must say that his approach today has confused me somewhat, and to a certain degree disappointed me. We have heard seven minutes of talk about shams and shame. There were very few, in fact by my count no constructive suggestions whatsoever.

The Hon. Member talked about the Kirby Task Force report and suggested that somehow the report was constructed in isolation of the people of Atlantic Canada, in particular those people most concerned with the fishery, those people who participate in that industry. He told us that was a terrible thing. I want to tell him that this Task Force and its report resulted from the most extensive consultation and the most extensive investigation and research ever carried out in the Atlantic fishery. Near the end of his comments he accused us of floating trial balloons and told us that we should quit floating them, that we should quit testing the public. That is a contradiction in terms.

The fact of the matter is that essentially the Kirby Task Force had two jobs. One was to investigate and make recommendations regarding issues concerning the harvesting, processing and marketing of fish. It has done that, and I am very happy to report that part of the report will be available very soon. Its second job was to have a look at the question of the financial difficulties being experienced by many of the same players mentioned by the Hon. Member opposite a few minutes ago and to give us some advice on how to restructure the industry.

The Hon. Member talked about private enterprise, private concerns, and the possibility of the option that Government could take an equity position. I tell him that that kind of concern rings somewhat hollow when those same private concerns are coming to the Government of Canada this day, yesterday and I am sure again tomorrow, with their hands out. As a Member of the New Democratic Party, its leader at one point, used the phrase—and pardon me for my license in borrowing it today—corporate welfare, or whatever it was, I simply want to say that when an industry, private or not makes decisions that get it into serious economic trouble and comes to the Government with its hand out, it should certainly not be surprised that the Government of Canada is interested in spending the people's and the taxpayers' money wisely.

• (1820)

In summary, let me say the Government recognizes the need to dispel all the uncertainty in the industry as quickly as possible. As I indicated, the Task Force report will be made public very shortly. It is presently being prepared. Further, the question of restructuring that vital industry, vital to my constituents and to those of the Hon. Member, will be answered very shortly as well. It is now before a committee of cabinet.

I want to assure the Hon. Member that I know of his great interest in the fishery. I know of the sincerity of his attempts to acquire information. I want to tell him with equal sincerity and with equal passion that the way to help this fishery is not by giving us a litany of sham and shame, or by casting doubt upon the good work of Mr. Kirby and his commission, but by contributing and suggesting solutions to the problems facing this most important industry in Atlantic Canada.

TRADE—REPRESENTATIONS TO UNITED STATES AUTHORITIES ON LUMBER INDUSTRY. (B) QUERY RESPECTING POSSIBLE DIPLOMATIC NOTE

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, on December 17, I raised a matter with the Minister of State for International Trade (Mr. Regan) regarding representations to the United States authorities on the lumber industry with particular regard to the investigations being conducted through the processes of the U.S. Department of Commerce, the International Trade Commission and the International Trade Administration in the United States. At that time I urged the Minister and through him the Government to utilize the opportunity provided to deliver a "clear and careful but unmistakable message", and supported the suggestion that a diplomatic note along those lines be delivered to the United States Administration for the attention of the U.S. Department of Commerce thus clarifying our legitimate deep and serious concerns with regard to this whole array of complex problems.

I am led to believe that, following that intervention in the House, although I am not suggesting that the action the Government took came about because of that intervention, that a diplomatic note or other means of communication was in fact undertaken by the Government or by some of its representatives. While it may not be appropriate to release the substance or the content of such a note or message, I and a number of others, certainly in the Official Opposition, and certain others who work in and around the federal Government would appreciate being briefed on this matter so that we may continue to deal with this very sensitive issue in the appropriate, constructive and non-partisan manner in which I think we have all conducted ourselves up to this time.

There is a problem with mixed jurisdiction. I am sure the Hon. Member who is answering for the Government this day will realize that the number of departments and the number of people who find themselves seconded to this department and

other concerned departments creates some confusion. There is some concern that the note may not have received full consideration by some of the people within the Government service who have the greatest depth of experience and knowledge in the particular areas involved. We would like to be assured that in any future action that at least those misunderstandings do not take place, and again we would appreciate being briefed at some point as to what will happen.

Would the Parliamentary Secretary attempt to inform the House now or perhaps at a later date whether the International Trade Administration in the United States has sufficient staff at its disposal in order to give proper and full attention to the very complex and vast array of material now being assembled here in Ottawa?

Finally, could the Parliamentary Secretary also report on what stage we have now reached in our assemblage of the submissions of both the forest industry and the provincial Governments regarding the whole matter of stumpage rates, which may very well give us the first clear insight into our policies across Canada in that regard?

• (1825)

Mr. Brian Tobin (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, I first want to thank the Hon. Member for Kootenay West (Mr. Kristiansen) for the question he put in a non-partisan way. We are all interested in assisting this industry. I want to immediately assure the Hon. Member for Kootenay West, since he suggested that the note was not sent because of his representations, that it is precisely because representations by him and others like him who are sincerely interested in this industry that a diplomatic note was, in fact, sent. He need not be needlessly modest today.

I can now report that a formal diplomatic note was presented and received. This note expressed the Canadian Government's serious concern over the action brought by the U.S. industry and reiterated our view that the charges made in their petition had neither substance nor merit. Particular attention was drawn to the importance of these products in our cross-border trade and the serious effect that any disruption of this trade would have on both the Canadian industry and on the communities which depend on it. Secretary Schulz has acknowledged the importance of the matter and a formal reply is expected in short order. Our ambassador has also brought our concern to the attention of the Department of Commerce which, as the Hon. Member will know, is primarily responsible for carrying out the investigation.

As I noted when the matter was raised earlier, the countervailing procedures in the United States are laid down in legislation, and once a petition has been filed and accepted any investigation must follow a strict timetable. As part of these procedures, the U.S. Department of Commerce has requested and has been provided with extensive background on the various federal and provincial programs which were the subject of complaint. Based on this and other evidence, the Department of Industry, Trade and Commerce is to make a preliminary determination on or before March 7 as to whether or not any element of subsidy exists. I must say that the Minister of Industry, Trade and Commerce (Mr. Lumley) is confident that the material provided will thoroughly refute the allegations made in the petition, particularly those concerning provincial stumpage practices. I think this was a matter of very great concern to the Hon. Member for Kootenay West.

In the meantime, bilateral consultations have already been initiated with the United States under Article 3 of the GATT Code on Subsidies and Countervailing duties. The course of events will determine the extent to which further bilateral and multilateral action may be necessary. In any such effort to preserve this vital export trade, I can assure all Hon. Members that we are continuing to work closely with both provincial governments and the Canadian industry.

The Acting Speaker (Mr. Blaker): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m.

At 6.28 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, January 18, 1983

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

SUPPLEMENTARY RETIREMENT BENEFITS ACT (NO. 2)

MEASURE TO MODIFY BENEFIT INDEX

The House resumed from Monday, January 17, 1983, consideration of Bill C-133, an Act to amend the Supplementary Retirement Benefits Act (No. 2), as reported (without amendment) from the Standing Committee on Miscellaneous Estimates; and the motion of Mr. Gray (p. 21886) and the motion of Mr. Baker (Nepean-Carleton) (p. 21889).

The Acting Speaker (Mr. Corbin): When the House adjourned last night the Hon. Member for Saskatoon East (Mr. Ogle) had the floor.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Corbin): Order, please. The Hon. Member for Esquimalt-Saanich (Mr. Munro) is rising on a point of order.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, yesterday in my intervention I was reasonably assured that there was unanimous consent for the tabling of a document from which the Hon. Member for Victoria (Mr. McKinnon) had read. I see from this morning's *Hansard* that that document does not appear. It was a letter written by the Prime Minister (Mr. Trudeau) in 1977 to a correspondent who had been inquiring about the application of the CPI to Public Service pensions. In that letter every assurance was given to the correspondent and to anyone else—because it was an open letter—that the cost of living index would be applied to Public Service pensioners. I would refer Your Honour to page 21908 of yesterday's *Hansard*, where it appears that unanimous consent was granted. Therefore, I should like to urge that the omission be remedied in today's *Hansard*.

[*Translation*]

Mr. Bussières: Mr. Speaker, to avoid prolonging the debate, I shall be very brief. If I remember correctly, first of all, the Chair did not ask for unanimous consent and second, when the Hon. Member said that he thought there was unanimous consent, I clearly heard one of my colleagues on my left say no, he did not agree.

[*English*]

The Acting Speaker (Mr. Corbin): I thank the Hon. Member for Esquimalt-Saanich for raising the point. First of all, private Members are not allowed to table documents in the House, unless, of course, unanimous consent is given. This has been a long-established practice. I understand that unanimous consent was refused yesterday. Even though it might not have been heard by the official reporter of the House, a "No" was stated yesterday. A refusal was stated to unanimous consent, so therefore we cannot proceed at this time with the matter raised by the Hon. Member.

• (1110)

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, there was no sound of a dissenting voice. As reported in the second column on page 21908 of *Hansard*, I said:

> I think that by unanimous consent we will have it appended to *Hansard*: that is very good.

There was no sound, there is no record in *Hansard* of any dissenting voice having been recorded. I would assume—and I think it is a fair assumption for anyone reading *Hansard*—that unanimous consent was given and that therefore the document should be appended.

The Acting Speaker (Mr. Corbin): Again I should draw to the Hon. Member's attention that the only way for private Members to table documents or letters is through the means of unanimous consent.

Mr. Munro (Esquimalt-Saanich): That is right.

The Acting Speaker (Mr. Corbin): The record also shows very clearly that the Chair did not seek unanimous consent. The Hon. Member may have rhetorically asked for unanimous consent in the course of his speech, but formally we never proceeded to seek unanimous consent for the tabling of those papers. Those are the facts as they unfolded yesterday. Therefore, even though the Hon. Member feels he has a personal grievance, it is not possible to correct a situation which did not occur in the first place because unanimous consent was not sought.

Is the Hon. Member for Victoria (Mr. McKinnon) seeking the floor on the same point of order?

Mr. McKinnon: Yes, Mr. Speaker. I will not delay the proceedings of the House for long. It might resolve this matter if you were now to ask for unanimous consent and, if there are some Hon. Members opposite who do not want the letter of the

Prime Minister (Mr. Trudeau) to be tabled in the House of Commons, they could then say so.

The Acting Speaker (Mr. Corbin): Then I will put the request to the House. Is there unanimous consent for the tabling of the document read by the Hon. Member for Victoria in the course of his speech yesterday?

Some Hon. Members: Agreed.

An Hon. Member: No.

The Acting Speaker (Mr. Corbin): Is there unanimous consent?

Some Hon. Members: Agreed.

An Hon. Member: No.

The Acting Speaker (Mr. Corbin): There is not unanimous consent.

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, today we are debating Bill C-133, an amendment proposed by the President of the Treasury Board (Mr. Gray) to change from 6 per cent to 6.5 per cent and from 5 per cent to 5.5 per cent the indexing of pensions of retired public servants. I am opposing the motion and my Party is opposing the amendment because it is wrong.

Yesterday evening when I was speaking on the Bill I pointed out that a deal is a deal is a deal. The deal which was made between the public servants of Canada, their pension fund and their pension future, with the Government of Canada was a deal. When the deal was finished both sides believed that it was sincere and true. Unfortunately, we find out now that the Government did not accept it as a deal and has decided to change it. We are speaking against that kind of thing because it is wrong.

Public servants have paid into this pension fund in all good faith and with the good will that when their time came to retire they would be receiving the pensions which had been prescribed to them by the negotiations and the deal made with the Government. Unfortunately, that deal has been broken. This brings to the fore of my mind one of the most serious problems that we as Members of Parliament face in the House of Commons. That is, who are we to believe and who are the people of Canada to believe? I stand here and people judge me for my credibility; do I speak or do I not speak the truth? My colleagues on all sides of the House have the same responsibility. They stand before this House of Commons and before the people of Canada. They do so whether they are credible or not. I have talked to many people in Canada and I believe that many Canadians are losing their faith in this House and in the value of this House of Commons. One of the reasons for that is broken deals.

• (1115)

All of us must ask ourselves the question: "Are we credible?" I have to do that, Members of my Party must, and so must Members of the Conservative Party and the Liberal Party ask themselves. That question must be asked by Members of the Cabinet and by the Prime Minister (Mr. Trudeau). We must ask ourselves whether we are credible; are we telling the truth; are we doing what we say? If we cannot answer yes to those questions, then I have a moral responsibility to myself, and others in this House of Commons have a moral responsibility to themselves, to do something about it.

Unfortunately, the people of Canada, the voters out there, do not have the force of power to come here and argue their case in the House. We have to do it for them. But I know when I speak about the broken deal on the civil servants' pension fund that I speak what they are saying and what they are thinking.

We have legislation before us now that has been so easily summarized under the catch phrase "six and five". This six and five program is a sort of direction or thrust that was thrown out to the Canadian people as a solution to their problems. My colleagues in the Progressive Conservative Party, by supporting that direction, should stand up now and say that having supported the direction they therefore support this amendment, because that is the truth. If you buy a principle, then you buy what the principle says you have to do.

I am asking the President of the Treasury Board to reconsider seriously what he has proposed. I am asking the Government to reconsider seriously what it has proposed in these Bills that are now being bound around the six and five principle.

I think it is important as we debate this particular Bill to remember that as people get more power and more financial strength they have a more difficult time speaking the truth all the time. I believe that poor people who tell you that they are hungry, that they cannot look after themselves in their old age, that they are sick or that they do not have a job, will speak the truth more clearly and more frequently. That is easily understood. It is not a new idea; it is as old as the biblical traditions that we have. Those who become powerful and rich—I speak of governments, of the House of Commons, of business people, of labour unions, of anybody who becomes powerful and rich and gets away from the poor—have a great deal of difficulty in speaking the truth all the time.

Today, as I throw in my few words on this important amendment and Bill, I ask that the Government seriously reconsider what it has done. I ask Members of this House of Commons to consider seriously what they have done. We should cancel those Bills. If that does not happen, I can say very clearly that what is going to happen in the next election in Windsor is that the campaign slogan will be "Goodbye, Herb".

• (1120)

Mr. Howard Crosby (Halifax West): Mr. Speaker, let me begin my remarks at the report stage of Bill C-133, which amends the Supplementary Retirement Benefits Act and adversely affects public servants' pensions, by underlying the massive implications of this measure for Canadian pensioners and public workers.

First, the 6 per cent and 5 per cent cap on pension increases directly affects 200,000 public servants who can rightly claim that they bargained and paid for this benefit. The fact that this employment agreement was entrenched in the statute law and can only be changed by a parliamentary Act is evidence of this social contract.

Second, there are 500,000 public servants employed by the Government of Canada and its agencies, including the Canadian Armed Forces and the RCMP, who view this legislative change as adversely affecting their pension rights and benefits.

Third, this Bill, C-133, involves a breach of faith for every Canadian because every Canadian who receives a benefit under the statute law of the Parliament of Canada cannot rest assured that that benefit will be continued in all circumstances.

The Government has taken the position that if it considers it necessary in the interest of its financial responsibility to remove benefits without consultation, without prior discussion with the beneficiaries, it can do so by simply introducing an amending Bill in the House of Commons. That is a breach of faith which should concern not only the 700,000 public servants who are particularly affected by this Bill, but it is a breach of faith which should concern all Canadians.

I am certain that every one of the 700,000 responsible and socially conscious Canadians who are represented by the retired public servants and by those now in the Canadian Public Service would accept a limit on their statutory pension rights if that limit was based on reality and principle. However, the Government has substituted fiction for facts. The Government has replaced principle with prejudice.

The Prime Minister (Mr. Trudeau) and his Cabinet colleagues have systematically and maliciously created a false impression of the federal public servant and, in the case of Bill C-133, the retired public servant. That perception first projects a retired public servant as one who is given pension benefits as an unearned reward by an overgenerous employer. Second, this fictional public servant was overpaid for most of his or her working life, yet the retirement benefit was a substantial percentage—as much as 70 per cent—of that bloated salary. Third, the overpaid and undeserving senior citizens scoff at high inflation rates because, in fact, according to the Government, senior citizens benefit from that inflation rate because the pension income they receive is increased in line with the cost of living.

To suggest to the Canadian people that retired public servants benefit from inflation and therefore can accept a cap on that benefit is ridiculous. What a tragedy it is that well informed Canadians would accept such a false and deceptive description of the retired public servant. What a tragedy that our Prime Minister and his Cabinet colleagues would, with malice aforethought, create such a perception for the public to accept. This is moral bankruptcy at its lowest level.

The Prime Minister and his colleagues who hold a majority in this House will make Bill C-133 the law of this land, but they will not suceed in convincing Canadians that their action is right and just.

Why is this Act not right? Because the whole six and five program is a fraud and a sham. It is a public fraud on the Canadian people. The Government continues to spend at the rate it has spent over the last decade. It continues to build up a deficit which is now at $23 billion. We were told this very week that it is going up to $30 billion.

Why is Bill C-133 unjust? Because there are 200,000 pensioners who have an average income of $6,900 a year. When one adds the old age assistance to this income, a retired public servant 65 years of age or over, if he has a wife, is below the poverty line of $10,400.

Let me look at the specific problems that are encountered by aging Canadians. In some cases they require care in a nursing home or a similar institution. There is no way that a retired public servant whose income averages $6,900, even with the old age assistance benefit, can pay for nursing care in a nursing home institution anywhere in Canada. Our retired public servants who have spent their working lives trying to provide for their old age are deprived of the financial ability, in most cases, to pay even for nursing care in an institutionalized setting. Therefore, to call the action being taken in Bill C-133 fair or just is to defeat the purpose of those expressions.

• (1125)

I question whether the measure is necessary. The saving to the public purse, as I understand it, will be $15 million in this fiscal year and $85 million in the subsequent fiscal year because of the change which will be brought about by the provisions of Bill C-133. I have already pointed out that the Government continues its spending at an alarming rate and is piling up an even greater deficit than that projected in the June, 1982 Budget which created the six and five program. However, let me give some other examples of Government spending, which are in excess of $100 million, which will be saved by the provisions of Bill C-133.

The Minister of Transport (Mr. Pepin) is in the House and I am sure he is about to approve the construction of a vessel to ply between Nova Scotia and Newfoundland and span the Gulf. The estimated cost of that vessel is $122 million and the project was first rejected by the Government. It is now apparently being reinstated, not to help the poor people in Newfoundland or in Nova Scotia but, rather, to help the company that will build the vessel, a subsidiary of Dome Petroleum, the Davie Shipbuilding Company. So there is $122 million which will be spent.

Mr. Pepin: Everybody is in favour of that.

Mr. Crosby: We have the continuing luxury of the Mirabel Airport piling up a deficit of $50 million a year. Over a two-year period, we could save $100 million there. I will not mention the Canada Post Corporation, with its $500 million deficit year after year. What about the assistance the Canadian National Railways generously gave to the CAST Shipping group, over $60 million to help a foreign company build ships

and create activity offshore? I could go down the list and very quickly come up with literally thousands of examples of wastage in the area of $100 million over the last decade, but I will content myself with those examples. If there were other Ministers in the House, I could display for Hon. Members some of their financial sins in the past decade.

I want to speak about the attitude of the New Democratic Party, which Your Honour has just seen evidenced in this House by the Hon. Member for Saskatoon East (Mr. Ogle).

Some Hon. Members: Hear, hear!

Mr. Crosby: Its thesis before us is always that the Progressive Conservative Party supported the six and five program.

Some Hon. Members: Right on.

Mr. Crosby: Mr. Speaker, let me ask you, let me ask New Democrats and let me ask every Canadian, why would the Progressive Conservative Party not support the six and five program when it was first announced? When it was first announced, it was tied to a cutback in Government expenditure in the name of restraint. It was intended that the six and five program would save the public treasury funds, and that the savings would result in a better economic situation in Canada.

Mr. Speaker, the former Minister of Finance, who no longer is the Minister of Finance for that very reason, deceived the House when he brought in his June, 1982 Budget. He was not interested in restraint at all. The six and five program has since been proved to be a public fraud.

Mrs. Mitchell: You voted with us!

Mr. Crosby: There was no intention to cut back on spending. So what happened was that the Opposition, in its loyal duty to Her Majesty, to the Crown, accepted the Government's good intention to restrain Government spending and to apply the six and five program fairly to accomplish that purpose. We were the victims of the Government's fraud when it comes to federal public servants and retired federal public servants.

This is not to justify the action of the New Democratic Party, because we know that it was not sincere in its opposition. We know from its action time and time again in this House of Commons that its Members simply stand up and take whatever position their whim of the day desires, as they did in this House the other day in support of the Roman Catholic Bishops of Canada. They supported the Roman Catholic Bishops of Canada because it served their purpose. However, I would ask them if they support their stand on abortion, on birth control or on other moral issues. I want the New Democratic Party to stand up in this House and support the stand of the Canadian Roman Catholic Bishops on moral issues as they have been announced.

So, Mr. Speaker, we are—

• (1130)

The Acting Speaker (Mr. Corbin): Order, please. I must inform the Hon. Member that the time allotted to his speech has expired.

Mr. Doug Lewis (Simcoe North): Mr. Speaker, I am delighted to have this opportunity to take part in this debate for a moment or two and to support my colleague from Halifax West (Mr. Crosby), who so aptly put the case for our Party in this matter. I did not have an opportunity to speak in the earlier debate because of the rush to judgment that was precipitated by the Government.

Simcoe North does not have a very great civil servant constituency so this issue is not in my riding, as it is in several of the Ottawa ridings, an issue upon which an election can be won or lost. I regret that the Member for my public servant constituents in Ottawa, the Hon. Member for Ottawa West (Mr. Francis), I guess it is, has seen fit to support the Government on this particular issue.

An Hon. Member: Ottawa Centre!

Mr. Lewis: Ottawa Centre, I am sorry. My apologies. I appreciate the Hon. Member would not want to be associated with the Hon. Member for Ottawa Centre (Mr. Evans) in this matter because of the way—

Mr. Epp: Ottawa-Vanier!

Mr. Lewis: The Hon. Member for Ottawa-Vanier (Mr. Gauthier) has had the courage of his convictions in this matter. As a matter of fact, I want to commend him for having the courage of his convictions as opposed to his fellow sheep on the back bench of the Liberal Party who have abandoned their constituents on this particular issue. I have had several of my constituents write to me or call me, both civil servants and non-civil servants, asking that I put forward their views on this particular amendment.

There are two points that I wish to make briefly. One is that the people of Simcoe North, my constituents, believe that a deal is a deal, that an agreement, once made, should not be broken unilaterally. That is exactly what the Liberal Government has done in this Bill. They have broken an agreement which they made with the civil servants of this country. Secondly, the people of Simcoe North believe that the Government should not fight inflation on the backs of those who cannot fight back.

What I want to do for a moment is to elaborate on both of these points. Several years ago the federal Government agreed to index civil servants' pensions to cover the effect of inflation. That meant that each year there would be an increase in the pension paid to a civil servant to allow for the inflation of the previous year, if any. The theory was that the recipient would always be in the same position as he or she was guaranteed under the agreement made with the Government. Pensions would be indexed to inflation.

What the Government is doing in this Bill and what our amendment attempts to correct, or stop for a period of time, is to index pensions only so much as the Government wishes; in other words, to index only to 6 per cent in 1983 and 5 per cent in 1984.

The Government entered into an agreement collectively, with the union—and I suggest it entered into it individually with each and every civil servant—to index pensions to inflation. On the other side of the agreement, the union agreed, and each individual member of the union agreed, that they would pay a premium for that indexing. As I understand it, that is 1 per cent of salary.

The Acting Speaker (Mr. Corbin): The Parliamentary Secretary to the President of the Treasury Board (Mr. Lang) rises on a point of order.

Mr. Lang: Mr. Speaker, I am sure the Hon. Member would not want unintentionally to mislead the House. There was no negotiated contract between the unions and the Government on this particular issue.

The Acting Speaker (Mr. Corbin): I should inform the Parliamentary Secretary that that is hardly a point of order; it is a point of debate. The Hon. Member for Simcoe North has the floor.

Mr. Lewis: Thank you for your intervention, Mr. Speaker. I appreciate that the Government may want to differentiate between breaking its word and breaking an agreement. As far as we are concerned, if you give your word as a Government and people act on the giving of that word, that makes it the type of agreement that should not be broken. I believe that is what is at issue here. The Liberal Government did not give its word but it was awfully glad to brag about it.

Let me read from the Treasury Board booklet of 1974 entitled "Your Superannuation Plan". It says:

> There is no means test and all in receipt of pensions, whether former employees or their widows and dependants, benefit from the Supplementary Retirement Benefits Act's provisions. In any year where there is an increase in the cost of living, pensions will be increased in an amount directly related to the increase in the Consumer Price Index, without limit.

I emphasize, "without limit". It goes on:

> The percentage increase payable each January represents the increase of the average of the Consumer Price Index for the twelve-month period ending on the preceding September over that for the twelve-month period of the previous year.

There is no footnote saying "Provided that the Liberal Government does not change its mind", or "This is not a firm agreement, just our word", or "This is a one-sided agreement; you pay and we will decide whether or not we will uphold our side of the deal". That is what we are concerned about; a deal is a deal.

My second point is the fight against inflation. Over the years we have had promise after promise by the Prime Minister (Mr. Trudeau), when he was in town, to wrestle inflation to the ground. He has gone to Japan perhaps to improve his Samurai wrestling, or some other type of wrestling, but he has failed to wrestle inflation to the ground. In 1980 it was 10.1 per cent and in 1981 it was 12.5 per cent.

There are obvious reasons for that. We are now in a recession that the Government has provoked with the National Energy Program, with its economic policies, with its Budget of 1981 and its addendum, which has created something which is called unemployement; and inflation has begun to come down because companies cannot sell their inventories. Stores cannot sell their merchandise. That does the best job of all in fighting inflation. The Government has come up with a plan to take full credit for the depression. They are calling it "fighting inflation".

So six and five is designed to restrict the salaries of civil servants, and we agreed with that. We had no difficulty in agreeing to that. The NDP had a lot of difficulty in agreeing with that. As I have said before in this House, I spent a lot of time this summer answering questions from my constituents who asked: "Why did the NDP vote to increase their salaries to the rate of inflation?", and "Thank you, Mr. Lewis, for voting to hold yours back. There is no restraint at all on the part of the NDP. They just want that big, fat salary."

Some Hon. Members: Oh, oh!

Mr. Lewis: Really, it was embarrassing, explaining this to them. We are fighting this Bill because the Government is determined to fight inflation on the backs of families, on the backs of civil servants and on the backs of pensioners, all people who cannot fight back. Civil servants working now have an option. If they do not like the 6 per cent they have the option to go and find another job.

Some Hon. Members: Oh, oh!

Mr. Lewis: The Minister of Employment and Immigration (Mr. Axworthy) will tell you that he is creating job after job. The Minister creates jobs by the thousands. The point is that there are no jobs. This Government is not creating them. The Liberal Government is taking the coward's way out to fight these people who cannot fight back. That is why we are supporting the amendment of my colleague and are fighting the Government on this Bill.

• (1140)

I urge all Members of this House, including those on the other side, to support this amendment and to vote against this Bill. I would like those opposite to show the courage of their convictions, if they have any. I do not want to see the Liberal Government shaft the public servants or public servant pensioners or any others who cannot fight back. I see that my Member of Parliament is here. I am pleased to see him in the Chamber. Oh, he is not all here!

In conclusion, I ask the House to vote against Bill C-133 and support this Party. Vote against the Liberal Government's attempt to fight inflation on the backs of Civil Service pensioners.

Supplementary Retirement Benefits Act (No. 2)

Hon. Jake Epp (Provencher): Mr. Speaker, I want to put a few comments on the record respecting Bill C-133 and the matter of the superannuated pension. It was previously asked whether the six and five program should have been supported originally. My answer is yes. It not only gave a signal to both the public and private community that inflation was a major problem in the economy, but the Government had to recognize it and come to grips with it. As has been mentioned, because of recessionary factors and pressures there is no question that the reduction in inflation has been influenced largely by that rather than any government program.

Bill C-133 is quite different from Bill C-124 which was a capping of salaries of public servants, 6 per cent this year and 5 per cent next year. That was the essence of Bill C-124. The merit of those two proposals is evident and I do not have to make further comment on that.

When we get to deal with Bill C-133, we are in a different situation. I will explain it in this way. On the one hand, Canadians through their tax dollars pay money into general revenues at the federal, provincial and municipal levels. Those moneys are used to provide services which those Governments, Parliament or the legislatures decide to be important for the well-being of the general population.

We as Opposition Members and as members of society generally might argue that the Government is not using those funds in the best way possible. Through the methods in this House, namely by debate and eventually by the electoral process, the Canadian people give their verdict as to whether the Government of the day has prudently spent the tax dollars collected by Government over the course of the years.

That is a process we all understand. The question of accountability is central. However, when we look at money which has been received by individuals, money deducted at source when people receive their salary cheques or money directly paid to a pension plan, that money is very different from general revenues. General revenues are moneys used for the general well-being of society. When an individual Canadian pays a premium for a pension to be received at the time of retirement, that money is held in trust by the Government to make it work to the best advantage of those who initially contributed to that pension plan. It is a trust fund. Therefore, that money should be seen by Governments differently from the general pool which is often referred to as the Consolidated Revenue Fund.

The Government has an obligation to fulfil the terms of the pension agreement. What we are dealing with today is a pension agreement between the Government and every public servant who has contributed his or her pension premium to a pension plan. They do not know what the pay-out will be at the time of retirement. It depends on the salary earned and the number of years of contribution and, until the passage of this Bill, on the so-called escalation which is related to the cost of living increase.

Because of the power it has in the House of Commons, the Government says it will now change that agreement. I believe that is wrong. The people who contributed to the pension fund are now being told that the other partner, the Government of Canada, is changing the rules. Ironically it is only one partner that can change the rules because of the power that partner has in this House of Commons through the legislative process. Previously the rules were changed through the collective bargaining system by agreement. What we are dealing with today is an agreement between the Government and the public servant.

Over the past number of days all of us have had experience with people who are concerned about their investment. As I spoke to my constituents during the Christmas break, I found a certain attitude. They were willing to invest and have the money to invest, but they had great fears along the following lines. First, would the Government change the tax rules again if they made an investment today? Would the rules again change at the time of the next Budget? That creates real confusion in the mind of the average person who wants to invest, create jobs and make the economy go.

Second, and I found this interesting, they were concerned about the viability of Canada's financial institutions. The average person was asking whether his money would be safe and secure. I do not want to comment today on what is happening in the Ontario legislature relative to mortgage and trust companies, but it has not helped that attitude. It has created even more confusion and fear. Fear is not too strong a word in this regard. The average person wants to know whether his investment will be secure. For example, in Winnipeg there are some branches of the Ontario companies that are involved. Average people stood in line in the cold of winter in Winnipeg to see whether their investment was secure, the financial future in which they had invested.

When dealing with Bill C-133, we must also touch on the human factors. Individuals believe that if they work and do their job properly and contribute at a certain rate, they will have a certain pension not only for themselves but, more important, for their families when they pass on. These people have contributed an extra percentage point to buy escalation in pension equal to the cost of living increase. Nowhere in the legislation are these people given the option of not having to pay the extra 1 per cent.

• (1150)

I find it very difficult to understand how the Government can say: "Well, we are not going to escalate in to the cost of living; and, secondly, we still expect you to pay the premium which bought that protection". I do not think a private insurance company could get away with that. It they said, when one bought either a life insurance policy, superannuation or whatever, "Look, those were the conditions but we have decided to change them even though you signed a contract", I would think the Government would step in very quickly and say very specifically: "You have a contract, fulfil it". There might also be a question from the general public as to whether the fund is solvent. But I think if you look at the surplus in the fund, that question is answered as well.

The last point I want to make, from my constituents' point of view, is this. It is generally regarded that there are not that many public servants in my riding, active or retired. Well, that is simply not the case in a riding where there are five border crossings or where there is a community, Whiteshell-Pinawa, which has an atomic energy research station. I have before me, Mr. Speaker, a petition signed by some 200 people from communities such as Pinawa, Beauséjour, Whitemouth, River Hills, Lac du Bonnet, Seven Sisters Falls, Winnipeg, Elma, Seddon's Corner, Tyndall and Transcona who said: "We paid in, signed a contract and we are living up to our contract; members of the Government, live up to your side of it as well". That is the message they have given to me and that is the message I have given to the House.

The reduction of inflation is a valid national goal, but when you have a contract and you expect other Canadians to live up to their side of the contract, I suggest the Government, for its own integrity, do the same thing.

Mr. Simon de Jong (Regina East): Mr. Speaker, I, too, welcome the opportunity of being able to participate in this most important debate. It is something I really do not enjoy, however, because of the fact that I find Bill C-133 to be one of the most repugnant pieces of legislation to be introduced in the House since I have been here.

As speaker after speaker from both opposition parties has indicated, this Bill is breaking a contract between the Government and its past and present employees. It destroys an agreement, something which would not be allowed in the private sector. It is morally and economically wrong. Essentially what it does is cap at the 6.5 per cent and 5.5 per cent level the increase in pensions of some 154,367 retired public servants who receive an average pension of some $6,900 a year. They will receive an increase in their pension of 0.5 per cent more than mothers or people on Old Age Security because of a sense of guilt by the Government over the fact that these people have paid into a fund and are indeed entitled to full indexation because they won it in contract negotiations.

Now, Mr. Speaker, the Government can claim that the net effect is not going to be all that great because inflation is going to be down next year, perhaps even to 6 per cent. We all hope it will be, but that is not the point. The point is that retired civil servants have fought for and won the right to some protection in periods of rapid economic change. They have paid for it. There is no guarantee, Mr. Speaker, of what the inflation rate will be during the next two years. When we look at the economic forecasts during the last two years, what sticks out is that nobody knows what in heaven's name is going on. All the predictions have been wrong—predictions as to what is happening with the economy, when the recovery is going to occur, what Government deficits are going to be, what inflation or unemployment is going to be. Economists, both in the private and public sector, have been unable to make any accurate, long-term predictions. No one can tell us with any degree of certainty what the inflation rate is going to be next year, yet Bill C-133 removes the protection against inflation for the very people who need that protection the most. The only protection people such as mothers or the retired have is what they have legally gained through institutions such as Parliament. But the Government removes this protection in the name of fighting inflation. That is insanity and cynicism from the Government opposite which just amazes me. It is wrong economics.

The Conference Board of Canada stated last week, and I quote from *The Globe and Mail* of January 13, 1983:

—the recovery will continue to be hampered by the weak growth expected in real disposable income in 1983.

Essentially the Board says that while consumer confidence is high in Canada, the ability of Canadians to purchase the goods and services they want and need is hampered by the fact that they do not have the purchasing power, and the cutbacks introduced by the Government and massive unemployment are preventing economic recovery. This proposed legislation, Mr. Speaker, further aggravates the basic problem. We are not going to get on the road to economic recovery with legislation like Bill C-133. In fact, this Bill further slows down the economy. I am not certain that there is an explanation for why the Government cannot see or understand this. Perhaps it does. Perhaps it is quite willing cynically to say: "This is the price we are prepared to pay to wrestle inflation to the ground. We are prepared to see old age pensioners, mothers, and retired civil servants squeezed even further in order to fight inflation to the ground."

We in the New Democratic Party, Mr. Speaker, have maintained from day one that this type of Reaganomics will not work. The amount of human suffering is too great to make this an acceptable cure for inflation. In fact, this type of Reaganomics will lead to economic disaster, bankruptcies, massive unemployment and, perhaps, to the very ruin and crash of our present economic system.

• (1200)

I was definitely encouraged to hear Members of the Conservative Party denounce this legislation because it broke contracts. They spoke in terms of the importance of understanding and of gentlemen's agreements on contracts. They are absolutely correct, but I sense a bit of a double standard there because they supported Bill C-124 which capped salaries of public servants. That Bill broke a lot of contracts that had been negotiated between public servants and their employer, the Government, yet we only heard two Members of the Conservative Party protest that obnoxious Bill C-124.

I think the Conservative Party still has a chance to show how sincere its opposition is to Bills C-131, 132 and 133. Members will meet in convention next week. I challenge them to introduce and pass a resolution at that convention that would denounce Bills C-131, C-132 and C-133. If at that convention they pass resolutions condemning those pieces of legislation, then some of the faith that I used to have in that Party will be restored. I challenge its Members to introduce such a motion and to marshal it through the convention next week.

Supplementary Retirement Benefits Act (No. 2)

The Acting Speaker (Mr. Corbin): Order, please. I regret I have to inform the Hon. Member that his time has expired.

Mr. de Jong: I also regret that, Mr. Speaker.

Mr. Joe Reid (St. Catharines): Mr. Speaker, we are now engaged in what has become the longest parliamentary session in Canadian history, and this so shortly after a Christmas recess when one might have thought Members of the Government, if they had listened to their constituents, would have returned with fresh, new ideas about how to fight inflation. But they have not, so we must continue our opposition to their approach to the battle against inflation.

Bill C-133 is more than just mean-minded. It comes at what is perhaps the blackest moment in Canada's pension history. Goodness knows what will follow. Should Government backbenchers see fit to fall into line and vote for the legislation, they will be playing a major role in this blackest moment in our history.

In the name of restraint, the Government has chosen to launch a stubborn and determined attack on senior citizens, mothers and Public Service employees while it just as steadfastly refuses to put its own house in order and curtail Government expenditures.

Who are the people who are being asked to make sacrifices as a result of Bill C-133? It certainly is not Senator Pitfield or Edmund Clark. Some 70 per cent of the people affected by this Bill are receiving pensions of less than $10,000 per year. Better than 80 per cent of widows and survivors of public servants receive pensions of under $5,000 per year. Are these the people whose inflationary expectations must be brought into line? Are these people to be made an example of for the Canadian people?

It was suggested at second reading of the Bill that the Government could be sympathetic enough at least to exclude pensioners in the lower income brackets. The response was that pensioners in the lower income brackets could not be excluded because there were too many of them. That response speaks volumes about the insensitivity of Members across the floor.

These are tough times, the Government says. Tough times, indeed, Mr. Speaker, for those persons who cannot bear the brunt of this inflationary attack. Do Members across the floor not realize that never in Canadian history, not even in the darkest hours of the depression of the thirties, has a Government altered pension arrangements as is proposed now? That has never happened, Mr. Speaker. This action is totally unprecedented. It is disgraceful, it is shameful and it should not take place. It breaks trust and it certainly destroys confidence. It is bad enough that a Government should attempt to build a restraint program on the backs of pensioners without taking them into consideration and the fact that it is establishing a bald-faced precedent.

I was raised to believe, and my children have been brought up as well to believe, that my word is my bond. A deal is a deal. As a lawyer, I was persuaded many times to put a deal into writing. What does the Government propose? It does not matter that the Government's agreement has been reduced to a convention and an understanding that public servants could retire on a contributory pension which, they were told in 1974, would be indexed. This Bill not only unilaterally breaks that deal, but it does so without prior consultation and without prior notice. Such action, whether it be in the Public Service or the private sector, can only lead to bad relations between management and labour.

In trying to resolve all the issues that arose in the formulation of the Civil Service Staff Relations Act, the Public Service unions and associations agreed to forfeit the right to bargain pensions in return for an agreement on the part of the Government of the day that it would never tamper with Public Service pensions without full and meaningful consultation. This agreement obtained through 1971, when partial indexing was adopted, to 1974, when full indexing was introduced, and onward until June, 1982 when the Government broke it without notice and without consultation.

Throughout the period from 1967 to June 1982 it was understood that it was the Government's responsibility to administer the pension fund and, from 1981, the indexation account, in an actuarially sound manner. The Government was to set the contributory rate in consultation with the staff associations and unions; it was to match that rate and, most important in the context of Bill C-133, it was to make up any deficiencies that might result. Public servants, in turn, were to pay that which was agreed upon, namely 1 per cent of gross earnings, for indexation. How the Government chose to invest the pension and indexation funds was the business of the Government, not of the unions or associations.

Now, out of the blue, the Government is breaking the agreement made 15 years ago with respect to changes in the area of pensions and it is making a mockery of the 1974 promise to provide full indexation. To add insult to injury, the Government is justifying this by pointing to its own less than satisfactory investment and accounting practices and to the good faith and trust extended by the unions and associations of the Public Service in not insisting upon a formal contract.

For these reasons, Mr. Speaker, Bill C-133 is a contemptible and repugnant piece of legislation. It attacks those who have no way to defend themselves, those who are in no position to fight inflation themselves. They are being asked to bear the brunt of the Government's attack on pension legislation. These pensioners are not only going to lose, on average, some $1,200 over the two-year period that the program will be in place, but they will see their pension base eroded by an estimated 10 per cent for the balance of their pension life.

The amendment put forward by the President of the Treasury Board (Mr. Gray) is not only inadequate, it is an insult to the intelligence and integrity of Public Service pensioners. The honourable course, Mr. Speaker, is to defeat the Bill or to withdraw it.

• (1210)

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, it is a privilege to have this opportunity today to rise and speak on this aspect of Bill C-133, not because it is a good Bill, but because it provides one with an opportunity to speak on this very dark day in Canadian pension history. It allows a person to raise on behalf of tens of thousands of Canadians a number of issues which they would dearly love to raise before the Government of Canada themselves. They have requested that the Members of Parliament who represent them do it on their behalf.

Over the last number of weeks, during the Christmas recess especially, I had the opportunity to meet with retired public servants, retired members of the Royal Canadian Mounted Police and retired members of Canada's Armed Forces. They approached me both formally and informally to ask just what on earth the Government of Canada was doing. These three areas of Canada's Public Service were under the impression that they had entered into a contract with the Government of Canada, that they had made an arrangement or a deal, and that there was a clear understanding.

I am referring, for example, to those public servants who had really committed themselves and dedicated their lives to being public servants in the most positive aspect of that term, those who had literally established careers and dedicated their lives to serving Canadians and Canada. I am referring to such people as those who for years and years represented us as a country in our Customs houses and immigration offices here and abroad, those who represented Canada in weather stations both in the settled parts of Canada and often in very remote areas of the country, those who dedicated their lives to assisting the unemployed through UIC offices, those in Parks Canada who served the public, protected wildlife and made more inaccessible areas of Canada a welcome part of Canada's heritage. They welcomed people into those parks and introduced them to the finer elements of our environment and Canadian ecology. Also I am referring to people in fisheries who often risked their lives working for that very critical resource industry. One could go on and on referring to people who dedicated their lives to serving Canada.

Retired members of the Armed Forces have come to me and said, "Mr. Riis, as my Member of Parliament, I want to tell you that I have dedicated my life to this country." They say that in a way different from other Canadians. In fact, they served in World War II and literally laid their lives on the line on many, many occasions. They were prepared to risk their lives for Canada. They served Canada in Korea and in a number of peace-keeping missions around the world. When they got up in the morning and went out on the job, they were prepared to give their lives for Canada as a result of a contract into which they had entered between themselves and the Government of Canada. Also I refer to those members of the RCMP who daily, year after year, decade after decade, risked their lives to protect Canadian citizens in whatever part of Canada they were found. From the largest metropolitan areas to the most remote coasts, RCMP members were prepared to dedicate their lives and in many cases risk their lives frequently on Canada's behalf.

These people had an understanding. In many cases they virtually had a contract that their service would be recognized in their pensions. The pension is not excessive; a typical retired public servant receives today $6,900. They recognized that there was a factor of inflation which would jeopardize that pension. They were given the opportunity to pay into a fund which would protect them in the case of inflation. The Government of Canada indicated that that should be included as part of the understanding of the deal being made, that not only would they contribute 6 per cent toward their pension but they would add another percentage point to protect them against the ravages of inflation. Many of them decided that they would retire early for two reasons—to allow access to their career for other Canadians and because they knew they would be protected in the case of rapid inflationary growth.

Now they have learned through one source or another that the Government has turned its back on them and has decided to change the contract, to renege on the contract, to break the contract. They are puzzled. They really cannot believe that the Government for which they worked for many years—people who had literally dedicated their lives to serving Canada, Canadians and the Government of Canada—was now turning its back on them.

We have heard other speakers refer to the crisis in leadership confidence. I read with interest in *The Globe and Mail* this morning one of Canada's best columnists, who identified that our critical problem today was that Canadians had lost confidence in their leadership for good reasons. The article indicated that they cannot trust the leadership of the Government of Canada any longer, that the leadership says one thing and does another. An example of that is that the Government of Canada entered into a contract with its public servants and now it has broken it.

Also the columnist referred to the Progressive Conservative Party. I suspect many people are perplexed when Members of the Progressive Conservative Party rose and said that they supported the six and five principle and were prepared to break contracts with tens of thousands of Canadians. Now they rise and say that they do not like breaking certain contracts with certain aspects of the Public Service of Canada. Then the people of Canada ask, "What on earth does the Progressive Conservative Party stand for; where is its integrity? It is prepared to break some contracts but is hesitant to break this one."

I must say that there are some Members of the Progressive Conservative Party who have a heart, a conscience and integrity. Those are the ones who stood in their places and said, "We will not participate in this hypocritical move in which the rest of our colleagues in the Conservative Party are participating." They had the courage to stand up and say that.

I believe it must be said very clearly that there is a crisis of leadership confidence in the country, and that the Liberal Party of Canada and the Progressive Conservative Party of

Canada are providing ample fuel for that speculation. Canadian public servants are truly confused when they find the contracts into which they had entered being broken and in principle supported by the Conservatives as well.

The disappointing aspect of Bill C-133 is really twofold. One is that it fights inflation on the backs of those people who are really the victims of inflation. If there is one group in Canada feeling the pinch of inflation, it has to be those on fixed incomes, especially those who are retired. The Government says that those who are suffering the most and are paying the greatest penalty will be those people on whose backs it will fight this war as well. They are the casualties of the war. Simply, this Bill will add to the casualty list in terms of people who are suffering as a result of the six and five program. Most important, we must recognize that Bill C-133 breaks contracts. When they start breaking contracts, confidence begins to erode and any support which the political leadership had created in the months previous quickly evaporates, and I suspect it has been totally evaporated at this point.

• (1220)

I call upon all those Members of Parliament in this House to stand up and be counted when the vote comes. I say to Liberal backbenchers: "Have the courage to represent not only your constituents but have the integrity to represent those people across this country who have literally dedicated their lives to the service of Canada". I am thinking of those people in the Armed Forces, in the RCMP and those dedicated public servants who have given up their lives to serve Canada. The least we can do now is to give them a fair pension.

Mr. Fred King (Okanagan-Similkameen): Mr. Speaker, much has been stated here in the House and during sittings of the Miscellaneous Estimates Committee as it heard witnesses who appeared to give their reaction, almost universally adverse, to Bill C-133. Much has been stated that reflects very poorly on the Government of Canada breaking trust with its employees and retirees in the matter of indexation of pensions.

Certainly of all the witnesses who appeared representing the many elements of the Public Service in Canada, the breaking of a trust relationship dominated their testimony. In addition, we have all received letters and communications from constituents whose interests are adversely affected by Bill C-133. Typical is a letter received recently from Mr. William Hitchen of Victoria, B.C., who is chairman of the Organization for Indexed Pensions. In his letter he writes:

> The Prime Minister has recently made a plea for trust between Canadians. Pillaging the funded Public Service pension accounts does not improve trust.
>
> Please help to defeat Bill C-133.

Mr. Hitchen also wrote:

> Bill C-133 is designed to limit the indexing of Public Service pensions to 6 per cent and 5 per cent over the next two years. Its purpose obviously is to enhance the Government's "six and five" program, although in actual fact its implementation would contribute practically nothing to our fight on inflation.

On that point I believe it is clear we have to take issue with what our colleagues to my left have repeatedly been saying about the Progressive Conservative Party's position concerning Bill C-124. Bill C-124 was the first indication that the Government of Canada took the damage that inflation was doing to our citizens seriously. It was on the basis that Bill C-124 was the first move by the Government of Canada to do something about it that we supported Bill C-124. Up to that point the Government had not taken seriously the damage it was inflicting on the economy of Canada and to individual Canadian citizens. The Government was then seen to recognize what was happening. Because Bill C-124 was the first step toward bringing Government activity under control, we supported it. But we have been offended by the repeated actions of this Government that have gone against the spirit of Bill C-124. Canadians right across the country have been offended by what is seen as the failure of the Government to live up to its commitment which it gave to the Canadian people when it put the problems that inflation were producing before them and produced as a first step toward resolving those problems Bill C-124.

I asked a witness who appeared before the Committee whether that person would be ready to accept the implication of Bill C-133 if an awareness was reflected in Government action day by day that it, the Government, was the prime producer of inflation in Canada, a problem that could only be brought under control by trimming its own voracious appetite for spending. The witness's response was: "Yes, indeed, it would be more palatable if the burden were shared right across the spectrum of society".

The problem is unequal treatment. That is what offends Canadians. For example, the generosity extended to Mr. Pitfield stands in marked contrast to the treatment of pensioners whose average pension is less than $7,000 annually. Naturally, they are offended when they read of the generous spirit shown to a public servant who has served Canada well, I am sure, but whose situation stands in marked contrast to that of the ordinary pensioner and superannuate.

The generosity of this Government to its friends, as demonstrated by the Maislin trucking bail-out and by the selection of Mr. Erikson to design the embassy in Washington, by-passing the expensive and thorough selection committee recommendations, offends Canadians. These actions stand in contrast to the way superannuates are being treated. All those things offend me and they offend the Canadian public.

What about the $17 million grant to the Holiday Inn to build a hotel in the then Minister of Industry, Trade and Commerce's riding in the city of Windsor? It is interesting to note that Minister is now President of the Treasury Board (Mr. Gray) and has responsibility for Bill C-133. That action stands in marked contrast to what the Government is asking, which is a denial of a privilege that was guaranteed to superannuates and is now being taken away from them through Bill C-133.

What about the several hundreds of millions of dollars being spent on Government advertising? I see the Government's present information budget is $235 million. The federal Government has risen from being the seventeenth largest advertiser in Canada to being the largest advertiser in Canada.

Surely if we are looking at places to trim Government spending we can point the finger to more productive sources of saving. We should not be looking to the pensioners and superannuates, the people who have contributed far more funds than have been taken out. Surely we can look to those sources. The traditional role of Government spending has been to provide information but it has gone far beyond that process now. It is not information that the Government is providing, it is soliciting support for programs and Government initiatives, many of which are not worthy of support.

• (1230)

You have indicated to me that my time is up, Mr. Speaker. I just wish to say on behalf of those who appeared as witnesses before the Committee that the Government can make all people appreciate the effect of restraint by demonstrating restraint itself. This would bring all the people on the side of the Government in the matter of restraint. We will not be supporting this Bill, Mr. Speaker.

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, some weeks ago at an earlier stage in this debate I made my fundamental objections to this and the other pieces of legislation quite clear. Over the years the question of my parliamentary responsibility has never been a complicated one for me. If a piece of legislation is good law, then it should be supported. If it lacks that qualification, it should be opposed. I have always believed that good laws were simply those which the people in fact wanted to support and embraced as being for the betterment of themselves, their community, the country and the world.

I do not have any difficulty in deciding upon this series of legislation which has been introduced in support of the principles of the six and five program. I have opposed it since the beginning. While the particular measure in front of us now could be improved with the Government's acceptance of certain amendments, I am somewhat amazed to believe that the Government would continue in the perpetration of this hoax.

Our economy is in a serious recession. There is a growing consensus, from what I have read, that it is just such measures as this which effectively take spending money out of the market place that will, in fact, prolong the very recession that the Government claims measures such as this will cure. I believe the Government has admitted this fact to some extent, perhaps simply to smooth over the objections of some of their more thoughtful supporters. The Government has admitted its error in this legislation by sneaking in this amendment for 5.5 per cent and 6.5 per cent. However, it makes no impact at all.

The Government should be determining ways to inject real dollars into the economy which will provide the capital pool for those manufacturers, processors and developers in this country to sell their goods and services and therefore enable them to rehire workers and get the industrial effort in this country back on track. This is poor legislation, if for no other reason than that. However, the problem is much more complex than this simple test for what a responsible Member of Parliament should do with respect to the principle of what is good or bad legislation.

One can consider this legislation from the point of view of being a very personal attack on the retirement capacity of people to live with some degree of dignity. We are aware that the savings to the Government are immeasureably small. The Hon. Member for Halifax West (Mr. Crosby) cited only two or three examples. He is quite right that there are literally hundreds of examples which could be cited. The average pension income is still under $7,000 and Old Age Security is still under $3,000. The total income which pensioners receive presently is below the poverty line. This is a fact which is acknowledged and accepted by everyone.

If this program was to result in the recovery of sufficient amounts of money to restore economic activity in the country, there would then be some basis on which to listen to the arguments of the Government for support for this program. However, this is not the case. The Government is taking money from an already hard hit group of people. In Nova Scotia, we have 15,000 retired federal public servants. In Halifax-Dartmouth alone there are 37,000 public sector employees. What will they live on when they retire? The domestic electricity rates in Nova Scotia have just risen by 28 per cent. You know in your own Province, Mr. Speaker, how domestic electrical costs compare to the national average. Despite this one increased item alone, the Government will remove even more funds from these people.

I reject this legislation because I believe we should be in an expansionary mood in the House instead of a contracting posture. We have seen a bleak year in 1982 which we may wish to forget. However, when we look ahead in 1983 the picture is not much better and this type of legislation will do nothing to help that forecast.

The employment rate has fallen for 16 consecutive months, with 492,000 fewer identifiable jobs than there were a year ago. We know there are 1.5 million people unemployed and I am sure there are another 750,000 unemployed people who cannot be identified or counted. This legislation does nothing to address the problems faced by them.

Some 10,000 businesses have been pushed into bankruptcy in recent months. It is no wonder that inflation is dropping, since there is theoretically no money while national productivity is running between 60 per cent and 65 per cent in terms of efficiency. We know what the Prime Minister (Mr. Trudeau) has said in this respect. Perhaps we will soon have 100 per cent efficiency with no firms operating at all. If that is the direction in which the Government is heading, it may be able to produce some good statistics from that.

This is poor legislation which should not be supported. The difficulty with the legislative process in this place is that, once there is a commitment to a particular course of action, there is no fundamental sense of responsibility to change direction. We simply forge on with it, whether rightly or wrongly. "Damn the torpedoes, full speed ahead!" The Government is torpedoing a whole segment of Canadian society which, the good Lord knows, are presently facing enough difficulty in making ends meet without having this further burden imposed upon them.

There are amendments which should be made to this legislation, the very least of which should be a sunset law to bring it to an end. These things are apparently not acceptable to the Government. I do not even know for sure whether it has even considered them. If in fact inflation does not come down, does the Government hold out any hope to these people that money taken away from them by this measure can be given back to them to help restore them to a level at least approaching dignity?

• (1240)

Indexing is a principle which was introduced in this Chamber by a former leader of ours, the Hon. Robert Stanfield. Actually, it was the then Minister of Finance, John Turner, who, after thinking about the wisdom of Bob Stanfield's comments, introduced it. It is interesting that some Hon. Member on that day wondered whether the real Bob Stanfield would stand up.

What the Government is doing is wrong. It seriously affects thousands and thousands of Canadians. If the Government in fact wonders about the view of retired public servants, I suggest that it ask the 15,000 retired federal superannuates and members of the Armed Forces in the Province of Nova Scotia. There would be no misunderstanding at all on their part.

Some Hon. Members: Hear, hear!

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I am pleased to rise today to speak on the so-called compromise amendment to Bill C-133. To start off, I would like to tell the rest of the story about the Conservative support for Bill C-124. The Hon. Member for Okanagan-Similkameen (Mr. King) spent a considerable amount of his ten-minute speech explaining how the Conservatives had been tricked into supporting Bill C-124, but they could not follow through on that support in the Bills which came to follow. In speaking against the Bill, they argued that it is wrong for the Government to break contracts and that deals which have been made are deals which should be kept. How hypocritical can one get, Mr. Speaker?

Bill C-124 broke many negotiated, signed contracts established by recognized unions which had fought long and hard for the benefits which those contracts gave to them. The Progressive Conservatives supported that Bill. Now for the sake of political expediency, they are against this Bill. We accept their support. We are glad that the superannuates have their support and that, in the process, if Hon. Members across the way are able to get up the courage and vote as they would probably like to vote, we may be able to defeat this Bill. However, let the people of Canada realize that the Conservative Party here is being selective as to what contracts it will support and what contracts it will break. Let there be no suggestion that just because its Members supported Bill C-124, they have good reason to vote against Bill C-133.

The Government has presented a number of Bills, the six and five Bills, and has said that it does not really need these Bills. What it is trying to do is to work on the psychological impact of inflation. That sounds like a pretty good idea, but who contributes to inflation? It certainly is not the superannuates. It certainly is not the workers, farmers, or small businessmen. These people are now receiving less to live on than they did a year ago or even five years ago. They are not the people who are contributing to inflation. Farmers from my district are receiving 17 per cent to 25 per cent less income this year than they did last year. Superannuates are receiving real wages or real retirement benefits which are comparatively less than they were two years ago, and this 6 per cent does not increase them to a level which is equal to inflation.

We should take a good look at who contributes to inflation. There is a story which all of us know, the story of Alice in Wonderland, where the Queen tells Alice: "Look, you must run as fast as you can so that you can stay in one place". That is what the superannuates are trying to do. Here we have the Government stating that although it did make an agreement a number of years ago, and although there was a handshake on it and everyone accepted the fact that the Government would support indexed pensions, suddenly it is in the position where it will no longer keep the agreement.

The Government is almost symbolic of one which will go ahead and break contracts and break the law in the process of attempting to put before the people a rather unacceptable point of view. Let us consider the record of the Government in breaking contracts. This particular Bill would break contracts with civil servants and the amendment is a compromise. What a compromise! It amounts to an increase of .5 per cent, or $39 a year for the average civil servant.

The Minister of Transport (Mr. Pepin) is present in the House. He has proposed before this House, before the people of Canada, the breaking of a contract which was established in 1925.

Mr. Pepin: Only reactionaries oppose that.

Mr. Hovdebo: That contract is the Crow rate agreement, an agreement between the people of western Canada and the Government of Canada. The Government, so the Minister tells us, will break that contract. It is a contract—

Mr. Pepin: Replace it with a better one.

Mr. Hovdebo: —which the farmers have already paid for many times over.

The Government also signed a number of treaties with the aboriginal people of Canada, treaties which guaranteed health, education and a number of other benefits which the aboriginal people expected to have for the rest of their lives, or into perpetuity. Just last month the Government withdrew support for post-secondary students across Canada, support which would have allowed them to break out of the poverty in which they exist and become university graduates who would contribute more to this country's economy and future than has been possible in the past. That is the kind of Government which is in

power, one which has no compunction at all about breaking contracts or even about breaking the law.

Right now one of the Members of this Party is proceeding with a lawsuit against the Government with regard to the pre-build of the pipeline. That is a portion of the pipeline which was not authorized by law. The legislation passed in this House instructed the Government to build the whole of the pipeline from Alaska to the United States. By building only part of it, this Government is breaking the law.

• (1250)

The Government is now breaking the law in this particular Bill because we are told—maybe we will have to wait for the answer—that it is going to send out superannuation cheques before the end of the month, even before it is sure that this Bill will be passed, or before any of the other six and five Bills will be passed. This is the kind of Government that we have.

Therefore, we should be looking not only at what the Government is trying to do with this particular Bill, but looking at it as a Government which is breaking down and eroding the credibility of this Parliament. It is doing it so well that all one has to do to find out what the public thinks about the Parliament of Canada is to go out into the streets and ask. People will ask you, "What are you guys doing in that House that you cannot even keep a contract that you made a number of years ago?" Unfortunately, those of us on this side of the House are painted with the same brush because we are part of this Parliament. Whether the Government does that or not, this Parliament—

An Hon. Member: Not this Parliament, the Government.

Mr. Hovdebo: They are the ones painting us with that brush. What do you expect? Members on this side of the House must object to this kind of legislation, and therefore this Party will again be voting against the six and five legislation.

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, the purpose of the amendments before us is to cap the amount of the increase under the Supplementary Retirement Benefits Act at a level substantially less than the present rate of inflation would require. I think the very fact that this objective has been set out so clearly would be an incentive for every Member in this House to oppose this measure. As we look at it a little further, we realize that those affected are federal Public Service superannuates, including members of the Armed Forces and the RCMP.

We are all aware of the tremendous contribution these individuals have made to Canada and Canadians. Federal public servants have served in a very effective and commendable manner throughout the past years. Members of the Armed Forces have shown their ability and willingness to sacrifice everything in the interests of our country. The RCMP have a record that is not surpassed by any agency in the world. Yet the Government states that this is the way in which we are going to reward them for their contribution toward the welfare of Canada and the benefit of Canadians.

To my mind, this is one of the most reprehensible proposals that has ever been made in this House of Commons. Is this the way to treat those who have given the very best of their lives to serve our interests? I would say it is a jolt to the faith of all those who are affected by it. They believed that in rendering this service to Canadians, and in view of the agreements and understandings which had been entered into, they could trust the Government, that they could trust those in authority to see to it that their remuneration or their superannuation was at least a reasonable amount, and they believed that the commitments made would be honoured. This is a real jolt to their faith in Government, which actually constitutes their employer. It is a jolt to their sense of security because they have no doubt considered, as we all have, the days when our participation in the active labour force will come to a close. They were depending on their pensions and they believed their future was guaranteed. With the introduction of a Bill such as the one before us, their confidence has been shattered, their faith has been severely jeopardized and their confidence in their employer and in their country has suffered a real setback.

My colleague, the Hon. Member for Victoria (Mr. McKinnon), placed on record yesterday an excerpt from a letter signed by the Prime Minister (Mr. Trudeau). I just want to read the relevant section here. My colleague quoted this letter as follows:

> In our society, pensions provide a means of sharing risk so that we can retire in reasonable security and dignity, without fear of the future. Protecting pensions from inflation by indexing them to increases in the cost of living should be an integral part of our pension schemes. Indexing does not give pensioners an increasingly larger claim on our economy's production, that is, more money to buy things they could not earlier afford. Rather, indexing merely enables pensioners to maintain, roughly, their same standard of living.

I think this states very clearly the attitude that the Prime Minister had when he wrote that letter and made that commitment, but now we find a complete reversal of ethics. It is hard to believe that the Prime Minister, the leader of this nation, would promote or subscribe to a policy that we are facing at the present time where that very principle has been eroded and destroyed by the introduction of this measure.

This is but one of three Bills which have been brought before this House and have occupied a considerable amount of time. The one presently before us deals with public employees, the second one with Family Allowances, and the third with Old Age Security. In presenting these Bills the Government is not claiming—or I do not think they are—that this legislation is going to have a great monetary effect on their financing of Government operations, but it is apparently its idea of equalizing participation in an economic recovery program. Rather than equalize it, it does just the opposite. To some it may have slight consequences, but to those to whom we are making reference today, it could mean a reduction in their income and in their ability to face the future in their retirement years. As far as those in the other parts of the six and five program are concerned, it means they are not able to meet the challenges facing them at this present time.

S.O. 21

[*Translation*]

The Acting Speaker (Mr. Corbin): Order, please. It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

HEALTH

WARNING AGAINST USE OF ASA IN TREATMENT OF CHILDREN

Mr. Gus Mitges (Grey-Simcoe): Madam Speaker, ASA, acetylsalicylic acid, is the active ingredient of Aspirin and many other products taken for headaches and colds. A series of American studies have suggested that, for children with flu and chicken pox, the use of ASA can lead to a rare and often fatal brain disease called Reye's Syndrome.

In the United States, in one group of children with Reye's syndrome, 97 per cent had been given ASA when they had flu or chicken pox. In another group of children who had the same illnesses but did not develop Reye's Syndrome, only 61 per cent had taken ASA.

In the United States official public health warnings on stickers for ASA products are already in place which state:

> Do not give this product to children under the age of 18 with chicken pox or flu. It contains an ingredient associated with Reye's Syndrome—an often fatal disease.

In Canada the responsibility for this kind of thing lies with the Department of National Health and Welfare. Although this Department sent a warning about ASA to doctors, there were no public warnings. There has not been a formal and systematic way of informing the vast majority of Canadians. It is unfortunate that, with the flu season already under way, no such warnings are yet in place. It is my hope and expectation that the Minister of National Health and Welfare (Miss Bégin) will make this a priority issue as soon as possible.

* * *

[*Translation*]

AIR TRANSPORT

ADVANTAGES OF AIR SPACE DEREGULATION

Mr. Pierre Deniger (La Prairie): Madam Speaker, I think it is becoming increasingly clear that the recommendations of the Standing Committee on Transport and Communications regarding the deregulation of air space should be made the subject of a study immediately, for the benefit of all Canadians. Unfortunately, the present policy of Transport Canada officials does not encourage Canadians to travel within their own country, since as you know, it is often cheaper to travel from Montreal to London than from Montreal to Vancouver.

Even more incredible, Madam Speaker, is the fact that at the present time, one of my constituents, after a half hour's drive to Dorval, where he has to pay to park his car, and if he travels with Air Canada from Montreal to New York, will have to pay $125, or $277 from Montreal to Miami, and that is one way, while if he goes to Burlington, which is an hour by car, he can park free with People's Express, and he can travel from Burlington to New York for $19 and from Burlington to West Palm Beach for $49.

So once again, Madam Speaker, deregulation has very definite advantages. In the case of our aviation policy, it seems to me that the principle of free competition should prevail. Regulations should be eliminated as much as possible. If there is a demand, there will be people who are prepared to meet that demand, and in that case, Madam Speaker, prices will stop being artificially high, carriers will get the equipment they need and travellers will have a choice of airlines and Canadian industry will benefit—

Madam Speaker: Order!

* * *

[*English*]

CANADA POST CORPORATION

DELAY IN MAIL DELIVERY

Mr. Ron Stewart (Simcoe South): Madam Speaker, the postal service of this country is in a mess. The swiftness and reliability of delivery have become a sad joke. Since becoming a Member of Parliament I have received as many phone calls and letters of complaint about postal service as on all other topics combined. There was a time when Canadian mail delivery was the envy of other nations. It was then the Royal Mail and it was given royal attention. Thanks to this Government, we no longer have the Royal Mail. What we have instead is a royal foul-up.

Problems in my riding are typical of what is happening right across the country. Recently, because of the method of rural tendering, more than 800 residents of RR 4, Barrie, were without mail delivery service for more than two weeks. Because of other postal policies, residents of Susan Place and Oakridge Drive in Barrie are still without home delivery.

Canada Post should spend less time trying to define a letter and devote itself to delivering one, on time and intact. In the United States postage is 20 cents and there, as in Great Britain, the service operates at a profit. I would strongly suggest it is about time for the Government and officials at Canada Post to cease spouting platitudes and start doing

something for Canadian mail service, which is so richly deserved.

* * *

[*Translation*]

STATUS OF WOMEN

TREATMENT UNDER TAX SYSTEM

Mrs. Thérèse Killens (Saint-Michel): Madam Speaker, according to the Canadian Council on Social Development, 50 per cent of Canadian families would be living below the poverty line if wives were not working outside the home. This clearly indicates what the situation would be in Canadian families if a spouse decided to stay home to raise the children. One of the consequences for women who did stay home is that 75 per cent of Canadian women over 70 are now living at or below the poverty line.

[*English*]

I cannot over-emphasize the fact that children are dependent on us for their future and we are dependent on them for ours. Yet child rearing is associated with poverty. It is also related to women, and 41.5 per cent of all female-led families live below the poverty line. The incidence of poverty varies according to the size of the family. Until the changing reality of our society is reflected in our tax system, women will continue to be perceived as dependants and families will continue to be penalized.

* * *

THE ECONOMY

NECESSITY FOR INDUSTRIAL ECONOMIC STRATEGY

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my statement arises out of the fact that the Prime Minister (Mr. Trudeau) is winding up an Asian visit and the fact that the Liberal Party promised, during the election campaign of 1980, to implement an industrial strategy.

I raise this now because the Prime Minister was told the other day in Manila by the Asian Development Bank that we sell very little to Asia because we as a country do not have an industrial strategy. In fact, they said that we do not even bid on public works projects put forward by the Asian Development Bank. The Prime Minister's reaction was to rest content with being an exporter of raw materials to Japan.

Also on the weekend a very distinguished American economist, an adviser to the Democratic Party, told an Ontario Liberal convention that Canada does not have an economic strategy. We do not have any national economic goal or national dream.

Also, on January 5 the Bishops said that we need an industrial strategy, both regional and national in scope. Because of that I call upon the Government to implement a promise it made in 1980, namely, that we need an industrial economic strategy so that we can put Canadians back to work. I want ministers to keep their word and their promise to the Canadian people.

* * *

COMMUNICATIONS

PROJECTED PORNOGRAPHIC SHOWS FOR PAY TV—CALL FOR REFERRAL TO COMMITTEE

Mr. Blaine A. Thacker (Lethbridge-Foothills): Madam Speaker, Pay TV is no doubt a permanent part of our future in telecommunications. I was delighted when the CRTC approved several licencees for national and regional Pay TV systems. The competition will result in much more flexibility and creative programming in order to obtain public support.

The proper role for Government, however, is to set the minimum standards for Canadian content and morality. Unfortunately the Government has passed that responsibility to an appointed regulatory agency, the CRTC. It is surely ironic that the CRTC is currently addressing sex stereotyping in the media, yet has failed to set minimum standards for Pay TV as to pornography.

As a private Member I do not believe that it is necessary for any of the Pay TV systems to market pornography in order to obtain viewers from its competitors. Solid Canadian programming of our history, our culture and our role in the world, will result in massive numbers of viewers. Surely we, as a society, have not sunk to the level of having to promote human degradation, especially that of women, as the means of financing Pay TV.

In my opinion the Government should immediately refer the whole subject matter to the Standing Committee on Communications and Culture so that Canadians can give their views before pornography is made available in all of our homes where our children's minds may well be distorted as to values and morality.

* * *

• (1410)

TRADE

PRIME MINISTER'S VISIT TO SOUTHEAST ASIA

Mr. Garnet M. Bloomfield (London-Middlesex): Madam Speaker, last week the Prime Minister (Mr. Trudeau) made an important trip to Southeast Asia to open up new trade opportunities and business contacts with those countries. I would like to suggest to the Prime Minister and his officials that they make arrangements to report fully on all trade opportunities made known to them during this trip so that Canadian businesses can take full advantage of them, and that appropriate follow-up meetings with Canadian industry and other business organizations be arranged as quickly as possible.

S.O. 21

UNEMPLOYMENT INSURANCE

DENIAL OF BENEFITS TO ADOPTIVE PARENTS

Mr. Gordon Taylor (Bow River): Madam Speaker, the Unemployment Insurance Act provides for payments to a woman giving birth to a child, and properly so. But the same Act denies any payment to a woman who adopts a child. Most, if not all, provincial Governments require a woman who adopts a baby to remain in her home with the child for a period of six months. In other words, a working woman must leave her job for six months in order to adopt a child. Under the Act, UIC officials reject such claims, which otherwise qualify, on the basis that the mother is not available for work, or is not looking for a job.

A woman who adopts a child is a mother in every respect except that of giving birth to the child. She gives the child a name; she gives the child love and kindness; she gives the child a hope for the future. The task force report on unemployment in the 1980s recommended that the special conditions surrounding the payment of maternity benefits be removed, and that those benefits be extended to adoptive parents. The Human Rights Commission also supports such action. Canada owes much to the hundreds of parents who are adopting babies and children, rearing them in homes filled with love and understanding, and making them happy and useful citizens. The present law is discriminatory and unfair and should be changed now, giving adoptive parents the same rights accorded to natural parents.

* * *

[*Translation*]

LABOUR RELATIONS

PROGRAMS TO IMPROVE WORKING CONDITIONS

Mrs. Céline Hervieux-Payette (Montreal-Mercier): Madam Speaker, I am pleased to note that in his annual report, the Minister of Labour announced an additional thirteen quality of work-life programs. Since the riding of Montreal-Mercier is very industrialized, Madam Speaker, I would like to point out the availability of these programs to all labour-management organizations, and I would urge them to make use of these programs during the coming year. I believe that the quality of work-life programs encourage communication, help increase productivity and improve labour-management co-operation, and I hope that 1983 will be known as a year of co-operation among all economic partners in this country.

[*English*]

SOCIAL SECURITY

CUT IN FAMILY ALLOWANCE CHEQUES

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I rise to question the morality, indeed the legality, of the Government's assault on family allowance benefits. Families across Canada are receiving their allowances this week and finding their cheques have been tampered with. We have an Act in place, the Family Allowances Act, passed in 1973. We have regulations, written by this Government. We have provisions to index family allowance payments to the consumer price index. That, Madam Speaker, is the law, and this Government must uphold the law as all other citizens uphold the law.

Bill C-132, the Act to cut back family allowance cheques, is still only a gleam in the Minister's eye and is not yet law. People are entitled to family allowance benefits and they are being ripped off by the Government. Until legislation is given Royal Assent—and I want to make it clear that we intend to do what we can to make sure that that never happens—the Government has a moral and legal obligation to respect the laws of Canada.

It is not new to witness the Prime Minister and his Cabinet disregarding Parliament. In fact the Hon. Member for Vancouver-Kingsway (Mr. Waddell) is currently before the courts challenging the legality of this Government's action with regard to a pipeline. It is not new to see the Government break legal contracts, supported by the Conservatives, as was the case in Bill C-124.

Madam Speaker: Order.

Mr. Nielsen: I knew you could not make it.

* * *

CANADIAN WHEAT BOARD

ASSIGNMENT OF QUOTA TO NORTHERN ALBERTA WHEAT PRODUCERS

Hon. Don Mazankowski (Vegreville): Madam Speaker, northern Alberta wheat producers are being denied delivery opportunities due to the fact that, as of this date, the Canadian Wheat Board has not assigned a "C" quota to the region. This means that the area north of Red Deer remains on a six bushel per acre quota while the balance of the Canadian Wheat Board designated area has a nine bushel per acre quota.

I therefore call upon the Minister of Transport (Mr. Pepin) to prevail upon the Canadian Wheat Board to correct this inequitable situation so that the producers in northern Alberta will be treated equally with producers in the rest of the Wheat Board designated area.

ORAL QUESTION PERIOD

[*English*]

AUTOMOTIVE INDUSTRY

CHRYSLER PLAN TO END PRODUCTION AT WINDSOR PLANT

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question is for the Minister of Industry, Trade and Commerce, dealing with a situation in the city of Windsor where approximately one in every five of the labour force are already out of work.

Would the Minister indicate whether he has consented, as Chrysler announced yesterday, to Chrysler's plan to discontinue production at its Windsor spring plant at the end of the 1983 model year?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, the answer to that question is emphatically no. We have not consented to the closing of any operations by Chrysler anywhere in Canada.

DUTY REMISSION ACCORDED TO CHRYSLER CORPORATION

Hon. Sinclair Stevens (York-Peel): Madam Speaker, in view of the fact that in the existing agreement signed in the early part of 1981 with Chrysler, which was referred to in a press release from the then Minister of Industry, Trade and Commerce, it was stated that the undertaking not to close any Chrysler facilities in Canada without the prior approval of the Minister of Industry, Trade and Commerce had been retained, would the Minister indicate whether he in fact has a request from Chrysler to close down this plant, and are there any circumstances where he may agree to such a closure? Finally, has he considered that Chrysler has a duty remission in its favour of approximately $250 million between the years 1981 and 1982, and does he intend to use that as another lever to have Chrysler live up to its contract?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, as the Hon. Member knows, I received the executives of Chrysler Corporation, I think it was on the afternoon of December 23. I had confirmed to me in a letter in the early part of January from Chrysler officials that they did indeed want to close the spring plant as well as change several other items in the two agreements previously negotiated.

I have indicated to Chrysler that unless they provide some alternatives to the proposals they put forward, we are not prepared at this time to make any changes. The Government of Canada has fully lived up to its obligation under those agreements, and the Chrysler Corporation at this point in time has violated the agreement on a couple of occasions. I think the Hon. Member will agree with me it would not serve the purpose of those people employed in Chrysler's operations to carry on negotiations in public, but I will admit to the Hon. Member that we are very conscious of the points he raised.

QUERY ON SIGNING OF AGREEMENT

Hon. Sinclair Stevens (York-Peel): Madam Speaker, bearing in mind that another 300 people may be thrown out of work if the spring plant is actually closed, and there is a serious suggestion that Chrysler may intend to phase out much of its production in Canada in favour of its home country, would the Minister indicate whether in fact the agreement, referred to in a press release of the then Minister in August of last year, was signed by Chrysler, or is the report that Chrysler did not sign the agreement, as represented by the then Minister, in fact true?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, not having that particular press release the Hon. Member has referred to I cannot clarify the question he asked. The Chrysler Corporation did sign an agreement in the early part of 1981. Then when they asked for some specific changes in the agreement, the major one being the diesel engine plant in exchange for the K-Car, there was a memorandum of understanding signed, but no new detailed agreement, to my understanding, Madam Speaker.

GOVERNMENT POSITION ON CLOSING OF PLANT

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, can the Minister tell us whether it is the Government's view that Chrysler is free to close the spring plant without the Government's approval?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, the Chrysler Corporation would violate the agreement, and leave the Government open to change its obligations under the agreement, if it makes a decision to close the spring plant. We have said that we have an agreement with the Chrysler Corporation. We are intending to hold them to that agreement. We have fulfilled our obligations under the agreement and we expect that Chrysler will honour their undertakings under the agreement as well.

• (1420)

GOVERNMENT PLANS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, that is an incredible response. Chrysler announced today that it is closing the spring plant. That is in violation of the agreement. What is the Government going to do?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, Chrysler has announced that it is going to close the spring plant but I have not noticed that the spring plant has actually closed yet.

Some Hon. Members: Oh, oh!

Mr. Lumley: Of course I could expect the Right Hon. Leader of the Opposition to ask that question. I am not aware

that the Government of Canada can stop the Chrysler Corporation from closing any of its operations.

Mr. Nielsen: The ironclad guarantee!

Mr. Lumley: However, I am aware that the Government of Canada is not compelled to fulfil its obligation signed in 1981 if Chrysler does not fulfil its side of the obligation.

RESTRUCTURING OF AGREEMENT WITH CORPORATION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, that was precisely my question. What is the Government of Canada going to do now that it has been served notice that Chrysler intends to breach the agreement that was signed with the Government of Canada? What is it going to do?

While I am on my feet let me refer the Minister to the press release issued by his predecessor, the Minister from Windsor, which reads as follows:

The Honourable Herb Gray, Minister of Industry, Trade and Commerce and Regional Economic Expansion, announced today that the federal government has agreed to restructure the agreement of February 1981—

That release says that the federal Government had agreed to restructuring that agreement. Did Chrysler agree to the restructuring, or was this an agreement that only Herb Gray signed and that Chrysler did not sign?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, the memorandum of understanding that was signed at that time was signed by the Chrysler Corporation and, if I am not mistaken, also by the Province of Ontario, and by my predecessor for the federal Government. It was signed at the request of the Chrysler Corporation in order to make changes in the original 1981 agreement. The major change was that they decided not to go ahead with the K-Car operation and to institute the diesel engine project in its place. The memorandum of understanding was signed by the Chrysler Corporation and the Government of Canada at that time.

The request that Chrysler Corporation made in January of this year was to change the second agreement that was negotiated by my predecessor and by the Chrysler Corporation.

MEMORANDUM OF UNDERSTANDING

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I ask the Minister, is that memorandum of understanding an agreement?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, it is not an agreement—

Some Hon. Members: Oh, oh!

Mr. Lumley: —in the same sense as the first one. It is a memorandum of understanding. If the Right Hon. Leader of the Opposition does not know the difference between a memorandum of understanding and an agreement, I am sure some of the legal people on his side will be more than happy to explain the difference to him.

The Government of Canada is going to do whatever it can to ensure that the Chrysler Corporation fulfils its obligation to employ fully the 11,000 plus people in Chrysler Canada at the present time.

* * *

COMMUNICATIONS

PORNOGRAPHIC PROGRAMMING ADVERTISED BY FIRST CHOICE PAY TV

Ms. Lynn McDonald (Broadview-Greenwood): Madam Speaker, my question is directed to the Minister of Communications. The Minister is presumably aware of the public concern about the licence to First Choice and its plans for pornographic programming. I presume the Minister is aware of the enormous influence of television, especially on children. My question is about his remarks to the effect that, if First Choice had made its intentions clear about this problem, it would never have received its licence in the first place.

An Hon. Member: Take it away.

Ms. McDonald: Precisely; take it away is what I want to get at.

Will the Minister agree that the pornographic programming advertised by First Choice is contrary to the Broadcasting Act, both in the general provisions to strengthen, enrich and safeguard the cultural, political, social and economic fabric of Canada, and the provision against obscene, indecent and profane language and pictorial representation? If the Minister is in agreement, will he undertake to communicate this view to the CRTC and to support a move to institute proceedings to revoke the licence of First Choice if it is not willing to change its plans for pornographic programming?

Hon. Francis Fox (Minister of Communications): Madam Speaker, I indicated my position quite clearly yesterday in response to the question put to me by the Hon. Member for Trinity. It is quite clear that the licence issued to First Choice, and the licences issued to other Pay TV operators in Canada, contain conditions which are appended to them. It is quite clear also that if any one of these channels had applied for a pornographic Pay TV licence, that licence would have been refused by the CRTC, and certainly would have been refused on appeal to the Governor in Council.

It is not our intention to launch, with Pay TV, a pornographic film industry in Canada. It is our intention to see to it that Pay TV helps the Canadian program production industry to develop world-class programming.

As far as content is concerned, the Hon. Member knows that Parliament in its wisdom has given authority over content to the CRTC and that the CRTC has the necessary powers to examine the whole question. As I indicated yesterday in

answer to the Hon. Member for Trinity, I spoke to the Chairman of the CRTC about this and registered my concern with him.

PROVISIONS OF BROADCASTING ACT

Ms. Lynn McDonald (Broadview-Greenwood): Madam Speaker, it is of course true that the Commission has the power to proceed, but the Commission listens to the Minister of Communications very carefully. I suggest that it is his duty to uphold the law of Canada. The Broadcasting Act is very specific. The Minister did not answer my question.

Let me quote from the advertisement for First Choice. An article in *The Globe and Mail* of January 14 reports as follows:

> First Choice has been advertising itself as "The Playboy Channel" and promises to show "the most adult of adult entertainment . . . TV like you've never seen before. Sizzling entertainment . . .And that's the bare truth."

Madam Speaker, I should like to ask the Minister whether, in his view, this is consistent with the Broadcasting Act. May I also remind him that it is not necessary to repeat the Broadcasting Act in the condition of licence. It is assumed that the station, network or whatever, will abide by the Broadcasting Act.

Hon. Francis Fox (Minister of Communications): Madam Speaker, once again the Hon. Member has asked me to say whether I am in favour of the development of a pornographic industry in Canada. I have already indicated quite clearly that pornography has no place on Pay TV or on regular broadcasting stations in Canada. The laws of the land are already in place. Parliament in its wisdom has given the courts jurisdiction over the definition of obscenity and pornography and has not given that discretion to the Minister of Communications. Parliament has also given the necessary powers to the CRTC to monitor the situation and to take corrective action.

If the Hon. Member is asking me whether I have confidence in the Chairman of the CRTC and in the CRTC itself, the answer is yes.

REQUEST THAT BROADCASTING ACT BE AMENDED

Ms. Lynn McDonald (Broadview-Greenwood): Madam Speaker, I should like to quote from Chapter 381 of the Consolidated Regulations of Canada regarding the Broadcasting Act. Section 6(1) provides as follows:

> No station or network operator shall broadcast
>
> (A) anything contrary to law;
>
> (B) any abusive comment or abusive pictorial representation on any race, religion or creed;

I would ask the Minister to explain why it is wrong to abuse members of a race, religion or creed, but it is perfectly all right to abuse women? Will the Minister undertake to introduce an amendment to the Broadcasting Act to include sex as one of the prohibited grounds of broadcasting?

Hon. Francis Fox (Minister of Communications): Madam Speaker, if the Hon. Member wants to read the law and read the regulations, perhaps I could quote back to her Section 6 of the CRTC's Television Broadcasting Regulations which prohibits any station or network operator from broadcasting any obscene, indecent or profane language or pictorial representation.

Quite obviously, I am on the same wave length as the Hon. Member as far as the principles of the question are concerned. I have stated my position quite clearly. We do not see Pay TV developing in this country as pornographic delivery mechanisms. We are definitely against that.

In its conditions of licence and in the over-all powers given to it under the Broadcasting Act, the CRTC has all the powers necessary to enforce this.

What the Hon. Member is asking me to do is to intervene personally. Obviously the second question then is whether it is the job of the Government to intervene in such cases, or if Parliament was correct in saying that questions of content should be debated and handled in front of an independent organization such as the CRTC, all powers in this matter having been given to the CRTC by Parliament.

POSITION OF MINISTER

Mr. John Bosley (Don Valley West): Madam Speaker, I have a supplementary question on precisely this point. The Minister was not so careful to hide behind the independence of the CRTC when he chose to change the content requirements of Pay TV on appeal. Is he now saying that is wrong and that, "I cannot do anything about pornography on Pay TV?" Will he tell the House precisely what he has asked Dr. Meisel and the CRTC to do, if he has in fact asked that anything specific be done? If that is in writing, will he table it in the House?

Hon. Francis Fox (Minister of Communications): Madam Speaker, the Hon. Member is confusing the issues. When the Government modified the subsequent decision of the CRTC concerning conditions of licence, it was acting under powers conferred on it by Parliament. In this case the question of control over content is clearly given to the CRTC by the Government.

• (1430)

As Minister of Communications I have indicated my very real disappointment at the way various Pay TV companies in Canada, particularly First Choice have gone about marketing their product and at the type of product they want to offer Canadians. I am telling First Choice now that if indeed they intend to continue in this type of programming, and if they intend to present pornographic programming to the Canadian public, then the Criminal Code applies and the CRTC has the power to take whatever action it believes is necessary.

Oral Questions

INDUSTRY

EFFECT OF TAX ON PETROCHEMICAL INDUSTRY

Hon. Don Mazankowski (Vegreville): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce. It concerns another troubled industry, namely, the petrochemical industry, which is plagued by the effects of the National Energy Program and the prospect of further job losses in that important sector. Considering the fact that the Minister of Energy, Mines and Resources stated, "the Government is prepared to adjust" the natural gas and gas liquids "tax if the development of the international oil price should require it", may I ask the Minister of Industry, Trade and Commerce whether that assessment has been made and when we can expect an adjustment to the natural gas and gas liquids tax which would have the effect of maintaining the 65 per cent price relationship with the price of crude oil at the Toronto gate?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, I am not aware that the Minister of Energy has made that specific statement, but the petrochemical industry is under discussion right now.

Mr. Mazankowski: Might I advise the Minister of Industry, Trade and Commerce that the Minister of Energy made that statement in a letter dated December 14 which was directed to me.

TASK FORCE ON PETROCHEMICALS

Hon. Don Mazankowski (Vegreville): Madam Speaker, considering the fact that discussions are taking place with members of the petrochemical industry and that there are two important sectors, namely, the natural gas based sector and the oil based sector, could the Minister explain to the House why he has refused to meet with provincial government officials in connection with the discussion of the task force on petrochemicals in relationship to the difficulties in which the natural gas based petrochemical industry finds itself? Why has he refused to meet with Alberta Government officials in connection with this very important matter.

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, I would suggest that the Hon. Member check his facts. As a matter of fact I had a meeting about four weeks ago with my counterpart from Alberta on this very issue. I assured him that no decision would be taken by the Government of Canada until such time as we had further consultations. I would suggest that he call his provincial colleague and verify the facts.

NATIONAL DEFENCE

PROPOSED TRAINING CENTRE COMPLEX AT CANADIAN FORCES BASE GAGETOWN

Hon. J. Robert Howie (York-Sunbury): Madam Speaker, my question is directed to the Minister of National Defence. I should like to ask him whether he can confirm today to the House that at long last the Treasury Board has been given approval for appointment of architectural designers for the combat training centre complex at Canadian Forces Base Gagetown? Will the Minister indicate when it is intended that this design stage will be completed and when construction will start, so that we can have this badly-needed facility on line and also the badly-needed jobs in New Brunswick where unemployment is very high right now? I hope the Minister might be able to give some indication that we might get some work done there this winter.

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I understand the interest of the Hon. Member in this project which is one of the most important ones in the area of Gagetown, New Brunswick. In regard to this training centre, we have asked Treasury Board to approve the architects to carry out the design and feasibility study. It should be approved any time now. I can assure him that we will give it top priority considering the unemployment down there. I consider the interest of the Hon. Member very important.

APPOINTMENT OF ARCHITECTURAL DESIGNERS

Hon. J. Robert Howie (York-Sunbury): Madam Speaker, my supplementary question is directed to the President of the Treasury Board. When this vital and important project was first announced two years ago, and since the approval for appointment of the design architects has been before Treasury Board for approximately four to six months, does the President of the Treasury Board think that he might be able to get his staff to take a look at it and get this approval through so that we can get some badly needed jobs in New Brunswick? Alternatively, will he consider transferring some of his staff to the Post Office where they might be more at home?

Hon. Herb Gray (President of Treasury Board): Madam Speaker, I would be very happy to check into the status of the submission. It has not come before any meeting of Treasury Board since I became President of the Treasury Board. I would be very happy to see what could be done to expedite the matter, and I will assure the Hon. Member that I will not send the answer by mail.

Some Hon. Members: Oh, oh!

ROYAL CANADIAN MOUNTED POLICE

COURT RULING ON USE OF WRITS OF ASSISTANCE

Mr. W. Kenneth Robinson (Etobicoke-Lakeshore): Madam Speaker, my question is directed to the Solicitor General. In view of the decision by Provincial Court Judge Paul Belanger of Ottawa that writs of assistance can no longer be used by the RCMP in Ontario, is the Minister considering the forbidding of such writs in the rest of the country?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, the writ of assistance has been a valuable operational tool used by the RCMP and approved by all courts until the recent decision to which the Hon. Member referred. We are now seeking advice from the Department of Justice about the possibilities of appeal and, as soon as that decision is made, the matter will be dealt with in court.

* * *

AUTOMOTIVE INDUSTRY

REQUEST THAT TASK FORCE REPORT BEFORE NEW AGREEMENTS ARE MADE

Mr. Derek Blackburn (Brant): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce. I remind him that had it not been for the federal Government bail-out of Chrysler Canada Limited, the U.S. corporation would have gone down the tube two years ago. Also I remind him that in the auto parts industry there is a cumulative net deficit of $41 billion, and that last year alone the deficit was $5 billion. In view of this despicable situation and that the Government has already recognized that it has no industrial strategy in the auto industry, because it set up a special task force last fall to look into this whole area, will he promise the House that he will not enter into any agreement whatever or make any deals whatever with any auto industry, especially Chrysler, until the task force reports to him and to Parliament?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, what I can assure the Hon. Member is that we will do whatever we think is in the best long-term interest of the automobile workers in Chrysler plants here in Canada.

Mr. Blackburn: The Minister appears to be admitting that he has been had, that the Government has been had, and that Chrysler Canada can do any damn thing it pleases—it can shut down and go home. This is another example of the branch plant mentality of the Government.

TASK FORCE TERMS OF REFERENCE

Mr. Derek Blackburn (Brant): Madam Speaker, I should like to ask the Minister if he would expand the terms of reference of that special task force to include its right to investigate any and all violations of the automotive agreement, and to include that in its report to him and to Parliament.

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, I did not quite hear the latter part of the question, whether the Hon. Member was talking about the agreement with Chrysler or the auto agreement with the United States of America. If the Hon. Member is suggesting that with our automobile situation in Canada, with our auto manufacturing plants in better shape than the U.S. situation, now is an appropriate time to renegotiate the auto pact—

Mr. Blackburn: No.

Mr. Lumley: —I think he should go back and think about what he is recommending to the Government of Canada.

* * *

PIPELINES

ALASKA GAS PIPELINE—REQUEST FOR CONSTRUCTION GUARANTEE

Mr. Dave Nickerson (Western Arctic): Madam Speaker, in the absence of the Minister of Energy, Mines and Resources I direct my question to the Acting Minister. In a highly publicized report yesterday by two former Governors of Alaska, Walter Hickel and William Egan, it is now proposed that gas from Prudhoe Bay in Alaska be piped across Alaska and then exported to Japan in liquefied form, rather than through the proposed Alaska gas pipeline, which was indefinitely delayed last April. Unemployed Canadians desperately need the some quarter million man-years of real work associated with the Alaska gas pipeline promised by the former Minister of Energy, Mines and Resources. Will the present Minister, through his second in command, confirm the iron-clad guarantees given by his predecessor that the Alaska gas pipeline will be constructed in its entirety?

• (1440)

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, I will accept this question on behalf of the Senator in the other place who is responsible for the Alaska Gas Project. The Hon. Member is correct when he refers to the report being tabled by two former Governors. There is a second report, I understand, in the course of preparation which was commissioned by Governor Hammond, the former Governor of Alaska, who was very supportive of the Alaska Highway route.

Mr. Nielsen: He is only a Governor.

Mr. Johnston: I understand there is a third report as well that is being prepared by the General Accounting Office in the United States. Other information that I have received is to the effect that there does not seem to be much support in Congress for the report to which the Hon. Member makes reference.

Moreover, the producing companies in question, I understand, have favoured the Alaska Highway route for some time as opposed to the LNG proposal to export gas from Alaska to Japan.

Mr. Nickerson: Madam Speaker, the amount of support in Congress for these proposals, I would suggest, has yet to be determined. But a report by a gentleman of the stature of the two I mentioned is not to be taken lightly.

* * *

ENERGY

POSSIBLE GAS EXPORTS TO JAPAN

Mr. Dave Nickerson (Western Arctic): Madam Speaker, I think it is ironic when the Canadian Prime Minister is enjoying his vacation in Japan that trade opportunities with that country have been snatched from under his very nose by the Americans.

Some Hon. Members: Hear, hear!

Mr. Nickerson: Will the Minister guarantee that the proposal to export shut-in Alberta and B.C. gas through B.C. ports to Japan will not now be lost, together with the thousands of jobs involved, to the U.S. because of government inaction and delay?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, I will take that question simply because the Minister of Energy, Mines and Resources is not here. But it is clearly a second question completely unrelated to the report that was tabled yesterday by the two former Governors, on the project in Alaska.

I suggest that the Minister of Energy, Mines and Resources will indeed respond to the question which the Hon. Member raises, but to the knowledge of all Members on this side of the House he is very dedicated to bringing onstream whatever opportunities for jobs and further development in Alberta that are possible.

Mr. Jarvis: You sound like Lalonde now.

Mr. Johnston: Therefore, the question is simply without foundation, and it is sheer speculation. It is also quite unfair, I might add, to the activities of the Prime Minister who is vigorously selling Canadian exports abroad during his mission.

Some Hon. Members: Hear, hear!

INCOME TAX

PROPOSAL TO ELIMINATE SPOUSAL DEDUCTION—GOVERNMENT POSITION

Mrs. Jennifer Cossitt (Leeds-Grenville): Madam Speaker, my question is for the Deputy Prime Minister. It has to do with the recent irresponsible statements attributed to the Minister responsible for the status of women who proposes the elimination of the married tax exemption for those persons who choose to stay at home, for those persons who, because of circumstances beyond their control, must stay at home and cannot enter the work force, or who have retired from the work force, and for those who are part of the large constituency of the volunteer work force, will the Minister put to rest the unnecessary alarm and fear that have been generated because of these statements, by assuring this House that no such action at this time will be considered by Cabinet?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, in reply to the Hon. Member, I thought yesterday I had put to rest any alarm and fear that might have been alleged by the Hon. Member.

Mr. Wilson: You have changed your mind before, Allan.

Mr. MacEachen: Speculation surrounding tax changes is always bound to occur before a budget. The Minister of Finance probably will be asked in the House very frequently before a budget whether he is contemplating any particular tax action. If he takes the usual approach he will say, "Wait to see the budget." But to my knowledge there is no suggestion anywhere within the Government to implement specific tax proposals that would have the effect the Hon. Member fears.

Some Hon. Members: Oh, oh!

Mr. MacEachen: I trust that the Hon. Member will co-operate with me in putting to rest the alarm and fear which she alleges exist in the country.

* * *

NATIONAL DEFENCE

STATUS OF MOBILIZATION PLAN

Hon. Allan B. McKinnon (Victoria): Madam Speaker, my question is for the Minister of National Defence. In March, 1981, the Minister told the Standing Committee that "the mobilization planning task force is expected to report later this year". In January, 1982, the Minister told the Conference of Defence Associations that he expected to "be able to present my recommendations to cabinet later this year." In January, 1983, the Minister did not say whether or not the plan had been completed. Would he now tell the House whether or not the long promised mobilization plan has been completed and, if not, when does he now expect it, if ever?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, as I said at the CDA meeting last week, the mobilization plan has been more or less completed by our own Department—

Miss MacDonald: Is it more or is it less?

Mr. Lamontagne: May I state that it was taken into consideration when we presented the strategic overview of the Defence Department to the Cabinet and to the Cabinet committee on external affairs and national defence. This is currently being studied by my Department and by this Committee.

DEPARTMENT'S BUDGET

Hon. Allan B. McKinnon (Victoria): Madam Speaker, my supplementary question is also for the Minister of National Defence. The Minister told the CDA that the Department of National Defence will be receiving an extra $20 million in 1984-1985. Considering that in the last seven months the various Ministers of Finance have taken $200 million from him in June, and $230 million is to be taken away in 1983-1984 and 1984-1985, for a net loss of $410 million, can the Minister explain how the Government has—and I will quote the Minister, "backed up its decision to provide specifically for increased readiness and sustainability"?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, the Hon. Member for Victoria appears to ask questions with a great sense of humour. At the CDA meeting I did, in fact explain why this reallocation had taken place. We were able to do it as a consequence of the inflation rate being reduced due to the six and five wage restraint policy of the Government. That some money from the Defence Department was then reallocated to other Departments for job creation. That also was explained to the CDA, and the 200 people who were there seemed to have understood that, very well. I said that in 1983-1984 the Government, in principle, decided that sustainability was as important as the regular force, that we would take steps in 1984-1985 to see that some funds would be made available, to begin implementation of the specific requirements of sustainability, the Hon. Member should understand that as the other people at the CDA meeting understood it.

* * *

CANADIAN NATIONAL RAILWAYS

INCREASE IN BLUE CROSS PREMIUMS FOR QUEBEC PENSIONERS

Mr. Ian Watson (Châteauguay): Madam Speaker, my question is for the Minister of Transport. In 1977 an agreement was signed between the CNR and the railway union which cut Blue Cross premiums for Quebec CN pensioners in half by averaging the claims experience of three groups, active union members, management, and pensioners.

On January 1, 1983, 6,000 CN pensioners in the Province of Quebec were informed that their Blue Cross premiums have more than doubled because the Railways have agreed to insure their active employees as a group with another insurance company, while CN management and supervisory personnel dissociated themselves from the pensioners in order to obtain a cheaper rate.

[*Translation*]

I am therefore asking the Minister of Transport to check what happened to the 1977 agreement signed by CN and the union, in order to find out who is responsible for this new devastating measure which excludes pensioners. Could the Minister also inform the House whether CN could examine, with the Minister, ways and means of resolving the problems of CN pensioners who appear to have been abandoned by both management and the union?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, without wishing to accept the premises of the question, I am quite willing to look into the matter with CN authorities.

* * *

[*English*]

INDIAN AFFAIRS

SEIZURE OF VEHICLES FROM BRITISH COLUMBIA NATIVES

Hon. John A. Fraser (Vancouver South): Madam Speaker, my question is for the Minister of Indian Affairs and Northern Development. As the Minister knows, last week a number of charges were laid against native people in the Province of British Columbia in connection with the alleged selling of fish illegally which were caught by the native people. But at the same time, and quite unnecessarily, these people's vehicles were seized. Can the Minister tell the House whether any consideration is being given to releasing those vehicles to the families? In asking this question I am not taking the position that there is any sympathy for the charges if they are proved. But it seems a very great hardship on the families of native people to have these vehicles seized and held.

• (1450)

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, there is no question that it is a very great hardship to the people concerned. If the Hon. Member's comments just now are to be taken as a representation, and I think that they are, I certainly would add my representations to his with respect to the legal officers of the Crown and the RCMP.

REQUEST THAT MINISTER MAKE REPRESENTATIONS

Hon. John A. Fraser (Vancouver South): Madam Speaker, I want to thank the Minister for his answer. Do I take it that he

will immediately contact his colleague, the Minister of Fisheries and Oceans, and convey to him what he has told the House, and perhaps to the Justice officials who are involved?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): They certainly will be made aware of the comments made in the House today.

* * *

TRUST COMPANIES

PROTECTION FOR INVESTORS

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, my question is directed to the Minister of State for Finance. I want to quote one sentence to him from the 1964 Royal Commission Report on Banking and Finance. It is the Porter Commission. It says, "We have found considerable variety in the quality of supervision of other institutions across the country and think it is essential to act before there is a repetition of the unfortunate experiences of many chartered banks prior to the establishment of good supervision in the 1920s."

My question concerns Seaway and Greymac, the mortgage companies, and all the ordinary people who are investors who have their lifesavings, in some cases, in these mortgage companies. In view of the fact that the Government has basically ignored this Royal Commission for all of these years and has really taken no action, and has now put some of these people in jeopardy by not sufficiently reviewing or controlling these companies, would the Minister be prepared to commit the Government to complete protection for the legitimate investors in those two mortgage companies? In view of the Government's negligence in the past to do anything, will it commit itself to complete protection of these people?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, I would first remind the Hon. Member that the actions announced by the Government yesterday, whereby it moved to bring the insured deposit in line with inflationary pressures and the economy, were designed to do exactly that. I really do not understand his question. The motivation of that move was to protect the very people whom the Hon. Member has pointed out.

It is encouraging to have the Hon. Member, presumably representing his Party on this issue, take part in the debate and become interested. It is obviously a departure from their practice of dissociating themselves from the very serious work conducted by the Finance Committee in the House which looked at all aspects of the banking system. It is a pity that Members of his Party did not continue and that they walked away from that study and presumably dissociated themselves from any concern with banking institutions.

Mr. Waddell: Let me tell the Minister that one reason why we have a lack of credibility in these studies is that nothing has been done in nine years. This is the exact situation that was predicted in the Commission report.

REQUEST FOR FEDERAL INQUIRY

Mr. Ian Waddell (Vancouver-Kingsway): Let the Minister assume that he was a renter and that he had to pay his rent money to a company of which he did not know the owners, a numbered company, with a Liechtenstein account, comprised of some people about whom some serious questions are being asked. To top it all, it was announced yesterday by his colleague in the House that the landlord is being investigated by the RCMP.

Considering that these are the first real financial companies in trouble in Canada, two of which concern the federal Government, will the Minister be prepared to consider a federal inquiry into this issue?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, I was in the House of Commons yesterday. I did not hear the Minister responsible for the RCMP indicate that any particular landlord was being investigated. Second, the other premise on which the Hon. Member posed his question is totally erroneous. He says that the Government has not acted. The Government did react very quickly to the report of the Finance Committee on Banking, dated July 27 of last year. We responded to Members of the House, for example, the Hon. Member for Mississauga South, the Hon. Member for Vancouver Centre who represents the constituency close to the one referred to by the Hon. Member, the Hon. Member for Etobicoke Centre, and the Hon. Member for York-Peel. We responded to them. We moved quickly to increase the amount of protection to ordinary Canadians involved in deposit corporations.

* * *

[*Translation*]

MINES AND MINING

INQUIRY WHETHER GASPÉ MINES WILL CONTINUE TO OPERATE

Mr. Alexandre Cyr (Gaspé): Madam Speaker, my question is directed to the Hon. Minister of State (Mines).

The Minister is aware that Gaspé Mines in Murdochville have further reduced their staff by 380 workers during the last months, owing to the depressed prices for copper on the international market, and that the mine will no longer be able to operate for at least the next two years.

The management of Noranda Mines is prepared to carry out operations on a section under the town, at a cost of $85 million, with the assistance of the provincial and federal Governments.

Could the Minister inform the House whether she has received an official request from the management of Gaspé Mines regarding the continuation of operations and hence the survival of this town in the Gaspé?

[*English*]

Hon. Judy Erola (Minister of State (Mines)): Yes, Madam Speaker, we have had discussions with Gaspé Copper. As a matter of fact, they have had numerous discussions with my departmental officials and are looking at proposals that would qualify under Section 38 and the NEED Program.

It is my understanding that their proposal is now being refined. It also requires the approval of the Quebec Government. I can assure the Hon. Member that with co-operation from all parties we will see these people back to work soon.

* * *

CANADA DEPOSIT INSURANCE CORPORATION

SETTLEMENT OF CLAIMS

Mr. Bill Kempling (Burlington): Madam Speaker, my question is for the Minister of State for Finance. Yesterday, in answer to a question from my colleague from Etobicoke Centre, the Minister stated that there is presently no claim against the Canada Deposit Insurance Corporation from any trust company, to the best of his knowledge. Could the Minister advise the House whether or not all claims made against the Canada Deposit Insurance Corporation by certificate holders in Astra Trust and Re-Mor Mortgage Corporation have been settled, and whether any claims subsequently launched with the Canada Deposit Insurance Corporation as a result of still unsettled lawsuits or appeals presently before the courts would be considered under the higher limits announced yesterday?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, I think the Hon. Member who asked the question incorrectly quoted from my answer in the House yesterday. I did not say that there was no outstanding claim of any trust company. As a matter of fact, claims are from individuals who have deposits with companies. They are not by companies at all. In that vein, my answer was that at the present time there are no current claims, no claims that have not been disposed of by the Corporation, outstanding against the Corporation.

POSITION OF ARGOSY TRUST DEPOSITORS

Mr. Bill Kempling (Burlington): Madam Speaker, I just want to know whether or not we will have some claims settled at the $20,000 limit and some settled at the $60,000 limit. As well, I want to know whether claims that may arise as a result of the bankruptcy of Argosy Trust, which is still under investigation, would be adjudicated under the lower or higher limits?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, to answer that question I would have to prejudge the outcome of appeals to which the Hon. Member refers, and of course I would not entertain trying to make that type of decision in the House of Commons.

LABOUR CONDITIONS

DEFENCE DEPARTMENT JOB-CREATION PROGRAM

Hon. David Crombie (Rosedale): Madam Speaker, my question is directed to the Minister of Employment and Immigration. The Minister may recall that the Minister of National Defence indicated yesterday, in response to a question, that he would be willing to work out a program to increase the recruitment levels in the Armed Forces in order to alleviate the unemployment levels for those Canadians between the ages of 15 and 24. He said, "The Department of National Defence has put forward different programs and has told the Minister of Employment and Immigration what we could do and how we could do it. We could do something fast and efficiently." Does the Minister have the same feeling and, if so, when will he bring forward the program that has been put to him by his colleague, the Minister of National Defence?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I would like to point out that in fact a number of proposals have been made by different Ministers in their own Departments to alleviate the problems of employment for young people, and not just the Department of Defence. The Secretary of State's Department, the Housing Department, and a number of other Departments, including our own, have put together a number of ideas.

I want to point out that last Friday, when we presented a number of these proposals for the provincial Governments to consider and assess as well, in the spirit of co-operation that we are trying to establish, we established a working group with the provincial Governments to assess how we can combine our efforts in the area of providing youth programs for youth employment. Once we are able to co-ordinate what we can do across the board federally and work it out with the Provinces, we will be able to establish a type of program that will give a significant and serious response to the serious issue of youth employment.

REQUEST THAT PROGRAM BE BROUGHT FORWARD

Hon. David Crombie (Rosedale): Madam Speaker, I am sure the Minister understands that we all appreciate that the other Ministers who have their particular programs are forwarding their ideas to the Minister. We also appreciate that the Minister works out those programs with the Provinces. Of course, my question had nothing to do with that.

• (1500)

The Minister of National Defence, by his own words, has forwarded a program to the Minister of Employment and Immigration to increase the recruitment levels of the Armed Services in order to alleviate the problem involving 21 per cent of young people in this country between the ages of 15 and 24 who are unemployed, and it is a specific program from that Minister to this Minister. I am asking whether the Minister of Employment and Immigration will accept the proposal from the Minister of National Defence to increase employment

levels and, if so, when will he bring that program forward? There are 25,000 applications from people who want to join the Armed Services to get a job and get training. It is a specific program, and you can do it—

Madam Speaker: Order.

Some Hon. Members: Hear, hear!

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I thought that I had explained to the Hon. Member the fact that the Government is looking at a number of approaches which can be used to deal with the problem of youth unemployment. The proposal put forward by the Minister of National Defence is one proposal. There are several other proposals also being put forward. I think that what is important is to balance out each of those recommendations with the kind of money which might be available so that we get the maximum use of our resources, and target where the need is most severe. That is a very useful and very constructive solution, but so are others. I think that what we must do is to attempt to provide—

Mr. Nielsen: You have to answer the question.

Mr. Axworthy: —a comprehensive approach and not do it in a piecemeal fashion. That is what we are engaged in at the present time.

Miss MacDonald: Why are you ignoring it?

ROUTINE PROCEEDINGS

[*English*]

PRIVILEGE

MR. STEVENS—REPLY OF MR. LUMLEY DURING QUESTION PERIOD

Hon. Sinclair Stevens (York-Peel): Madam Speaker, I rise on a question of privilege arising out of the response given to a question directed by myself to the Minister of Industry, Trade and Commerce (Mr. Lumley). Your Honour will recall that I asked the Minister a question concerning a certain agreement to which reference was made in a press release of the then Minister of Industry, Trade and Commerce, Mr. Gray, on August 12, 1982. Further to my response, the Minister, in response to the Leader of the Opposition (Mr. Clark), informed the House that there was no such agreement. There was, in fact, a memorandum of agreement signed or initialled in that period.

My question of privilege arises from the fact that I have in my hand a press release which was issued by the then Minister of Industry, Trade and Commerce on August 12, 1982, and repeatedly misleads those who read the release into thinking that an agreement had been signed and existed between the Government of Canada and Chrysler Canada.

Madam Speaker: Order. The Hon. Member for York-Peel (Mr. Stevens) realizes that he might want to have further clarification on matters which he has wanted to discuss with the Minister, and that is quite legitimate, but he has no foundation for a question of privilege. I would urge him to seek such clarification during Question Period on a subsequent day.

Mr. Nielsen: Misleading the House.

Mr. Stevens: Madam Speaker, my purpose in rising on this point today is, first of all, to give you the needed notice and, second, to—

Madam Speaker: I need not have notice in the House. The Hon. Member may give me a notice in writing and send it to my office, and then we will consider his question of privilege, if he has one.

Mr. Stevens: Madam Speaker, in addition to suggesting that I would like to give notice, I am attempting to comply with the requirement set out on November 1, 1962 at page 201 of the *Journals* of this House, which state that "should a question of privilege be based on published material, the article in question must be submitted and read at the Table". In view of that provision in the *Journals*, I was simply asking for consent to submit the written material, upon which I hope to base my question of privilege subsequently, to the Table so that it may be read.

Madam Speaker: The Hon. Member does not have a question of privilege at the present time. He may quote those papers and legitimize his arguments to those documents if he wishes, if and when he has the basis for a question of privilege. If the Hon. Member wants to send me a notice, I can recognize him tomorrow.

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, based on what the Hon. Member for York-Peel (Mr. Stevens) said, I just want to clarify something for him.

Some Hon. Members: Oh, oh!

Madam Speaker: Order. If I allow the Minister to clarify something, he will be engaging in debate, I think, as was the Hon. Member for York-Peel, so I must stop it at some point, and I guess this is the point.

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I rise on a point of order. It happened that during the Question Period I quoted from the document in question. I wonder if I might have the unanimous consent of the House to table the document from which I quoted.

Some Hon. Members: Agreed.

Madam Speaker: The Right Hon. Member may not table documents.

Mr. Baker (Nepean-Carleton): Without unanimous consent.

Madam Speaker: He may quote from documents. Only a Minister, if he quotes from a document, should table the document.

Mr. Clark: Madam Speaker, you would know that the House can do anything with unanimous consent, and so can any Member. What I had sought was the unanimous consent of the House of Commons to table the document, the news release issued by the then Minister of Industry, Trade and Commerce, from which I have quoted. I would seek that unanimous consent now from the House of Commons.

Mr. Lumley: A point of order.

Madam Speaker: Perhaps the Minister would allow me to deal first with the particular question. I read Citation 311 from Beauchesne's Fifth Edition:

> Under no circumstances may a Member merely table a speech for printing in *Hansard*. With minor exceptions, what appears in the record of debates has actually been spoken in the House. On rare occasions a Member may receive the consent of the House to have printed as part of his speech long lists, statistics or similar material. Such consent should rarely be asked for and is rarely granted.

That is why I did not ask the House to give unanimous consent. The Right Hon. Leader of the Opposition (Mr. Clark) is right; one can do anything with unanimous consent. However, this particular situation is clearly not customary in the House and that is why I did not ask for unanimous consent. However, we can solve the matter very easily. I will ask, does the request of the Right Hon. Leader of the Opposition meet with unanimous consent?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Madam Speaker: There is not unanimous consent.

Mr. Lumley: Madam Speaker, the document to which the Right Hon. Leader of the Opposition refers is press release which is already—

Madam Speaker: Order. Hon. Members are obviously debating.

* * *

POINT OF ORDER

MR. MAZANKOWSKI—REPLY OF MR. LUMLEY DURING QUESTION PERIOD

Hon. Don Mazankowski (Vegreville): Madam Speaker, I rise on a point of order. Now that I have set the record straight in connection with the response of the Minister of Industry, Trade and Commerce (Mr. Lumley) to my last question, I wonder if he would be prepared to make a modification to the answer that he gave me to the last question which I presented to him in the House.

Madam Speaker: Order. I cannot allow that. The Hon. Member for Vegreville will have to ask for supplementary information at another time.

* * *

PRIVILEGE

MR. BLACKBURN—REPLY OF MR. LUMLEY DURING QUESTION PERIOD

Mr. Derek Blackburn (Brant): Madam Speaker, I rise on a question of privilege which is also related to a question I put in Question Period today to the Minister of Industry, Trade and Commerce (Mr. Lumley). In the question, I referred to a task force committee—

Madam Speaker: Order, please. I did not quite hear the Hon. Member. Was he rising on a point of order or on a question of privilege?

Mr. Blackburn: A question of privilege.

Madam Speaker: All right.

Mr. Blackburn: I directed a question to the Minister of Industry, Trade and Commerce with reference to a task force to look into violations of the auto pact. The Minister, I think deliberately, twisted my words around to make it look as though I were asking him to review the auto pact with the United States. That was not the question. I want the Minister to clarify that.

Madam Speaker: Order. The Hon. Member is continuing debate under the guise of a question of privilege and I cannot allow that.

* * *

• (1510)

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Jim Peterson (Parliamentary Secretary to Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, the following questions will be answered today: Nos. 1,225, 3,331, 3,487 and 3,958.

Order Paper Questions

[*Text*]

CANADA EMPLOYMENT AND IMMIGRATION COMMISSION—RELOCATION TO BATHURST, N.B.

Question No. 1,225—**Mr. Cossitt:**

1. Are certain sections of the Canada Employment and Immigration Commission being moved to Bathurst, New Brunswick and, if so (a) to date, does this only include the Annuities Branch and the Central Index (b) does the government plan to move the Wage Loss Registration Branch and, if so (i) for what reason (ii) would this involve approximately 60 employees (iii) has deep concern been registered by the employees?

2. Have representations been made to the Minister to move the Wage Loss Registration Branch and, if so (a) by whom (b) were representations made by the Hon. Member for Gloucester?

3. Will the Government clarify the situation and, in particular, will it consider not moving the Wage Loss Registration Branch?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): As of the date of the question, plans were under study. The information has now been provided as of November 2, 1981. 1. Yes. (a) Yes, (b) yes. The announcement was made on November 2, 1981. (i) As part of the Government's policy of relocating components of federal departments and agencies to parts of the country that have high unemployment rates and a low rate of economic activity. (ii) No. Approximately 50 employees are involved. (iii) Concern has been expressed by some employees in respect of job security. Many have already been placed with other branches of the Commission and it is anticipated that all those remaining will be similarly placed.

2. Yes. (a) Representations have been made by numerous organizations including the City of Bathurst, the Bathurst Board of Trade and the Chaleur Regional Industrial Commission. (b) Yes.

3. See 1(b) above.

PUBLIC SERVICE EMPLOYMENT ACT

Question No. 3,331—**Mr. Herbert:**

1. Was a report prepared in the past five years to examine staffing, appointments and training in the Public Service and, if so, was the report made public?

2. Did the report recommend any changes in the Public Service Employment Act and, if so, was any action taken on the recommendations?

Hon. Herb Gray (President of Treasury Board): 1. Two reports were prepared in the last five years to examine staffing appointments and training in the Public Service: Report from the Special Joint Committee of the Senate and the House of Commons. (Employers-Employees' Relations in the P.S.) February, 1976; Report of the Special Committee on the Review of Personnel Management and the Merit Principle. Guy D'Avignon September—1979.

2. Yes. Each report recommended changes in the Public Service Employment Act. No amendments to the PSEA have been approved by Parliament since July, 1975.

PUBLIC SERVICE SUPERANNUATION ACCOUNT

Question No. 3,487—**Mr. Murphy:**

1. Did the actuarial reports on the Public Service Superannuation Account (PSSA) prior to December 31, 1977 examine the PSSA using economic assumptions that reflected a zero inflation scenario?

2. Did the actuarial report on the PSSA as at December 31, 1977 examine the PSSA using economic assumptions that reflected a 3 per cent annual inflation scenario and, if so, what windfall gains were realized by the PSSA with respect to the (a) amount required to finance PSSA benefits earned to December 31, 1977 (b) employer contribution rate required to finance all PSSA benefits in respect of current service after December 31, 1977 solely because the 1977 PSSA valuation was carried out in a 3 per cent annual inflation scenario?

3. To what extent would the windfall gains realized by the PSSA through the move to a 3 per cent annual inflation scenario in the 1977 PSSA actuarial report have been reduced if the calculation of PSSA benefits after December 31, 1977 were made on the basis of a PSSA contributor's best consecutive (a) five (b) four (c) three (d) two (e) single year annual salary?

4. What windfall gains would have been realized by the PSSA with respect to the amount required to finance PSSA benefits earned to December 31, 1977 and the employer contribution rate required to finance PSSA benefits on account of current service after December 31, 1977 if the 1977 PSSA actuarial report had moved to economic assumptions reflecting annual inflation scenarios of 6 per cent and 9 per cent respectively and if the calculations of PSSA benefits after December 31, 1977 were made on the basis of a PSSA contributor's best consecutive (a) six (b) five (c) four (d) three (e) two (f) single year annual salary?

Hon. Herb Gray (President of Treasury Board): The following replies are based on information provided by the Department of Insurance.

1. Yes.

2. The actuarial report on the PSSA as at December 31, 1977 used economic assumptions of 6.5 per cent annual interest and 5.5 per cent annual salary increases. While no explicit assumption was made with regard to inflation, an implicit assumption of 3 per cent annual inflation was included in the two economic assumptions used.

Previous reports were based on assumptions of 4 per cent interest rates, zero per cent for salary increases and no inflation assumption. In the most recent report, the real interest rate could be said to have changed from 4 per cent to 3.5 per cent and salary increases related to productivity were assumed to be 2.5 per cent.

The effects of using an implicit inflation assumption of 3 per cent, and therefore raising the interest and salary increase rate assumptions from 3.5 per cent and 2.5 per cent to 6.5 per cent and 5.5 per cent, respectively, were as follows: (a) with respect to benefits earned to December 31, 1977, a decrease in liabilities of $3,648 million; (b) with respect to the employer current service cost for service after December 31, 1977, a decrease of 5.1 per cent of contributory payroll from 11.6 per cent to 6.5 per cent.

3. The effect on the amounts shown in question 2 of lowering the number of years over which public service salaries are averaged for benefit calculation purposes would be as follows:

	Salary Averaging Period				
	(a) 5 years	(b) 4 years	(c) 3 years (000,000'S)	(d) 2 years	(e) 1 year
Reduction of $3,648 million decrease in liabilities shown in question 2	145	292	441	579	719
Reduction of current service cost difference of 5.1 per cent of payroll shown in question 2, as a per cent of payroll	.3	.5	.8	1.1	1.3

4. The effect of using implicit annual inflation assumptions of 6 per cent and 9 per cent instead of zero per cent, along with reduced salary averaging periods, would have been as follows:

A—6 per cent inflation

	Salary Averaging Period					
	6 years	5 years	4 years (000,000'S)	3 years	2 years	1 year
Decrease in liabilities in respect of service prior to December 31, 1977	5,873	5,659	5,432	5,194	4,966	4,725
Decrease in current service cost for service after December 31, 1977, as a per cent of contributory payroll	8.1	7.7	7.3	6.9	6.5	6.1

B—9 per cent inflation

	Salary Averaging Period					
	6 years	5 years	4 years (000,000'S)	3 years	2 years	1 year
Decrease in liabilities in respect of service prior to December 31, 1977	7,327	7,113	6,885	6,639	6,400	6,142
Decrease in current service cost for service after December 31, 1977 as a per cent of contributory payroll	10.1	9.7	9.3	8.8	8.4	8.0

Note: While the inclusion of an inflation rate factor in the economic assumptions used to value pension benefits payable under the Public Service Superannuation Act can decrease the liabilities and the estimated current service cost of those benefits, this does not mean that a surplus or savings are created for the Public Service Pension Plan as a whole. For example, the 1977 actuarial report on the Public Service Superannuation Account indicated that as of December 31, 1977, the net position of the Public Service Pension Plan, including indexing benefits, was a deficit of $3.9 billion.

Question No. 3,958—**Mr. Baker (Nepean-Carleton):**

1. Did the actuarial reports on the Public Service Superannuation Account (PSSA) prior to December 31, 1977 examine the PSSA using economic assumptions that reflected a zero inflation scenario?

2. Did the actuarial report on the PSSA as at December 31, 1977 examine the PSSA using economic assumptions that reflected a 3 per cent annual inflation scenario and, if so, were the gains realized by the PSSA with respect to (a) the amount required to finance PSSA benefits earned to December 31, 1977 (b) the employer contribution rate required to finance all PSSA benefits in respect of current service after December 31, 1977 solely because the 1977 PSSA valuation was carried out in a 3 per cent annual inflation scenario and, if so, what were the amounts of these gains?

3. To what extent would the gains realized by the PSSA through the move to a 3 per cent annual inflation scenario in the 1977 PSSA actuarial report have been reduced if the calculation of PSSA benefits after December 31, 1977 were made on the basis of a PSSA contributor's (a) best consecutive (i) five (ii) four (iii) three (iv) two year average annual salary (b) best single year annual salary?

4. What gains would have been realized by the PSSA with respect to the amount required to finance PSSA benefits earned to December 31, 1977 and the employer contribution rate required to finance PSSA benefits on account of current service after December 31, 1977 if the 1977 PSSA actuarial report had moved to economic assumptions reflecting annual inflation scenarios of 6 per cent and 9 per cent respectively and if the calculations of PSSA benefits after December 31, 1977 were made on the basis of a PSSA contributor's (a) best consecutive (i) six (ii) five (iii) four (iv) three (v) two year average annual salary (b) best single year annual salary?

Hon. Herb Gray (President of Treasury Board): See reply to question No. 3,487 answered this day.

[*Translation*]

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

Madam Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

[*English*]

Mr. Lawrence: Madam Speaker, the answers to questions given today by the Parliamentary Secretary to the two Ministers of State I think have either become garbled in the translation or else the Parliamentary Secretary has made an error. I believe the numbers he has just referred to, at least two of them in any event, are not the same numbers shown in the supplementary Order Paper published by the House under yesterday's date.

Mr. Nielsen: At least Smith knew his numbers.

Mr. Peterson: I would be pleased to repeat those numbers, or else I can take this up outside the House, or privately, with the Hon. Member in order to rectify any problems that may have arisen.

Mr. Nielsen: Do it here.

Mr. Clark: Table it.

Mr. Lawrence: Madam Speaker, I know it is simply routine to ask that the rest of the questions remain on the Order Paper, but I am rising on a very valid point. We believe that the numbered questions referred to today by the Parliamentary Secretary have not been answered. Therefore, if the House agrees to the motion put forward by the Hon. Member, presumably we are agreeing that today's numbered questions have been answered by him. If that is the intent of the motion, I for one disagree and object; and if we are going to get into a debate about it, so be it.

May I seek your ruling, Madam Speaker, on what I believe is perhaps an error on the part of the Parliamentary Secretary?

Madam Speaker: The Chair is certainly not in a position to determine whether it is an error or not. The Parliamentary Secretary wants to deal with that and I recognize him for that purpose.

Mr. Peterson: It is entirely possible that there could have been an error but perhaps it would clarify the situation were I

to read again the numbers of the questions to which I have placed answers before the House today. They are Nos. 1,225, 3,331, 3,487 and 3,958. Should there be any irregularity, I believe it could be rectified through merely standing the tabling of those answers. I can assure Hon. Members that this Government will undertake, as expeditiously as it has in the past, to respond to all other questions.

Madam Speaker: The Clerk of the House indicates to me that these answers are tabled and the questions have been answered.

Mr. Baker (Nepean-Carleton): There still seems to be an irregularity. I am looking at the Order Paper, and question 3,958, which I believe is the number the Parliamentary Secretary gave, is in my name; and it is answered in that way on page 126.

Mr. Peterson: Madam Speaker, I have here a copy of the answer to the question. I certainly do not want any Member not to have his question answered. That is not our intention. If there has been an irregularity I undertake to ensure that it is rectified so that Hon. Members may have their responses. I look forward to co-operating with them in order to ensure that that result comes about.

Mr. Baker (Nepean-Carleton): That is fine. Good enough.

Madam Speaker: I am sure that satisfies all Hon. Members.

Mr. Murphy: Madam Speaker, I rise on a point of order. In answering the questions the Parliamentary Secretary answered question No. 3,487, which is a question I have had on the books for something like 13 months now. It is a question relating to the Bill we are debating again today, and I find it ironic that it took so long for the Government to get this information. I find it extremely ironic that we are getting this information after we have had the debate on second reading and after we have finished committee study of that particular measure, Bill C-133.

I would hope that in future when we seek information from the Government it will not take 13 months, and if the Government is going to introduce specific legislation on matters about which we have asked questions, that that information will be forthcoming before the debate is almost over.

Mr. Peterson: Madam Speaker, we of course are pleased to take under advisement any constructive suggestions coming from the Members on the opposite side of this House, in order that there might be the greatest disclosure, the greatest number of answers to these questions. I think the Hon. Member as well as all Members here will recognize, that we have answered thousands of questions during this session, some of them more complex than others. The Hon. Member can even take heart from the fact that perhaps his question has been partly responsible for some of the legislation we are bringing forward.

We can learn, Madam Speaker, from the Opposition as well as from Hon. Members on this side of the House.

GOVERNMENT ORDERS

[*English*]

SUPPLEMENTARY RETIREMENT BENEFITS ACT (NO. 2)

MEASURE TO MODIFY BENEFIT INDEX

The House resumed consideration of Bill C-133, an Act to amend the Supplementary Retirement Benefits Act (No. 2), as reported (without amendment) from the Standing Committee on Miscellaneous Estimates, and the motion of Mr. Gray (p. 21886) and the motion of Mr. Baker (Nepean-Carleton) (p. 21889).

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, I wish to say a few words on the amendment before Bill C-133 is discussed this afternoon. I wish to make it clear that I wish to oppose the amendment. I think it is very unfair and very unjust.

First of all, it is an amendment to increase the 6 per cent raise in this particular legislation to 6.5 per cent, a measly one half of 1 per cent. That shows the generosity of the Liberal Party of Canada across the way.

An Hon. Member: It is $18 million.

Mr. Nystrom: It may be $18 million, but the Liberal Party across the way gives many more millions to big companies and to all kinds of people through very extensive tax write-offs.

As a matter of fact, I could not help but note in the statement made by the Bishops of Canada on January 5 that the top 20 per cent of the Canadian people make 42 per cent of Canada's national income and the bottom 20 per cent make 4 per cent of Canada's national income. What the Bishops are saying, and I want to quote them, is that we need more balance and that an equitable program should be developed for reducing and stemming the tide of inflation. This would require shifting the burden for wage controls to the upper income earners and introducing controls on prices and new forms of taxes on investment income such as dividends and interest. I think that is the crux of the whole six and five debate which is before the House.

I do not think anyone argues that we do not need a restraint program; most countries in the world do have restraint programs. But the whole problem is, who is going to pay the price? Who is going to pay the price to bring down inflation in this country? The Government decided it will be the ordinary worker, the pensioner, the kids of this nation. Ordinary people will have to pay the price of inflation in Canada.

● (1520)

For example, a 6 per cent increase for someone with an income of $10,000 will result in an additional $600. However, for someone with an income of $50,000, a 6 per cent increase will result in an additional $3,000. What kind of fairness is that when the poor guy gets an increase of $600 and the wealthy person receives an increase of $3,000 a year? All that

does is add to the disparities, the unfairness and inequities in this country for the top 20 per cent who earn 42 per cent of the national income and the bottom 20 per cent who earn 4 per cent of the national income.

I suggest this legislation should provide the converse. Everything we do in this country should be directed toward narrowing the gap between the rich and the poor. I recommend that all Members read the statement by the Canadian Conference of Catholic Bishops issued on January 5. In many places they speak about the moral obligation of politicians, the business community and others in this country to help the poor and the ordinary working people of Canada. They say, and I quote:

> The first principle has to do with the preferential option for the poor, the afflicted, and the oppressed. In the tradition of the Prophets, Jesus dedicated his ministry to bringing "good news to the poor" and "liberty to the oppressed". As Christians, we are called to follow Jesus by identifying with the victims of injustice, by analyzing the dominant attitudes and structures that cause human suffering, and by actively supporting the poor and oppressed in their struggles to transform society.

Bill C-133 does not do what the Bishops of Canada suggest, identifying with the poor and those less done by. Instead, the Bill before this House will make the poor and the ordinary worker pay more. In this case the retired public servant will pay more while the wealthy in this country pay less as they get more and more tax breaks from the Government supported, unfortunately, by the Progressive Conservatives in this House of Commons.

I repeat, this statement should be required reading for all Members of Parliament. In their statement the Bishops make reference to the kind of economic programs we should have in this country. They say it is not moral that we have 1.5 million jobless in this country. I recommend this document to each and every Member.

I hope that the Liberal backbenchers, many of whom I believe are sincere, will be able to persuade their colleagues in Cabinet who are isolated from the real facts not to fight inflation on the backs of the ordinary people, the poor, the oppressed and the unemployed, but rather that we fight inflation by restricting the incomes of the very wealthy or clamping down on excessive prices and profits and the many tax loopholes that there are for the wealthy and the coupon clippers of this country. We should not fight inflation on the backs of the poor and the pensioners in Canada. The right way is to deal with those who can afford it. That is not only the best way economically but the moral way to get out of this crisis.

If the Bill before us stated that the incomes of the lowest paid Canadians would be increased by the cost of living plus 3, 4, 15 or 18 per cent, or something like that, that those with incomes of $50,000 and more, such as Members of Parliament, would receive an increase of 2 or 3 per cent or no increase, and that those making higher incomes would have their salaries rolled back, I would agree with an inflation program and a restraint program. However, I do not agree with an inflation program that tightens the belt of the skinniest person so much that he cannot breathe and gives the overweight person extra elastic in his pants so that he can expand indefinitely as he enjoys life and the fat of the land.

That is not fair. It is not the direction we should be taking in our country. Nor is it the vision we should have for Canadians. In fact, in addition to giving working Canadians and other ordinary Canadians more of the national income, they should be given more of a say, more power and more rights in the workplace. Workers in the communities and farmers should own more and more of our economy. However, there are those in this House, particularly in the extreme right in the Progressive Conservative Party, who complain about the present day Petro-Canada, CBC and other public ownership. That is the direction we should be going.

I am sorry, I cannot hear the interjection of the Hon. Member for Crowfoot (Mr. Malone). I suggest that he study the statement of the Bishops. He will find that they refer to alternative economic approaches that we should be taking in this country. I quote from page 6:

> There are, of course, alternative ways of looking at our industrial future and organizing our economy. This does not imply a halt to technological progress but rather a fundamental re-ordering of the basic values and priorities of economic development. An alternative economic vision for example, could place priority on serving the basic needs of all people in this country, on the value of human labour, and an equitable distribution of wealth and power among people and regions. What would it mean to develop an alternative economic model that would place emphasis on—socially-useful forms of production; labour-intensive industries; the use of appropriate forms of technology; self-reliant models of economic development; community ownership and control of industries; new forms of worker management and ownership; and greater use of the renewable energy sources in industrial production?

That is exactly the opposite of what we hear from many Members on both sides of the House. They say we have too little of society oriented toward profit-making, stock markets, private investment, and that there are not enough write-offs for dividends, investments and tax credits. That is the opposite of what the Bishops recommend.

I hope this document of the Bishops will become an historic turn-around in this country toward a society that is more moral, just and equal for each and every Canadian and each and every region. If the Bishops succeed in doing that, they have made a contribution to Canada that is much greater, I am sad to say, than the national Parliament of Canada is making through the words uttered in this House.

I believe I have another minute or two, but I see you getting edgy, Mr. Speaker.

The Acting Speaker (Mr. Corbin): I regret to inform the Hon. Member that the allotted time for his speech has expired.

Hon. Don Mazankowski (Vegreville): Mr. Speaker, I wish to speak in opposition to the amendment proposed by the President of the Treasury Board (Mr. Gray) as well as the provisions of this Bill. When one looks at the amendment advanced by the President of the Treasury Board, one readily sees that it is a measly admission of the fact that this Government's approach is wrong. If it had the courage, it would withdraw not only the amendment but the legislation. If it had any confidence in its six and five program, this kind of legislation would not be necessary.

I am surprised in listening to the debate that the NDP seem to focus the bulk of their words on an attack against the

Conservative Party. They are more inclined to attack the Conservative Party, who are not the authors of this piece of legislation, rather than attack the Liberal Government, which is the author of these provisions. More and more Canadians are coming to the realization that the Liberal-NDP socialist alliance that has governed this country over the last 15 years is certainly not working. It is the NDP which kept this Government in office during the period from 1972 to 1974. It is the NDP which triggered this Government's return to power, but now they stand around and indirectly criticize the Liberal Government, but they are more inclined to attack the Progressive Conservative Party which obviously has a greater share of political support in Canada than perhaps the Liberals and NDP combined. So they are basically fighting for their political survival.

• (1530)

I hearken back, Mr. Speaker, to lectures we received from the Prime Minister (Mr. Trudeau) this fall when he emphasized the necessity for trust and the need for Canadians in all corners of Canada to pull together. I have listened to this debate and there have been some very impassioned pleas and sincere appeals from Members on this side, asking the Government to reconsider this legislation. The Liberals are asking Members to put their country first. They are asking senior citizens and other groups, those unorganized and unable to fend for themselves, to bear the brunt of the six and five program. The Liberals are breaking a promise and commitment, once again employing that double standard which has been the hallmark of this Government. The Government has one law for its friends and one law for other people. It does not ask the Pitfields or the people who have been the recipients of the huge bail-outs to restrain or cut back. Rather, it calls upon that group in society which has the most difficulty fending for itself.

The Government points out that it needs the revenue. Well, Mr. Speaker, that is inaccurate and clearly misleading because this Government has always found money to buy service stations and nationalize oil companies. Look at what the Government has spent through PetroCan. It gobbled up Pacific Petroleum for $1.5 billion; Atlantic Richfield for $342 million; Petrofina for $1.4 billion, and then the latest acquisition of a string of service stations for $600 million. That is $4 billion in the last two years. The Government found money to spend on those kinds of enterprises, but we have to ask ourselves whether that expenditure has really been in the best interests of Canada. I have before me an assessment of PetroCan's competitive potential related to its low-cost capital structure as outlined by Ultramar Canada, and I want to quote from a document they presented. They say:

> Petro-Canada obtained its equity capital 'free' from the Federal Government and pays little interest on its debt.
>
> It reported retained earnings of $176 million on December 31, 1981 after six years of operations. If Petro-Canada during those years had been obliged to find its capital, and reward its shareholders and lenders on the same terms as a private sector integrated oil company, subject to the rigorous discipline of financial markets and commercial reality, it would have reported a cumulative deficit in the order of $341 million.
>
> This is a variance of $517 million, financed by taxpayers and consumers in ways few of them understand, and potentially enabling Petro-Canada to wield irresistible power in the market place.

There you have it, Mr. Speaker. The Government has money for that sort of enterprise which is really, according to this assessment, not a very good investment. It has not even paid simple interest in terms of return on investment. We also know this Government is extracting billions and billions of dollars from the western provinces and resource industries. I have a recap of the cumulative total which this Government has extracted in the field of energy related taxes and it works out to about $11 billion over an 18 month period. It is now working out to a rate of about $7 billion or $8 billion a year in taxes extracted from the consumer and taxpayer as the result of this Government's imposition of its energy tax program. So when we talk about money, it is simply a matter of the allocation of funds and priorities, and this Government has chosen, as a priority, to spend money buying service stations rather than providing for protection to retired civil servants and the people of Canada with young families who are finding it very difficult to cope in this very depressed economic state.

When we speak of trust, Mr. Speaker, we simply have to refresh our memory about what this Government said during the last election campaign and the 1974 election campaign. We all know the issue was wage and price controls. We know the Government, particularly the Prime Minister, was very critical of a policy outlined by our Party in support of a freeze and a regime of wage and price controls. He promised the Canadian people that would never occur. Well, we know what happened, that is history. We also know that in the 1980 campaign there were some rather irresponsible promises made by this Prime Minister and his Government, amongst which was this, and I quote from *The Toronto Star* of January 26, 1980:

> Trudeau: "We will enhance the security of the individual through measures such as the increase in the guaranteed income supplement which helps one of the groups in our society—the elderly poor—that needs help most.

I could go on and quote the promises regarding cheap energy, or talk about the security of individuals and what the Government was going to do with respect to the problems of unemployment. Just a short quotation would certainly be most revealing at this particular time. At the University of Saskatchewan on January 16, 1980, Mr. Trudeau stated this:

> On jobs, we will not increase unemployment by 100,000 jobs this year as the Tories promised to do in their budget.

The Acting Speaker (Mr. Corbin): Order, please. I would draw to the Hon. Member's attention, concerning the use of proper names of Members in the House, that he should not do indirectly what is not allowed directly, and that he should refer to Hon. Members by the name of their portfolios or their ridings.

Mr. Mazankowski: I appreciate that, Mr. Speaker. I was under the impression that when one was quoting from an extract, one would have to quote accurately, using the name

"Mr. Trudeau" as it appears in the article rather then improvising, but I will certainly adhere to your suggestion and just continue with the quotation:

We will instead produce an industrial strategy that expands small business, encourages research and development, and increases Canadian ownership.

Well, Mr. Speaker, we have a situation in this country where Canada finds itself in the worst position of any of the countries of the OECD group. We have an auto industry and a forest industry in trouble; we have a mining industry which has practically collapsed, a fishing industry in tatters, and an agricultural industry severely impaired by high energy taxes. We have a Canadian energy industry severely hurt by the National Energy Program, and the latest *Oilweek* magazine bears that out when it says that the net income of foreign controlled companies in the year 1982 has declined by 11 per cent, while the Canadian controlled companies—which were to have been protected by the NEP—saw their income slashed by 37 per cent. What we need in this country, Mr. Speaker, is a climate of confidence in which we can build and inspire industry and investment and create confidence to allow the combined fortunes of this country—

The Acting Speaker (Mr. Corbin): Order, please. The Hon. Member for Burnaby (Mr. Robinson).

• (1540)

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am pleased to speak on behalf of my constituents in Burnaby on Bill C-133, and in particular on the amendment which is before the House. It is basically an attempt to buy off Liberal backbenchers who had expressed a certain amount of opposition to the Bill in its original form.

The amendment would increase the annual rate of indexation by one half of one percent in 1983 and in 1984. What this means is that those Liberal backbenchers who have changed their minds and have now agreed to support the measure—which is an invidious attack on the standard of living of thousands of elderly people in Canada—have been bought for a price of approximately ten cents per day. That is the amount of the increase the amendment would bring to the average pension of the people affected by the Bill.

The Bill constitutes a direct attack on the standard of living of thousands of my constituents in Burnaby—retired members of the Public Service, retired members of the Armed Services and retired members of the Royal Canadian Mounted Police. The Government has broken faith with close to 200,000 retired federal employees. The breakdown for 1980-81 showed some 120,000 retired members of the Public Service, 32,000 retired members of the Canadian Armed Force, 2,200 retired members of the RCMP and other retirees, bringing the total to about 160,000 people. This figure will be increased over the next two years to about 200,000 people.

We are talking about individual retired federal employees who, over the course of their employment, contributed 1 per cent of their salary to a special supplementary retirement benefits fund for the purpose of protecting the purchasing power of their pensions. In addition, they contributed 6.5 per cent of their salary each year for their basic pensions.

I want to emphasize that what the Government is doing is breaking a sanctified contract with public servants who, in good faith, contributed deferred wages, in effect, amounting to 1 per cent of their salary, for the purpose of protecting the purchasing power of their pensions against an increase in the cost of living. The Government has made use of those funds contributed by retired federal employees, for its own purposes and has not invested them to bring the best possible return. Once again, the retired federal employees are contributing in that way to the good of the country, only to have the Government stab them in the back through the means of Bill C-133.

We are not talking about wealthy individuals, Mr. Speaker. The average pensioner affected by the Bill has a pension of $6,900 per year. Many of them are survivors and 83 per cent of survivors receive a pension of less than $5,500 per year. Most of the survivors are elderly women struggling to get along on incomes well below the poverty line.

The effect of this iniquitous Bill is to rob retired federal employees of over $100 million over a two-year period. For the average pensioner that means a loss in 1983 of some $345 or, for the two years, some $1,200. At the same time, the Government is eroding the base of these pensions for future years. This is a Government that talks about equity, that asks pensioners to contribute on a fair and equitable basis to the fight against inflation. It asks pensioners, in effect, to take a cut in their real standard of living.

What equity exists in a Government which, at the same time as it slashes the standard of living of federal retired employees, cuts the marginal tax rate of the highest income earners in the country? What equity exists in a Government which, at the same time as it cuts the standard of living of elderly retired public employees, allows some 4,850 Canadians who earned more than $50,000 in 1980 to pay not a penny in income tax? This fact is revealed in the most recent taxation statistics for this country. In that same year, 179 taxpayers who earned over $200,000 paid not one penny in income tax as well.

The Government should hang its head in shame for asking retired federal employees to take a cut in their real standard of living at the same time as it allows the wealthiest in our society to escape paying any income tax whatsoever. At the same time, it has introduced legislation which would cut by 10 per cent the marginal tax rate of the wealthiest people in the country, those most able to shoulder the burden of the fight against inflation. The Government certainly does not in any way display the principles of equity and justice which should be displayed in the circumstances.

Bill C-133, Bill C-131 which deals with old age pensions, and Bill C-132 which deals with Family Allowances flow directly from the six and five legislation which the Progressive Conservative Party overwhelmingly supported in June 1982. In the documents which accompanied that legislation it was explicitly stated that at the heart of the six and five proposals was a cut in the standard of living, not just of federal public

servants but of retired federal employees, including retired members of the RCMP, the Canadian Forces and others.

The Conservative Party was fully aware of the consequences of six and five, yet it voted with the Liberals 16 times, in recorded votes, to support the legislation which is resulting in a cut in the standard of living of over 200,000 elderly people in the country. What hypocrisy, Mr. Speaker.

An Hon. Member: Shame!

Mr. Robinson (Burnaby): As my colleague says, shame on them for supporting the framework of this legislation and now hypocritically saying, "Even though we knew where the legislation was leading, even though we knew six and five was going to be applied to the elderly and the weak in our society—"when it comes to the acid test, they back off.

I could not put this matter any better than it has been put by many of my constituents in correspondence with me. I should like to quote from a letter sent by a Mrs. McIntosh of Wildwood Avenue, Burnaby, which is one of many I have received. She writes:

> I am writing this letter to protest the proposed government legislation to limit the indexing of civil service pensions to 6 per cent. I can understand the need for restraint in these trying times, but it should not be at the expense of something that we have already paid for. During our working years, civil servants were told that in return for a percentage of their wages, they would receive a pension fully indexed to the cost of living increase for that year. If a private individual tried a stunt like that they would probably land in jail for fraud.

How true that is, Mr. Speaker.

In 1977, in response to correspondence on the question of the indexing of Public Service pensions, the Prime Minister (Mr. Trudeau) had this to say:

> Pensioners are out of the work force and cannot bargain or strike for larger incomes. They are not the cause of inflation; they are its victim. We have an obligation to help protect them.

I note in passing that they are the victims of the economic policies for which the Liberal Government is responsible. The Liberals have been in power for almost all of the last 15 or 20 years in this country, with a brief interregnum.

● (1550)

I know my time is coming to an end. I would like to close by emphasizing the fact that Bill C-133 and the proposed amendment to buy a few votes on the Liberal side constitute nothing less than an assault on the standards of living of some of the people in the country who are the least able to afford the burden. I have heard from many of my constituents. I have heard from Mr. Glen Scott, President of the South Burnaby branch of the Royal Canadian Legion, and from hundreds of others who insist that the Government should respect the commitments it made to them and to the people of the country and withdraw this odious piece of legislation.

Mr. Derek Blackburn (Brant): Mr. Speaker, I should like to make some brief comments on this infamous Bill and the rather stupid amendment to Bill C-133, to cap the retirement benefits of public servants. Actually it is a Bill which gives the Government a licence to steal. Heaven only knows that the people of Canada have lost enough faith already in the Government. To bring in a piece of legislation like this breaks a legal contract without any prior consultation with a group of people who can least fight for themselves in the struggle to keep their heads above water during retirement years.

We in the NDP are outraged because if a trade union broke a legal contract I am quite convinced that the Government members, and certainly the Conservatives, would be up on their feet yelling and screaming all afternoon, day after day. Let us not forget that the Conservatives supported the Government with Bill C-124 which brought in the whole six and five program. We in the NDP were the only Party in Ottawa to oppose it. Now it is easy to understand why one Tory after another is rising to try to heal his or her conscience. They are trying to get across the idea that that is not what they had in mind when they supported Bill C-124, that they did not anticipate that it would be extended to include retired public servants. Nonetheless, they supported the six and five program at that time because they felt that the majority of Canadians were for it. Perhaps that is true, if one wants to be led by the polls like sheep, but one must have the courage to face reality afterwards. Apparently that is not being done in this debate by the Conservative Opposition.

There are a few facts with respect to Bill C-133 that I would like to put on the record. I hope they will clear up some misconceptions and misinterpretations as far as the general public is concerned. To begin with, the Bill really amounts to the theft of $165 million from an account paid into and contributed to by public servants during their working years, based upon a 1 per cent additional payment by them as a hedge against inflation during retirement years; in other words, the indexing of pensions. Public employees pay 7.5 per cent of their salary to support the pension plan. On the other hand, in the private sector employee contributions seldom exceed 5 per cent and are frequently less. This is something which is not generally known by the public, that Public Service employees actually contribute more to their pension plan than do most employees in the private sector—7.5 per cent of their salary to support their pension plan.

I have another series of figures which I should like to put on the record. The benefits paid from the plan to date have been more heavily financed by employees than by their employer. Of $1,360 million paid out between October 1981 and September 1982, employees contributed $735 million compared with the Government's $625 million. Here again this is usually not the case in the private sector. Usually in the private sector it is the employer who pays the larger share and, in some cases as a result of agreement, the employer pays all of the contribution to the pension plan. During their contributing years federal public servants pay more than the private sector at 7.5 per cent, and in contributions back they have actually paid more for the contributions than their employer.

Another fact I should like to put on the record is that currently there is a surplus of $15.5 billion in the Public Service Superannuation Account. The interest which can be earned on this amount is more than sufficient to pay for

indexation. The fund itself is in healthy shape. At this time it is not costing taxpayers one cent, yet the Government insists on cutting back the normal increase public servants would receive based on the cost of living. This was why they contributed the extra 1 per cent during their working years—as a hedge against inflation.

Previously the Prime Minister (Mr. Trudeau) committed the Government to full indexation of Public Service pensions as a right earned during working years. I believe this was stated by the Prime Minister back in 1977. His Ministers previously defended the plan and argued that the Government could not break its contract with Public Service pensioners by reducing indexation. We must keep in mind that we are not dealing with only Clerks of the Privy Council or Deputy Ministers who retired on very handsome superannuation benefits because they were making very high incomes during their last five or six years of employment. We are dealing with literally thousands upon thousands of retired RCMP officers, retired military personnel and retired public servants who never got into the high income brackets during their working years. Like all retirees, they have no clout or strength in numbers to fight the Government. I argue very strongly that they were not the cause of inflation.

Ordinary Canadians, whether they be retired public servants or retirees from the private sector, did not have control over the economy. They did not make major decisions at the top which contributed to inflation, yet they are the ones who are expected to fight inflation by taking a reduced retirement pension when, even at the present time, well over half the 100,000 federal Public Service retirees can barely make ends meet, primarily as a result of the high inflation rate.

The Government's Green Paper on pension reform clearly supports the need to protect all pensions against the erosion of inflation. Many observers in the private sector agree with this. I cannot think of anything more humane which a Government can do, at the federal or provincial level, than to guarantee its former employees who are now retired a secure and financially safe retirement. In most cases they have given the best years of their lives to the Government and its Public Service, yet now they are being kicked in the pants because of the Government's stupid financial policies which have brought about runaway inflation.

I should like to close by simply stating that we in the NDP are unalterably opposed to Bill C-133. It is unfair, it is morally reprehensible, and it is a theft of some $165 million from contributions by public servants to their retirement fund as a hedge against inflation. It is an odious Bill. It should be withdrawn, and the amendment to raise the increase from 6 per cent to 6.5 per cent and from 5 per cent to 5.5 per cent is nothing short of a sick joke.

• (1600)

Mr. Stevens: Mr. Speaker, I rise on a point of order. Could I put a question to the Hon. Member for Brant (Mr. Blackburn)? I believe that is provided for under the rules.

The Acting Speaker (Mr. Corbin): The time allotted to the Hon. Member for Brant (Mr. Blackburn) has expired. The question can only be put at this time with the unanimous consent of the House. Is there unanimous consent?

Mr. Blais: What about the ten minutes allowed for questions?

The Acting Speaker (Mr. Corbin): I think there is a misunderstanding either on the part of the Member for York-Peel (Mr. Stevens) or on the part of the Chair. Speeches at this time, at report stage, are not followed by the ten-minute question period provided under the provision of the rules. It is my understanding that the Hon. Member, if he receives unanimous consent, can put a question to the Hon. Member for Brant at this time. This is why the Chair asked whether the House wanted to give its unanimous consent to the Hon. Member for York-Peel. Is there unanimous consent?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Corbin): That is agreed, provided also that the Hon. Member for Brant accepts the question.

Mr. Blackburn: Yes, Mr. Speaker, I will accept a question.

Mr. Stevens: Mr. Speaker, I have listened to the Hon. Member and also to two of his colleagues. I am always curious to hear what socialists have to say with respect to whatever happens to be before the House.

Mrs. Mitchell: Listen and learn.

Mr. Stevens: I noted that the Hon. Member for Brant spoke about runaway inflation. I certainly agree it is a tragedy that this Government has subjected the nation to the inflationary forces we are experiencing in the country. The Hon. Member for Brant is the last socialist speaker from whom we have heard. I believe that most of us have had an opportunity to read the OECD economic outlook of December, 1982, which pointed out that Canada in 1982 alone had a real Gross National Product reduction, a negative growth, of 5 per cent, the worst of any of the 24 nations reviewed in that report. Does the Hon. Member—and presumably he knows the feelings of his colleagues in the socialist Party—have any twinge of conscience now for what they triggered in this country? They allowed the emperor to return to be Prime Minister of Canada (Mr. Trudeau) and allowed the nation to be subjected to a lack of real growth and to inflationary pressures. Does it not disturb the Hon. Member and his colleagues to see what they have subjected the nation to?

Mr. Skelly: Mr. Speaker, I rise on a point of order. I would seek the guidance of the Chair in determining whether the Hon. Member for York-Peel (Mr. Stevens) has any inclination to follow along the track of the question. He knows full well that the Conservative Party committed suicide in the Thirty-first Parliament.

Supplementary Retirement Benefits Act (No. 2)

The Acting Speaker (Mr. Corbin): Order, please. The Hon. Member for Brant.

Mr. Blackburn: Mr. Speaker, I do not want to give a facetious answer to a very rambling question. I do not know what the question had to do with Bill C-133 or with what I said. I can only assume that the Hon. Member for York-Peel (Mr. Stevens) is prepared to support this Bill. I presume that his Party is prepared to support this Bill as a way of fighting inflation. However, I put the question back to the Hon. Member for York-Peel by way of an answer. Does he think that it is morally right that we should fight inflation on the backs of retired Canadians? Let him stand up and answer that.

The Acting Speaker (Mr. Corbin): Order, please.

Before I recognize the Hon. Member for York-Peel (Mr. Stevens), may I deal with the proceedings of the adjournment motion this evening?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Corbin): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for York North (Mr. Gamble)—National Security—Position of Canadian Government vis-à-vis Soviet Government—(b) Request for reduction in number of Soviet Embassy officials; the Hon. Member for Medicine Hat (Mr. Hargrave)—Agriculture—Level of beef imports—(b) Balance remaining in quotas; and the Hon. Member for Kamloops-Shuswap (Mr. Riis)—Unemployment Insurance—Plight of persons exhausting benefits—request for aid to municipalities.

GOVERNMENT ORDERS

[*English*]

SUPPLEMENTARY RETIREMENT BENEFITS ACT (NO. 2)

MEASURE TO MODIFY BENEFIT INDEX

The House resumed consideration of Bill C-133, an Act to amend the Supplementary Retirement Benefits Act (No. 2), as reported (without amendment) from the Standing Committee on Miscellaneous Estimates, and the motion of Mr. Gray (p. 21886) and the motion of Mr. Baker (Nepean-Carleton) (p. 21889).

Mr. Ron Stewart (Simcoe South): Mr. Speaker, I wish to speak against this amendment and to second the motion, if you will, of my colleague, the Hon. Member for York-Peel (Mr. Stevens) and to support his remarks made to the Hon. Member for Brant (Mr. Blackburn). I remind the Hon. Member for Brant that it was an amendment that brought the fall of the Conservative Government which was trying to do something about inflation at the time of the demise of the Thirty-first Parliament. I would also remind the Hon. Member for Brant that the reason many Members were opposed to Bill C-124 was that Members' salaries were to be reduced by it.

Some Hon. Members: Oh, oh!

Mr. Stewart: I ask you, Mr. Speaker, to take a look at Members opposite who opposed any cut in their salaries, the great socialist hordes.

Some Hon. Members: Oh, oh!

Mr. Stewart: This amendment is ludicrous. Just listen to the baying hounds to my left, the cohorts of the people across the way.

This amendment, amounting to a half of one per cent, is an admission by the Government of a disastrous Bill, of an inequitable Bill. It is adding to the confidence crisis in this Government. It is a plague unto the savers of Canada who, by prepayment of their pensions—hundreds of thousands of them in the Armed Forces, the civil service and the RCMP—provided for their future now, only to find their future crimbling like a sand castle by the actions of the highest court in the land, this Parliament that can change its mind. The underlying issue, as everyone is aware, is the credibility and accountability of this Government or, more correctly, the lack of it.

By introducing Bill C-133, the Government is once again going back on its word, just like the 18-cent a gallon tax. By doing so, this Government is proving that honesty and integrity, the things on which the Conservative Party is built, are words that this Government cannot comprehend in either official language.

This Government, having entered into a contract, a sacred contract, now seeks to break that contract. That provision was not in Bill C-124. This Government seeks to break that contract with little or no regard for the serious consequences to befall those with whom it contracted, and with little or no regard for the morality involved. That is the problem in Canada today.

It has been pointed out by many other speakers that for many years public employees paid 7.5 per cent of their salaries to support a pension fund. In that, of course, was a 1 per cent provision for indexation. The Government has chosen to ignore that.

In my firm we have a 5 per cent pension plan. Contributions of 5 per cent come from the employee and a like amount from management. Right now that fund draws 9.5 per cent. Those employees are secure. As their salaries increase, so does the

amount in the pension plan. As we refinance those moneys with increased interest payments, people are totally protected. Why then did this Government not put the principles of free enterprise into play? I will tell you why. It is because this Government supports the principles of the people to my left. This Government does not care. What does it do with the money? Is it actuarially sound? Can you imagine, Mr. Speaker, what would happen if that money, that $15.5 billion surplus alone, not to mention all the rest of the money that was invested over those years, had been placed with a private insurance company with a letter of comfort, the backing of the Canadian Government? To have done that would have made sense. Had that money been invested through free enterprise there would be no need for me to stand here today talking about indexing of pensions, because the Government would have had money to burn had the money been in separate funds. But these people will laugh at Mr. Lougheed and his Heritage Fund. His Government places money at the disposal of people, where it belongs.

Some Hon. Members: Hear, hear!

Mr. Stewart: Even forgoing what I have just said, whether or not the notion of indexing was appropriate is not the issue here. The issue is the fact that public servants, Armed Forces personnel, RCMP personnel, contracted with their Government for the indexing of their pensions. They paid for it. They did that in good faith, but what happened? The Government can change the law at will in order to force its will upon the savers of Canada, many of whom are very low income earners, such as the private in the Army and the Government clerk who have put their years in for the service of Canada.

• (1610)

I would remind the Government that a contract is supposed to have legal status. There are laws in place to protect either party in a contract, and the Government's duty is to enforce those laws, not break them. Yet this Government wishes to enact a new law which will enable it to break a contract while destroying the confidence of the Canadian people. What is next? The Government is demonstrating once again that when a certain law does not suit its purpose it will bring in another law which will, no matter if it is through three budgets or by other means.

Surely, if the Government no longer supports the principle of indexing pensions for its employees, it should have the simple decency to honour its present obligations under the contract and change its rules for future employees. Certainly it is a dishonourable and discreditable act to tell a group of people that they will be assured of something through a contract and then be denied that assurance.

This Government's pension plan has been bogus from the beginning. It is not actuarially sound. Reports are made to give people the impression that they have a separate pension fund when, in reality, this money goes into the general revenue. Let me point out a few examples of what the Government does with this money, even with a $15.5 billion surplus. As was pointed out by the Hon. Member for Vegreville (Mr. Mazankowski) a few moments ago, its priorities are mixed up. It purchases oil companies for $4 billion, some of which is double the price of the stock, and the money leaves the country. In this area it has a $341 million deficit.

Let us review some of the loan transactions this Government has made. For example, there is a loan to China for approximately $49 million. The Auditor General's Report stated, "An interest-free loan to China was authorized under the Exports Credit Insurance Act interest-free." The Government is then willing to give a paltry .5 per cent to the people who have devoted their lives to the service of this country. I could cite many other examples of loans which have been made by this Government interest-free. There is an example of a loan which has a 35 year maturity, a five-year grace period and is interest free. It matures at various dates between April 2001 and November 2005 in the amount of $3.82 million. There is another loan for $18 million with a 20 year maturity and a five-year grace at 5 per cent. There is a myriad of these examples. It represents absolutely profligate spending and mismanagement. One only needs to consider countries such as Haiti and Jamaica for further examples.

Canadians realize what this Government is doing. The Hon. Member for Lethbridge-Foothills (Mr. Thacker) was the Member who pointed out the fact of that $15.5 million surplus. He made one of the best speeches last night of any I have heard in the House since I have been here. He pointed out the fallacious actions of this Government.

My hon. colleague, the Member for Victoria (Mr. McKinnon) received a letter from the Prime Minister (Mr. Trudeau) dated October 12, 1977. I would like to quote it again for the record. The Prime Minister said:

> Pensioners are out of the workforce and cannot bargain or strike for larger incomes. They are not the cause of inflation. They are its victim. We have an obligation to protect them.

We see the Government's obligation through a law which says that its former obligation does not count. The Government cannot be believed. It will break a contract whenever it wishes.

The pension fund is not actuarially sound when it could be so very easily. The Government does not back free enterprise, and this country is going down that slippery slope to socialism every day that we stand in the House. It is into our pockets, into our lives, and we want it out. This cannot be done on the backs of pinchers.

Some Members opposite understand the principles that are involved in this issue. They have publicly indicated their opposition to this Bill. It is about time that they began to think. A few other Members opposite first objected, at least publicly, to their constituents, but now have decided to put politics above people and will undoubtedly vote with the Government on this odious Bill, to quote a phrase from the Hon. Member for Brant.

Having destroyed the Canadian economy, the Government is now crying poor and, in this instance as in others, is planning

to take money from the poorer sectors of society. Of course, it is the sector of our society which needs it.

If we are so poor that we cannot afford to help Canadians, so poor that we have to renege on our contracts but can lend billions of dollars to Third World countries, why do we have those billions of dollars to give to those Third World countries and other people? We will never help them unless we put our own house in order and help our Canadian pensioners.

Mrs. Mitchell: Mr. Speaker, I would like to ask the Hon. Member a question.

The Acting Speaker (Mr. Corbin): The Hon. Member for Simcoe South (Mr. Stewart) may answer a question with unanimous consent of the House since his time has expired. Is there unanimous consent?

Some Hon. Members: Agreed.

Mrs. Mitchell: I thank my colleagues. The Hon. Member referred to the fact that this Party voted against Bill C-124 because we wanted to keep our MPs' high pensions. Of course, this is not the case. I would ask the Hon. Member how many Members in his Party have given up their pay increases; as many as our Members have done? I would also ask how many Conservative Members fly first class or have begun to fly economy, as our Members have done to save expenses to the people of Canada?

Mr. Thacker: Mr. Speaker, I rise on a point of order. The last speaker flew first class to Vancouver at Christmas, and I know that because I saw her get on the plane.

Mr. Stewart: Mr. Speaker, can the Hon. Member show me documented proof that every Member of the NDP is flying economy, and can she show me where they did not vote for an increase in their salaries? I cannot vouch for every Member on this side, but I am not asking the question. I know how I spoke in caucus and I know the feelings of a great many of my colleagues. Therefore, I would say that the onus is on her to show the people of Canada what she really means. Put up or shut up.

Mr. Thacker: Ask her about her Japanese car.

Mrs. Mitchell: Mr. Speaker, I do not think I need to answer that question because the facts speak for themselves.

Some Hon. Members: Oh, oh!

Mrs. Margaret Mitchell (Vancouver East): Mr. Speaker, I am very pleased to speak to this Bill and to the amendment which is the half per cent solution presented by the President of the Treasury Board (Mr. Gray). It only penalizes civil servant pensioners more than the original six and five proposal.

Of course, I join my Party in strongly opposing Bill C-133 because it breaks a contract agreement with the civil servants. It is a contract to ensure them full indexing on their pensions which they paid into with the intention of being protected from inflation. The Government is doubly penalizing Public Service retirees by arbitrarily imposing this six and five restraint on them. It is destroying confidence in the credibility of the Government itself which already has very little credibility.

Over the years many civil servants have paid into their pensions while planning very carefully for their retirement. Some retire early in order to be protected from having to live on a limited income with high inflation.

Their employer, the Federal Government, agreed to full indexation and paid its share into these pension funds. The Government also made use of those funds to which the public servants had contributed from their salaries. It made use of these funds at a low interest rate for various projects, and it benefited more than fully from the money of its civil servants. We strongly oppose the fact that the Government now refuses to pay back the civil servants. Pensioners are unable to reduce their food intake by 6 per cent. They cannot depend on fuel costs being restrained to 6 per cent or that their rents will be held to an increase of 6 per cent.

Many pensioners in my riding are finding it very difficult to survive on their limited incomes, particularly if they are not living in their own homes. Civil service pensioners have worked hard for the federal Government and they will be doubly penalized by the Government, first, through Bill C-131, if passed, when there will be a cut-back on basic old age pension indexing to 6 per cent and 5 per cent. Then, of course, the Government wants to sock it to them again in this Bill which would impose 6.6 per cent, 6.5 per cent with the amendment, capping the cost of living indexing. Any way one looks at it, this is a terrible breach of confidence. It is really an immoral step that the Government is taking against its own employees, who work very hard for some of the people who are sitting in this House and voting for this Bill.

• (1620)

I would particularly like to concentrate on the plight of civil service pensioners who happen to be women. In the last couple of days we have heard much about gentleman's agreements in this country. I can tell Your Honour that those gentleman's agreements have not been too concerned with the actual prejudice on the part of the Government toward women employees in the Public Service. I would like to give several examples. We know that women clerks who went on strike to get equal pay had an agreement that their salaries would be increased, including a 12.25 per cent increase. However, under Bill C-124, their indexing was reduced to 6 per cent. When their union appealed to the President of the Treasury Board to exempt them under the clause that stated that any group can be exempted by the Governor-in-Council, he refused. This is the lowest paid group of public servants.

Then again, we consider many of the women who are working and struggling to try to improve their position in the Public Service. Of course, these women who are now pensioners worked at very low rates of pay. That is bad enough for those who are younger now and in the Public Service, but the ones who are retirees worked at unbelievably low rates of pay over the years. If we consider the number of women who have

a chance to get promotions in the Public Service, one finds a deplorable situation, once again. This is because the Government has no affirmative action program. There is the lack of kind of affirmative action program to which the Government gives lip service. We find, for example, that 63 per cent of women in Public Service earn under $18,000 while only 23 per cent of men earn under that amount. We also see that 78 per cent of women in the Public Service are in support categories, such as clerks and maintenance people, earning low wages, and only 22 per cent are in middle management or office positions. There has been very little improvement over the last few years, since the Government has given lip service to affirmative action. Now, of course, the Government is breaking a written contract with Public Service pensioners, particularly with these women who have worked for such low wages over the years and now receive low pensions. On top of that, they will be doubly cut by these two Bills concerning indexing. Any way one looks at it, this Bill must be withdrawn.

The Acting Speaker (Mr. Corbin): Order, please. The Parliamentary Secretary to the President of the Treasury Board (Mr. Lang) on a point of order.

Mr. Lang: Mr. Speaker, I am sure the Hon. Member would not want to mislead the House unintentionally. There is no written contract with regard to the pensions between the Public Service and the Government.

Mrs. Mitchell: Mr. Speaker, I would like to proceed with an example. To illustrate discrimination against women in the Public Service, and now against Public Service pensioners, I would like to refer to a woman to whom I spoke when I visited my riding last week. She was very concerned about this Bill. At that time she spoke about the male domination which still exists in the federal Government, even though there is supposedly equal treatment in Canada today. She said that women are working in the lowest paid jobs, they work for much shorter periods of time, and therefore they have lower pensions on the average.

In her particular case, she went back to work when she was 42 years old. She was the sole supporter of her family, with two young children. She worked as a typist for $192 a month in 1956 and slowly made her way up to a clerk-typist position and a little higher. Then she was forced by poor health to quit in 1960. She said that she is lucky because she has her own house and a little garden and can keep some of her costs down. This woman earns, from her superannuation from the federal Government, a mere $359 a month. That is very little for people to survive on in Vancouver.

I would like to say that not only do we object to the Bill because it is immoral, but also because of the fact that to the federal Government's employees it is a breach of faith on the part of the federal Government. It is extremely hard on federal Government pensioners who are the lowest paid people and who now face full inflation. They have no real protection against inflation. As I said, it is of major concern to this Party as it applies to women pensioners who were former civil servants in particular.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I rise on behalf of my constituents in Vancouver-Kingsway to speak on this amendment to Bill C-133. As Your Honour knows, the Bill itself decreases the amount of civil service pensions next year and the subsequent year to a level of six and five, 6 per cent and 5 per cent, rather than the inflation rate which was the original bargain, and thereby decreases the amount of money which should legitimately come to retired civil servants. In other words, the war against inflation will be fought in part by the retired civil servants in Canada.

The amendment changes the Bill somewhat. It increases the annual rate of indexing by .5 per cent in 1983 and 1984. Therefore, with the amendment, it means that the increases will be 6.5 per cent and 5.5 per cent. The change, I am told, is to placate some Liberal Government backbenchers. How easily, sir, they are placated! Their support is literally bought for 10 cents a day. They are easily sold out.

I rise to speak on the Bill because it is an attack on some of my constituents in Vancouver-Kingsway, specifically, on retired civil servants, on retired Armed Forces personnel, on retired RCMP personnel and others. I am told that there are 200,000 people in this country, in Canada, who will be affected by the Bill. I know that there are a number of people, affected in my riding of Vancouver-Kingsway, because I have received letters, visits and telephone calls about this matter. I am told that 1 per cent of civil servants' salaries went into a special fund to protect the purchasing power of those salaries.

The Parliamentary Secretary raised the question as to whether there is a contract involved. I am told that the Government states that there is not a contract between itself and its employees in terms of pensions. The unions state that when the Government was preparing for collective bargaining, the unions approached the civil service associations in the 1960s to suggest that superannuation be excluded from collective bargaining. In return, they were promised that there would be no unilateral changes in the program. An advisory committee was established and, until the present time, the Government kept its promise about no changes without consultation.

I note that Bert Hill, in an article in the Ottawa *Citizen* on January 5, said that "This puts the Government in the same position as some backward private employers who see pensions as a privilege rather than a right earned during the working years".

There was an agreement, in a sense, and this agreement has really been broken. This is a Government which seems to be prepared to break agreements and bargains, and that is a dangerous trend, because I do not think that governments in Canada were like that in the past. The Government is prepared to break the Crow rate agreement with farmers. It is even prepared to break agreements with Parliament. Concerning the pre-build of the Alaska Pipeline, it did not even come back to consult this Parliament when it wanted to change a fundamental law of Parliament. It is prepared to break an agreement with employees across the country when it implements

the six and five program and it breaks collective agreements with the Public Service. I say that this is morally wrong.

I have before me a recent statement of the Canadian Conference of Catholic Bishops. The Bishops say that there has been a breakdown in the morality of Canada. All we have to do is to look at our own Government. I believe that moral priorities are linked with political decisions, as the Bishops have said in their report. I say, and I think many other people feel this way, that it is morally wrong for the Government to change this agreement that it has with their retired employees.

● (1630)

The other day the Hon. Member for York South-Weston (Mrs. Appolloni) said that it was up to the retired civil servants to fight the battle against inflation. In the first place, this is the wrong battle. We should be fighting against the problem of unemployment, not inflation. We have the wrong people fighting the wrong problem.

Dome Petroleum is offered $500 million to bail it out, along with the banks. There are petroleum incentive grants of $8.6 billion offered in this country to the oil companies. Maislin is bailed out; Chrysler is bailed out; any company can be bailed out. Even in British Columbia we have got to the point where we bail out a ski hill, Whistler's Mountain. Then we penalize and freeze the incomes of civil servants. What we have in this country is socialism for the rich. That is what we have achieved after all these years, I am loathe to say.

Is it not about time we asked the people who can best afford to bear the burden of this recession, as the Catholic Bishops have said in their report, to do so, instead of picking upon the poor civil servants and especially on retired Armed Forces personnel who cannot speak for themselves when they are in the Army and who are now speaking through their organization? It is simply not fair. It is simply immoral to pick on the Armed Forces retirees. They are the people who fought for this country, who served this country. We do not want them to have to fight further battles in their retirement. We want to help them in their retirement. I think this is where it is morally wrong.

Pensioners have written to me from my riding and from all across Canada. To illustrate, I just want to read a letter from Mr. H. R. Gillespie of Hoy Street in my riding. He says:

> As a retired civil servant, I would like to protest the Bill C-133 as it applies to superannuation pensions. While employed I was required to contribute 6.5 per cent of my salary to the Superannuation Account and an additional 1 per cent to the Supplementary Retirement Benefits Account. The latter deduction was made to provide for pension indexing (as defined in section 2(1) of the Supplementary Retirement Benefits Act). I support FULL indexing to be applied at the current rate of inflation as measured by StatsCan for the year 1982, on January 1, 1983.

The letter continues:

> In all honesty, the Government does not have the right to use this money for purposes other than maintaining the pension funds. For them to have changed the rules of indexing when it was paid for by myself and all other civil servants, both retired and continuing workers, is completely unacceptable. I will monitor the performance of those Members in Parliament who can protest this injustice and influence my family accordingly, when next we have an election.

I can assure Mr. Gillespie that we in the New Democratic Party, and myself in particular from Vancouver-Kingsway, support him 100 per cent in the thoughts he has expressed in his letter.

I have had letters from other constituents. Pensioners' organizations and professional organizations have written to us. All of them, except perhaps for the superannuates' national organization the executive of which, in my view, badly represents its members, have been very supportive, and I quote from a letter from the Professional Institute of the Public Service of Canada dated January 14, 1983. It says in part:

> The New Democratic Party has steadfastly supported public service pensioners, in their fight to defeat a bill which seeks to legitimize the theft of $165 million as part of the Government's political battle against inflation.

We are grateful for that support and we will continue to fight.

Before I sit down I would like to speak to two other matters. I say this to the Conservative Party, and I have listened to some of their speeches. They should have realized, when they agreed to support the six and five program in principle, that bills like this would affect the old people, the children, and now the retired people from the Armed Forces and the Public Service. It is beneath contempt to make the argument about the NDP voting to increase our salaries. They know that is nonsense. The NDP voted against the six and five Bill, and the Conservatives should have voted against it in principle because the logical outcome is this particular Bill.

I want to conclude by saying this. I am ashamed for my country—and I say this to the Canadian people, if I might—that we are attacking the Public Service of Canada. If one were to go today to Fraser Street in my riding, to the UIC Office, one could see what it is like to be a clerk in that office, with a line-up of thousands of unemployed. So let us not attack them; we should be supporting them. We should be helping them in this dire time. That is fundamental justice. Instead, we seem to be morally bankrupt here in bringing in an amendment such as this and a Bill such as this in which we go after retired civil servants, the retired Armed Forces personnel and the retired RCMP personnel to make them bear the brunt of the war against inflation. All this, while we let the big, rich guys off. In my view, that is morally wrong.

The Acting Speaker (Mr. Corbin): The Hon. Member for Comox-Powell River rises on a point of order.

Mr. Skelly: Mr. Speaker, I am a little concerned and would like some clarification as to whether the Conservative Party is going to continue to oppose this Bill, or are they remaining in their seats for the rest of the day?

The Acting Speaker (Mr. Corbin): The Hon. Member for Bow River rises on the point of order.

Mr. Taylor: Mr. Speaker, the NDP should know that we have had 17 speakers on this Bill since yesterday morning. The NDP has had 14. They still have to catch up to us.

The Acting Speaker (Mr. Corbin): The Chair recognizes the Hon. Member for Crowfoot (Mr. Malone).

Mr. Arnold Malone (Crowfoot): Mr. Speaker, I listened to the NDP. They tell us, as members for sanctimony, that somehow we are against the aged, the retired, that we in the Conservative Party, because we voted for a Bill, can take the least likely stance that they can paint and say we are for all of its follow up legislation. It is like asking us, "Why do you vote for the pizza you want, when you oppose anchovies?" The fact of the matter is, if they can paint the light, that somehow there is any Party in this House or any group of citizens anywhere in this country who opposes those who are retired from receiving a decent income, then it is every bit as legitimate for us to tell them that when they voted against Bill C-124 they voted against it because they were protecting their own salaries. In other words, as the Hon. Member for Vancouver-Kingsway (Mr. Waddell) just said, it was nonsense for us in the Conservative Party to tell the NDP that the only reason they voted against Bill C-124 is because they did not want their salaries to be cut. It is nonsense, but it is every bit as logical as their telling us or anyone else in this House that there are some people here who are opposed to retired people.

So, if I may set that question aside, I want to say that what we have here is pizza legislation. Parties will differ because there will be some parts they like and others they disagree with. It is not to say that the six and five program is wrong, or our Party is wrong in seeing that the six and five was brought in. What is wrong is that the application is selective, that is, it applies to a section of society, generally from welfare to average, but does not apply to those in the average to high income bracket. That is one of the principles that is wrong.

The other principle that is wrong is the question of breach of contract. Members opposite say there was no written contract. What a thin veil to hide behind, because we can still see right through. The truth of the matter is, whether it was written on paper or otherwise, the members of the civil service paid extra money for the purpose of receiving the extra pension.

• (1640)

If it was to be the view of Government, supported by Parliament, that there would be a time when public servants should not receive as high a pension, right or wrong, that could be accepted, but not after the contribution payments had already begun. Who in their right mind would believe that after having made payments for the purpose of receiving a higher income, along would come big government and say that it is sorry, "Although you have made the payments, you will not get a higher retirement income"?

Who on the Liberal side can rise and say there is no contract? Although it has collected $14 million more from the public servants in Canada in terms of payments, it now says there is no written contract. Whether it is written or not, there is a contract. There is an agreement whereby if public servants were to set aside more money, they would receive more in return.

Other Members have pointed out that what is wrong here is the question of the principle of allocation of Government priority. In other words, while they argue that in this time of restraint they can no longer pay for pensions, they can build airports that are massive and opulent and buy oil companies at double their value as well as introducing a Crown corporation that would destroy the right of enterprise in the marketplace of agricultural products.

In other words, what the Government is doing is simply reaching into the grab bag and picking on those groups their pollsters tell them they can pick on. The news media has widely circulated the fact that through polling Canadians, the Liberals have found out that public servants can be picked on politically. It is not a question of justice or the law of Parliament, but simply whom they can safely pick on politically. This is done on the basis that right across this country there are public servant jokes such as, "How does a public servant wink? He opens one eye". That is the view of the Government on the basis of polls, even though it knows it is wrong. It tells the people of Canada that because there is no contract, it can do as it wishes with public servants.

We talk about six and five and now the amendment to 6.5 and 5.5. That is very much like yelling to the person who is drowning not to worry because we have taken a pail of water out of the lake. If one's income is degenerating, having it degenerate by not quite so much is of very little comfort.

I want to share this perspective. Many Canadians who hear this debate will view it in the context of a public servant and think of him as having retired yesterday or today.

Mrs. Mitchell: Him or her.

Mr. Malone: I am sorry, I stand corrected. Obviously I meant persons, people, him or her. I certainly want to give all the credit one can to that hard-working army of females in the Canadian Public Service who deserve the compliments of everyone in this House of Commons. The point is that Canadians generally think of them as having retired either presently or very recently. The truth is, and this was mentioned previously by others, some of the public servants retired a decade or more ago. They made their contribution to their pension benefits. Because of inflation in recent years, they are in a very desperate situation today. To limit them in the same way that would limit someone who has recently retired and has caught up with the present inflation rate is basically inexcusable. Those who retired in the sixties or early seventies as a result of the limits of this legislation will have their pensions cut in a way that will severely limit their buying power.

I see, Mr. Speaker, that you are giving me a signal to tell me my time is up. It certainly is not a signal to tell me that there is an end to the issue. We can talk for a long time on this.

We must remember there is a specific injustice. The Hon. Member for Vancouver East (Mrs. Mitchell) reminded me of this when I said "him" rather than "them". She is very right in talking about public servants to a large degree being female and that to a very significant extent females are in the lower income brackets. This legislation will apply more to them and

will cause even more discrimination with regard to their pensions.

We need to talk about the principle of this legislation. First, if there are going to be programs such as six and five, they must be universal throughout society. Second, you cannot breach a contract, which this Bill and this amendment does. Those two principles have been broken by the Government. For those reasons, we are fighting the Bill.

The NDP refer to how we voted before. We must restrain ourselves as a society. They now find individual warts in this legislation. That in no way deters us from the principle that we must practise restraint at a time of inflation. However, the Progressive Conservatives are strongly opposed to the suggestion that (a) the Government has the right to select or (b) that it has the right to breach a contract. My time is up. There is much more we should talk about. I hope Members of the NDP recognize that if they continue to speak in opposition toward this Party which did not introduce the legislation, they simply implicate themselves as to whom they are afraid of at the time of the next election.

Mr. Ted Miller (Nanaimo-Alberni): Mr. Speaker, it is my pleasure to speak today to the amendment to Bill C-133. It is an opportunity to express some of the views of my constituents who are concerned that their pensions are being eroded by the unilateral action of a federal Government which they thought had some commitment to pension reform. I will quote from a few letters I have received. It is important that we know whom we are talking about when we talk about the Public Service and those who are affected by the legislation. I quote:

> For many years we paid the contribution required toward the full indexing and we were assured that our pensions would always be fully indexed.

That was written by a pensioner who served for four and a half years in the RCAF and 30½ years in the Public Service. I quote another pensioner as follows:

> With times as they are now, I need all the pension I can get to keep up with today's prices and rates. The indexation was set and promised by the Government and I feel betrayed.

The individual who wrote that worked in the Post Office for 21 years. Another constituent wrote:

> This is a contract entered into with the federal Government and should not be broken . . . I say we have paid for this in advance.

He paid into the superannuation fund for 35 years. Finally, a fourth constituent wrote:

> If any company or corporation had handled pension funds in this manner, they would be jailed or out of business or both . . . I trust your Party will take a strong stand against this proposed Government measure.

We in the NDP have demonstrated, not only on Bill C-133 but on Bills C-132 and 131, that we are not prepared to see the standard of living of our pensioners and our children eroded by legislation that will not generate any economic activity in this country but will simply lead to greater and greater recession.

• (1650)

I might say to the Hon. Member for Bow River (Mr. Taylor), who has obviously been keeping an eye on the number of speakers in this debate, that we have now had 18 Conservative Members and I am the fifteenth Member of the NDP to speak. I would like to remind the Hon. Member that we were expecting there would be the normal three Conservative Members speaking against this legislation for every New Democrat, and we will be anxious to tally up at the end of the debate on this amendment just what the outcome is. I certainly will be interested in hearing what comments the Conservatives have to offer.

Mr. Taylor: On a point of order, Mr. Speaker, I regret very much that I made an error when I said we had 17 speakers. We actually had 19, and now we have had 20 compared to the NDP 14, and now 15.

Mr. Miller: I see the Conservatives still have some difficulty counting, Mr. Speaker.

We are opposing this legislation because we have pensioners in our ridings who thought they had some security. As we all know, the superannuants have paid 6.5 per cent of their wage into a pension fund, but beyond that they have contributed 1 per cent of their income to a supplementary retirement benefit account. That was specifically to protect them against the erosion of inflation. They were probably in an enviable position, considering what the rest of the pension system in Canada is like, to be able to do that. They considered that contribution as a deferred wage, and the former President of the Treasury Board recognized that.

The Hon. Member for Crowfoot (Mr. Malone) indicated there is some sensitivity in the public about public servant's salaries and pensions. We seem to have in Canada a group of individuals who do not particularly like to see public pension plans or government involvement in those plans. We have seen the spectre of exorbitant pensions being paid to retired public servants and Members of Parliament. If those indexed pensions were extrapolated over 20 years at about a 10 per cent inflation rate, certainly they would be immense. But what we are dealing with here is an average pension of about $8,100 a year. If we look at the widows' and survivors' benefits of those public pensions, they are even worse. One figure I have read is $3,200, but if I look at the Superannuants Association figures, they estimate a typical surviving spouse as a meagre pension of about $2,000, which will be reduced under this legislation to about $1,800. That is a pretty pitiful amount of money for a surviving spouse to have from a pension fund into which the employees paid 7.5 per cent of their wages. We are dealing with a tax on retired public servants which is going to cost them on average about $1,200 over the next two years, for a total saving of $100 million or $150 million to the Government. Because that money would normally have been used to generate further economic activity, it will help to depress the economy. The Government has recently published a Green Paper on pensions called "Better Pensions for Canadians". It lists some of the serious failings of our pension system as follows:

> Some elderly people who are single, particularly single women, have incomes that are insufficient.

Inflation has eroded the value of employer-sponsored pensions for many Canadians who are now retired and has also eroded the value of benefits accumulated by employees who are still at work.

Many employees will ultimately receive little pension income, even after many years of work, because they do not stay in one job long enough to acquire vested benefits.

Even if vested benefits are acquired, pensions are generally not "portable" when an employee changes jobs.

A significant number of working people are likely to experience declines in their living standards when they retire, in large measure because employer-sponsored pension plans are not universally available, because they lack sufficient opportunity to accumulate retirement savings, or because pension plan benefits are not sufficiently large.

Here we have Government employees who were at least some way down the road to improving pensions, but we now have a Government which arbitrarily degrades the only bright spot in the pension scheme in Canada, probably to the benefit of private pension plans. What is going to happen ultimately, when old age pensioners and superannuates see the attitude of the Government to pensioners? In order to protect their retirement income they will have to turn more to private industry. I would challenge the Minister of National Health and Welfare (Miss Bégin) to use some of her clout within cabinet to see that legislation of this nature is withdrawn, and withdrawn immediately.

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, to examine this amendment in slightly more detail than we have been doing so far, let me say that it is really a problem in the sense that it is an insult to Parliament and the senior citizens and civil servants who have served this country for so long. Today we find a Government which wants to steal money from those people, money they have paid over the years, 6.5 per cent for a pension plan, followed by 1 per cent for indexation. Now the Government would literally steal from those who have paid into that fund. The proposal put forward by the Government is that the thief return part of his ill-gotten gains, and a very paltry amount at that. That is clearly an insult and the House should be offended, as should civil servants who depend on that indexed pension.

• (1700)

There is no doubt that the amendment offers a number of courses of action, and perhaps it would be useful to list them for my Conservative colleagues. The Government is absolutely intransigent on this particular point and has no intention of backing off. No matter how foul the proposed legislation, the Government will go through with it. It is a matter of saving face. However, it might be useful to outline the problem for our colleagues who share the Opposition benches.

The Government can proceed with the offensive measure of closure on the Bill if the Opposition shows that it is serious. For that to happen, though, the Conservative Party would have to put up an equal number of speakers to those put up by this Party, and obviously it does not intend to. Occasionally it does put up a speaker to make a token representation. If Members of that caucus were to join our caucus in an equal commitment to stop legislation, then they would put up three speakers for every one from this Party, but since it has taken the opposite approach, clearly it intends to let the Bill slide through. In the hour that remains, we are faced with the necessity of putting up six speakers from the New Democratic Party with little assistance from the Conservative Party. That is consistent with the position the Conservatives have taken on the amendment as well as on the Bill itself and on Bill C-124.

Mr. Baker (Nepean-Carleton): Nonsense!

Mr. Skelly: A commitment by the Conservatives such as I have outlined, would force the Government to impose closure on the Bill, but obviously they do not intend to bring that about.

On the 16 votes that were held in relation to Bill C-124, essentially the Conservative Party backed the Government. There was a proposal that Bill C-124 should not apply to pensions, but by voting with the Government the Conservatives elected to defeat that. It is clear that you cannot have your cake and eat it. We are not attacking our Conservative colleagues. I think many of them and a minority of Liberals believe the Bill is offensive. All we are doing at this time is asking the Conservative caucus to bear its full share of responsibility in order to defeat this reprehensible piece of legislation. I ask them not to talk out of both sides of their mouths, blatantly claiming that they are doing their share to defeat the Bill.

Much has been said about this amendment already, Mr. Speaker. We know that the proposal would cap the pensions of 119,670 retired civil servants, 31,811 retired members of the Canadian Armed Forces and 2,249 retired RCMP officers, and that with increases in the years ahead, roughly 200,000 people, including spouses, would be affected.

The Government is asking us to take the money that those people have paid into a pension plan and money paid to index that pension plan and use it to refuel the economic recovery of the country. Clearly that is a complete and reprehensible farce proposed by a reprehensible Government.

Over the years, the mismanagement of the economy, the blatant abuse of Canadians through high interest rates, the lack of development of an industrial strategy, the failure to provide adequate programs for industrial development and secondary industry, have led to the collapse of the economy. The way out of this is not to steal from retired civil servants or retired members of the Canadian Armed Forces but, rather, to put an adequate program of economic development in front of Parliament, pass it quickly and get Canada back on the road to economic recovery. I reiterate, the solution is not to steal from civil servants.

The amendment before us which proposes to give back a small amount of money, represents an attack by both the Liberals and the Conservatives on the concept of the Public Service. They know full well that if they spread the view that public servants are not doing a good job then, by implication, it follows that their pensions should be chopped, their bargaining rights taken away and their salaries capped. When the Hon. Member for York-Peel (Mr. Stevens) was a member of the

Clark Government he proposed to chop the civil service by 60,000 members.

An Hon. Member: What about Howard Pawley in Manitoba?

Mr. Skelly: Over the years the Liberal Government has attacked the civil service in the same way as the Conservative Party has. The final abuse is the way that the widows of salaried employees have been treated over the years. Michael Pitfield was given a $6 million pension and salary through his appointment to the Senate.

An Hon. Member: The Six-million-dollar man.

Mr. Skelly: As my colleague says, the Six-million-dollar man. He was also sponsored by the Clark Government. Although it fired him, it allowed him, for pension purposes, to be classed at the DM-3 level, at $105,150.

What we have before us today is a grossly unfair amendent which is a complete insult. It shows a lack of integrity on the part of the Government and a lack of commitment by the Conservative Party to retired civil servants, members of the Armed Forces and the RCMP.

Mr. Laverne Lewycky (Dauphin): Mr. Speaker, I am delighted to have the opportunity to speak on this amendment and some of the general principles involved in the Bill. I should like to raise some issues of a moral and ethical nature. First, I should like to remind members of the Government about the Speech from the Throne of April 14, 1980.

We are now in one of the longest sessions of Parliament in history. Because of this, perhaps our Liberal friends opposite have forgotten what was said in that Speech from the Throne, so I think it is important to remind them. They made a commitment to the people in April 1980 which is not being honoured. The Government promised to respond to individual needs by promoting greater security for the elderly, extended opportunities for the young and equality for women. Does this Bill offer that greater security, Mr. Speaker? It definitely does not. My colleagues have pointed out that many of the older pensioners are women. In my constituency there are some who worked for the federal civil service in Ottawa and who took early retirement. Do you think they consider this to be equality? They definitely do not.

In that same Speech from the Throne in 1980, the Liberals claimed that they wanted to create a country whose people would share their wealth with those who need it most. But what is being done for the elderly and the pensioners of this country? The Government is attacking their pensions.

The Speech from the Throne pointed out that inflation strikes hardest at the old and those least able to take care of themselves, yet the Government is now acting in an irresponsible manner.

• (1710)

I notice that the Minister of National Health and Welfare (Miss Bégin) is in her place. In committee she said that she expected sacrifices from everyone, from taxpayers in general, Family Allowance recipients and pensioners. This reminds me of the little anecdote about the hen and the hog walking arm and arm and seeing a sign at a church concerning an offering. The hen said to the hog, "I have an idea. I think we should contribute to the needs of the poor; I think we should offer them bacon and eggs." The hog replied, "Well, yes, for you that is merely an offering, but for me it would be a total sacrifice." Many of these elderly people have already sacrificed totally. These people had to live through the more difficult periods of time when they did not have all the technology and other benefits we have today. They had to live by the sweat of their brow. These people are presently being attacked.

I should like to share the contents of one or two letters that I received because we need to remind the Government opposite that it is the human dimension it needs to take into consideration. In one letter from Ste. Rose du Lac in my riding, a person wrote:

> I have worked for nearly 21 years in the Post Office—the first years were made up of long hours and days and very hard work—we were there to give service to our community.
>
> The contributions made to the SRB Fund were mandatory and represented a form of insurance of our pensions against rising costs of living. We paid the premium. We are entitled to it.
>
> Now a retired pensioner, I have looked forward to that pension cheque so I can enjoy the rest of my declining years.

She asked me to do everything possible to stop this type of legislation. In another letter from Winnipegosis in my riding, a superannuate referred to Bill C-133 and asked me to oppose it. It read:

> This is in direct opposition to what we were promised when we contributed an extra 1 per cent which was to ensure that our pensions would be indexed according to the increase in the cost of living. We feel that we have paid the premium and so should be entitled to the insurance this premium was to cover.
>
> If this Bill is passed it will give the Government the legal right to rob the pensioners of their rights and reduce many to living below the poverty level recently determined by the Senate. In other words it would reduce or rob the average pensioner of approximately $1,200 in the next two years and drastically lower their standard of living for years to come. The Government's claim that this lower indexation will save the pension account $100 million is a very misleading assertion. The $100 million belongs to the contributing public workers, not the Government.
>
> On behalf of all superannuates and those now contributing to the fund, I would urge that you do everything in your power to oppose any legislation by our Government to alter the present form of indexation. I think you will realize that if this Bill is passed it will set a precedent which will endanger the rights of many people in Canada and also lead to possibly other legislation of a similar nature.
>
> Again I would urge you to use all means you have available to have this Bill defeated.

I could go on and on sharing the comments of people who have taken the time to write to me. They have written in their own hand; it is not something they have cranked out. They are representative of the vital concerns of people who perhaps have been struck with fear as a result of the arrogant actions of the Government. Another letter reads:

> I am writing to express my concern of Bill C-133 which is now before the House of Commons.
>
> As I am a retired federal civil servant, I urge you and your colleagues to oppose this measure, in support of all retirees of the Civil Service.

I assure that person that indeed we oppose this Bill. Another letter urged me to strongly oppose the Bill to amend the Supplementary Retirement Benefits Act.

There are some people who have waited for a long time to receive their pension. I have a letter from a person who retired as a warrant officer in 1971. He contributed to the pension fund and received a pension cheque of some $349, which amount had not changed since that date. However, a couple of years ago he received notification, according to his letter, that in 1983 his pension would be adjusted upward. He said that he was elated, but imagine his feelings when he found out that the Government would now renege on its commitment to indexation.

What is happening in this type of legislation? It is a case where the Government is failing to recognize the people who contributed over their earning years to the economy of Canada. The present Government is biting the hands that have fed it over the years. This type of ingratitude reflects negatively on the Government. I urge the Government to reconsider this legislation. In this case a contract was given to people; there was a promise and an understanding. Pensioners contributed with full trust and in confidence, expecting the Government to honour its word. Instead, the Government has not honoured its word.

Perhaps we should ask ourselves whether pensions are really a privilege or something actually earned by pensioners. I urge the Government to recognize that it is not a mere privilege. It is something to which people contributed, something for which public servants worked hard, something they have earned. Retired public servants in my community, even those who retired early, contribute in vital ways to community life, whether it be volunteer work, in cultural groups or otherwise. They anticipated that the Government would honour its word and that they would be able to cope with inflation because they had contributed to the fund. Some of them were enticed to take early retirement, feeling that this was one way in which they could assist in providing employment for younger people. Instead, the Government reneged on its promise and these people were forced to ask themselves whether they could get back into the job market to meet their needs in their retiring years.

In closing, I indicate to the Government that by its actions it is creating a crisis of confidence in itself. I urge Government members to have a change of heart, repent in their ways and drop this Bill.

Mr. Doug Anguish (The Battlefords-Meadow Lake): Mr. Speaker, I should like to make a brief intervention in the ten minutes which I am allowed this afternoon on the amendment to Bill C-133, to limit the indexing on pensions of retired public employees. In fact, the amendment increases the six and five program for retired public servants from 6 per cent in the first year to 6.5 per cent and from 5 per cent in the second year to 5.5 per cent.

• (1720)

I would like to have a little leeway before coming to the comments I would like to make with regard to the amendments to the Bill. One could hardly recognize what we are debating from listening to some of the interjections made by members of the Conservative Party. I am tired of listening to members of the Conservative Party blaming their woes and problems on the New Democratic Party, which Party they consider to have defeated the Conservative Government in December, 1979. Comments made this afternoon, both by the Hon. Member for Simcoe South (Mr. Stewart) and the Hon. Member for York-Peel (Mr. Stevens) were almost entirely on that subject. I would like the people of Canada to know the reason for the downfall of the Conservative Government in December, 1979. The Government of the day, that Conservative Government, introduced a budget in which it set out to the people of Canada how the Conservatives would run the affairs of the country. The Liberals made an amendment to the budget. As normal procedure, the New Democratic Party made a sub-amendment to the amendment of the Liberals. When it came time to vote on the subamendment to the amendment, the subamendment which was put forth by the NDP, the Conservatives were defeated. They took that as a vote of non-confidence. In spite of requests and pleas from many members of the Progressive Conservative Party, their Leader went to the Governor General and asked for Parliament to be dissolved and to call another election. It was out of the ignorance of the Conservative Party. I submit that the Conservatives did not have to go to the Governor General and have another election called. They could have waited until the amendment moved by the Liberals came to a vote or until the actual vote was taken on the budget itself. I submit to you, Mr. Speaker, and I think the people of Canada should know, that it was through ignorance and the inability of the leadership in the Conservative Party that brought the Conservatives down in 1979. It was through no fault of the New Democratic Party that that Government was removed.

Some Hon. Members: Oh, oh!

Mr. Anguish: In fact, I feel very badly that the Leader of the Government at that time, now the Leader of the Official Opposition (Mr. Clark) did call for another election, because he might have been able to manoeuvre himself into staying in power. I wish he had done that so that the people of Canada could see that a PC Government is not a darn bit better than a Liberal Government.

Mr. Epp: What about Manitoba? The NDP Government has a $700 million deficit.

Mr. Anguish: The people of Canada would have known that by now.

There are few things that can be seen with the hindsight of the Conservative Party other than their hemorrhoids.

I would like to address the rest of my remarks to the Bill itself and to the amendment. By the Government's own admission, it will save in 1983 some $60 million by imposing a

6.5 per cent limitation on the indexation of retired public employees' pensions. If the Government invested all of the $60 million that we will have at the end of this fiscal year, this $60 million in savings would make up one twenty-fifth of one per cent of the national debt. That is a very minuscule amount when you talk about the whole scheme of things. In 1984, the Government will be saved an additional $105 million.

My colleagues and I in the New Democratic Party are opposed to this amendment as we are opposed to Bill C-133 itself. We do not see any need to put the burden of fighting inflation or of beating inflation to the ground on the backs of those who can least afford it.

In the pension plan right now that we are talking about today, there are some 90,000 former contributors who receive about $8,100 annually out of the program. There are an additional 32,500 people who receive about $3,200 a year each in survivor's benefits. The average annual pension that was paid out, as of November, 1982, was some $6,900 a pensioner under this pension program.

I think it is unfair for the Government to have said there is not a contract here. I submit that there certainly is a contract, if not written or entrenched in stone, there was certainly an agreement between the public employees and the Government that they would be taken care of in their years of retirement as part of having worked and served their country and also as a benefit for having contributed 6.5 per cent of their salaries. This was to assure the public employees some kind of security in their retirement. In addition to this, these people have paid an extra one per cent of their income to protect their pensions against the ravages of inflation with which we have become so familiar in recent years. As the cost of living went up according to the Consumer Price Index, their pensions also would go up. It is important to note that these retired public employees paid for that benefit.

In the 1960s the Government suggested that superannuation be excluded from collective bargaining. In return, the public employees were promised that there would be no unilateral changes in the program. An advisory committee was established and, until the present time, the Government kept its promise, but now it is breaking the promise. This is the same as in the early days when the private pensions and public pension programs were not in existence. The railways were the most flagrant abusers of pension programs. The railways used a pension program as a tool to hang over the heads of their employees so they could clout them with it if they went on strike. When people went on strike their pension programs were cancelled. In that case, many people within the union were divided. The younger people, not caring quite as much for their pensions, would still want to go out and fight whereas those closest to retirement could not do that because they knew the companies could take away their pensions from them at any time.

We find the Government is doing much the same thing here in destroying confidence in the Canadian people. People felt they had a contract. They thought the Government was obligated in terms of providing them with some retirement income. But we now find the Government has been reneging on the promise of protecting them from the ravages of inflation. In fact, it will be very harmful to this small group of people since we have, relatively speaking, a small dollar amount that will not even affect the treasuries of Canada. It is hard to say how actuarially sound the program is because the Government does not set up separate accounts for the indexing amount put in by public employees and the actual benefit that has to be covered for the 6.5 per cent. The moneys go into general revenues, and it is very difficult to trace back how sound the pension program is when the Government keeps the records for the pension program in the way that it does.

I will say a further word in terms of support of this Bill. One finds that when the six and five program first came about in Bill C-124, the Liberals introduced it and the Conservatives supported it, knowing full well that what was going to happen to this program is happening here today. The only Party on record as being opposed to the changes in the pension programs for which we have fought so long and hard is the New Democratic Party. It is certainly not the fault of our pensioners or our retired public employees that the country has suffered such a high rate of inflation. It is direction, or lack of it, from successive Governments, both Liberal and Conservative, which have not put this country on the track on which it should be.

• (1730)

We need to bolster our economy in order to protect those programs which we have worked so long and hard to put into place. While Governments are partly responsible for bringing this to reality, we now see it being eroded.

I am very distressed to hear the Prime Minister (Mr. Trudeau), who is returning from his tour, indicating that we may be shifting some of our exports of raw material to Japan since the United States is no longer as great an industrial power. I believe this is a sad situation. I suggest that we should be attempting to process some of those resources at home instead of exporting them to other countries, so that we may provide the jobs and the economy that we need in Canada and protect those programs which are being affected by Bill C-133 and C-131.

Mr. Les Benjamin (Regina West): Mr. Speaker, I also rise to oppose this legislation. I wish to say to my colleagues to my right that we are now reaping some of the whirlwind of the winds that they have sown over the last number of years. We also see the spectacle of a Liberal Government, in its frightened and confused state of mind, endeavouring to pass measures through this Parliament which would meet demands made by the Official Opposition over many years.

It was the Official Opposition who sowed the winds over the last number of years about there being too much Government, too great a deficit and that there should be reduced Government spending and the introduction of restraint. They have met with a fair measure of success, to the point where they have frightened the Grits into adopting that state of mind. They are now reaping the whirlwind of those winds which they

sowed. They are now saying that they are against those measures which they have been advocating for many years. They ran on the horse of Reaganomics and those foreign ideologies about the new morality and the new conservative trend from south of the 49th parallel, and we are beginning to see the results of that.

I believe that these two old Parties want to reduce indexing and eventually have no indexing, in spite of what the Prime Minister (Mr. Trudeau) believed a few years ago.

Every Canadian would be willing to co-operate in fighting inflation and providing employment. When the Government unfairly picks on those who are at the lower end of the income scale and unable to defend themselves, then this Party cannot and will not support that unfair treatment. We will do what we can to prevent this legislation from passing.

Even with a modest amount of inflation, or even zero inflation, the necessity for an increase in pension will still arise to allow for an increase in the standard of living. However, we will not likely reach that stage for some time.

I would remind you, Mr. Speaker, that the legislation with which we are confronted is reminiscent of former policies. I invite my friends on the Government side and in the Official Opposition to go back and read *Hansard* of 1929 and through the "Dirty Thirties". We are now into our 116th year of Confederation and we have had nothing but Grits and Tories and Tories and Grits, booms and busts, depressions and booms and recessions and busts. It is a vicious circle.

It is interesting to consider that this legislation attacks the pensions of former federal employees whose pensions were part of their wage package. Every government or private employer has taken into account the expenditures it has had to make for unemployment insurance premiums, workmen's compensation and its share of pension deductions as part of the wage package. Since it was considered as part of the wage package, private sector employers were able to add that to their cost of doing business. Working people considered deductions for a pension as part of the wages they earned in all the years they were employed. It is their money and not the Government's to make use of. That is money which the Government holds in trust for federal civil service pensioners.

When one reads the history of these two old eighteenth century outfits, one runs across statements such as:

> I think you will find that in every department of the Public Service we have spent less this year than Parliament authorized us to spend.

Mr. Baker (Nepean-Carleton): Tell us about the Regina Manifesto.

Mr. Benjamin: You will get that in July. Another such statement reads:

> (Ten per cent cut in Public Service wages) that we believe is essential for the purpose of enabling this country to have a balanced budget.

Another quote reads:

> Third, increases in the rates of pay of other employees in the federal public sector will be constrained to no more than 6 per cent in the first year of the application of the program to them and 5 per cent in the second year.

You might guess who that is. Another quote reads:

> There is one important initiative—the introduction of restraint on public sector salaries. That is a field in which the Government has lagged behind several Canadian Provinces.

Almost all of them had Tory Governments.

I cited three quotations. One is from R. B. Bennett on February 8, 1932, at page 59 of *Hansard*. The second is from the Hon. Secretary of State for External Affairs (Mr. MacEachen) from June 18, 1982. The third is from the Right Hon. Leader of the Opposition (Mr. Clark) on July 5, 1982, when commenting on the budget. Now they are reaping the whirlwinds of the winds they have sown.

Mr. Baker (Nepean-Carleton): No, the seeds.

Mr. Benjamin: Here is another quote:

> The Canadian Pacific Railway Company a year ago instituted such economies—

They were able to get a 10 per cent reduction. It was accepted by the clerical staff. That quote was from R. B. Bennett in 1932.

What has been happening to those employees who are under federal jurisdiction? What is not happening for them with respect to their pensions?

I have some more quotes, Mr. Speaker.

Mr. Baker (Nepean-Carleton): Mr. Speaker, I rise on a point of order. Would the hon. gentleman permit a question?

Mr. Benjamin: As soon as I am finished.

Mr. Fisher: You have been finished for years.

Mr. Benjamin: Here are some more interesting quotes on the Grits and the Tories. The first one states:

> The primary duty with respect to unemployment does not rest with the federal Government.

The next quote states:

> We want to encourage the private sector and have more profits, more investment and more employment in the long run. That is our policy and it will overcome the misery to which the hon. gentleman referred.

The next quote states:

> Third, we must continue to rely primarily on dynamism and creativity of the private sector as the engine of growth in Canada.

● (1740)

Those are three more quotes: R. B. Bennett, June 30, 1931, page 3183 of *Hansard*; John Crosbie, November 13, 1979, page 1242 of *Hansard*; Marc Lalonde, October 27, 1982, page 2079 of *Hansard*. Mr. Speaker, they have not learned anything in 50 years. They keep repeating the history from which they did not learn anything. One does not fight inflation starting at the bottom end of the income scale. Surely, that is not civilized at best, and, at worst, surely that is not Christian. One does not start at the bottom. One does not have $600,000 corporation presidents heading up one's program of restraint and combating inflation. Surely, no Parliament which has any self-respect and regard for the pensioners in Canada, whether or

not they were civil servants, can countenance this kind of legislation. I ask the Government to withdraw it. It is not your money. It is there for the people to have, and let us make sure that they get it.

The Acting Speaker (Mr. Blaker): I will recognize the Hon. Member for Nepean-Carleton (Mr. Baker) on a point of order if he is pursuing the same point, but then I would have to have unanimous consent of the House for the Hon. Member for Regina West (Mr. Benjamin) to continue.

Mr. Baker (Nepean-Carleton): Mr. Speaker, my question relates to the history, and I would like to test the memory of the hon. gentleman from Regina West.

Mr. Benjamin: I am not as old as you are, Walter.

Mr. Epp: He does not look as old.

Mr. Baker (Nepean-Carleton): He has referred to a number of quotes coming from political leaders, Liberal and Conservative, back—

Mr. Benjamin: And present ones.

Mr. Baker (Nepean-Carleton): —to Richard Bedford Bennett, our Prime Minister in the Depression. He indicated that those Prime Ministers had said certain things about public servants. Is he aware that not even Richard Bedford Bennett attacked the pensions of public servants, and that the present Government is the first one which has attacked the pensions of public servants?

Mr. Benjamin: Mr. Speaker, I am perfectly aware—

The Acting Speaker (Mr. Blaker): As I indicated, I must seek the unanimous consent of the House for the Hon. Member for Regina West to continue his remarks. Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Benjamin: Mr. Speaker, I am perfectly aware that Mr. Bennett did not bring in legislation against civil service pensions because there were little or no civil service pensions.

Mr. Baker (Nepean-Carleton): There were.

Mr. Benjamin: However, what civil service pensions there were, with his reduction in the number of people employed and the reductions in their salaries, he ruined their pensions over all the rest of the years he was in office, and it was continued by Mackenzie King. Deductions were not made from their incomes, and, as a result, their pensions were reduced by that much when it came their turn to retire.

Mr. Speaker, I am so happy to have received unanimous consent of the House to continue my remarks—

Some Hon. Members: Oh, oh!

Mr. Benjamin: —that I want the Hon. Member for Nepean-Carleton (Mr. Baker) to hear some more similar quotes from the likes of R. B. Bennett, Mackenzie King, Pierre Trudeau, Joe Clark, etc.—

The Acting Speaker (Mr. Blaker): Order, please. I think unanimous consent was extended to the Hon. Member for the purpose of answering the question and not for the purpose of continuing his remarks. If he wishes to seek unanimous consent, I must recognize him to do so.

Mr. Benjamin: I thought I already had unanimous consent Mr. Speaker. I do not want to abuse the House. I do not think that particular rule has been changed. I can go on speaking until 6.30 p.m. and start up again tomorrow, if you want.

Mr. Baker (Nepean-Carleton): I rise on a point of order, Mr. Speaker. The hon. gentleman, by continuing, is not abusing the House. He is abusing himself.

Some Hon. Members: Oh, oh!

Mr. Benjamin: Mr. Speaker, I will ignore that remark by the Hon. Member for Nepean-Carleton, because if there is anyone who abused himself and his entire Government, it was himself on December 13, 1979, when he could not count and did not know anything about the rules and manufactured the defeat of his own Government.

Mr. Speaker, I will not go into all of these quotes which I want to give.

Mr. Baker (Nepean-Carleton): Hear, hear!

Mr. Benjamin: I will use other occasions. I just want to ask this House not to pass this legislation, and I want to ask the Government to withdraw it.

Some Hon. Members: Hear, hear!

Mr. J. R. Ellis (Prince Edward-Hastings): Mr. Speaker, unfortunately I came into the House late because I had difficulty getting to Ottawa today. I came to the House about one hour ago and I had not intended to enter into the debate. I would have preferred to have done so tomorrow. However, I have been encouraged by my constituents, who would be affected by this particular piece of legislation, to enter the debate. They have an excellent association headed by one Mr. Vern Perry, who has been in touch with me over the years, and they have done a tremendous job of organizing the senior federal pensioners in the area to combat the likes of this legislation. I will perhaps go into that in a moment, but I would like to explain my reasons for rising. Maybe I should not rise to the bait which has been put out by my colleagues from the left. They are from the left in more ways than two or three, but I really must rise to speak.

The Hon. Member for Regina (Mr. Benjamin) did not know whether we had been in Confederation for 117 or 118 years. Frankly, his arithmetic is as lousy as his logic.

Mr. Epp: Impossible.

Mr. Ellis: If my arithmetic is not too bad, I think this is the 116th year of Confederation. During that time, thank God, we have not had a socialist government any worse than that of the socialists who sit across from us right now. Had we been forced into the—

Mr. Benjamin: They are more reactionary than you are.

Mr. Ellis: —unlikely and unhappy position of having to put up with a government of socialists such as those we have heard this afternoon, then Heaven help us.

I am curious to know, in this particular piece of legislation, who they feel is the enemy. All they have done this afternoon has been to condemn the Conservative Party.

Mrs. Mitchell: You and the legislation.

Mr. Ellis: It happens for a change, that we are on the same side concerning this particular piece of legislation. They really cannot tell the difference. Let me tell them who is was who supported the Liberals in order for the Liberals to get back into power. Let us make that very clear. The New Democratic Party stood up in this place and supported the Liberals three years ago. It was their motion. They moved it. They supported the Liberals in order to turn out of office the only Government which provided opportunity, the only Government which was on its way to cleaning up some of the mess that we have seen over the past decade and a half.

Some Hon. Members: Hear, hear!

Mr. Benjamin: Bunch of crybabies! They do not know even how to lose bad!

Mr. Ellis: Certainly, there is no question but that we are opposed to high taxes. Taxes are too high. I know that the socialists would like to see higher taxes. That is what the Hon. Member has just said. Taxes are too high and we would love to see them come down. Deficits are too high, and we would love to see those deficits come down, but we all know that there is not a snowball's chance of either of those things happening with the present Government.

To return, I would ask, who put the Government in power?

Mr. Lang: The people of Canada.

Mr. Benjamin: Unfortunately.

Mr. Ellis: Whenever the Hon. Member for Regina West rises to speak, one notices that there is nothing, by way of any legislation, which he cannot hang on Canadian Pacific. He worked it into his speech this time. In some way shape or form, I am sure that if we ever have legislation to prevent the proliferation of mustard seed on the moon, he will get the CP involved in it. I wonder if the Hon. Member really realizes what is going on in his own Province.

• (1750)

I had the very distinct pleasure of having dinner last week with the Hon. Grant Devine, the Premier of Saskatchewan, and I listened with tremendous interest to what is going on in that Province. I listened to how they have given themselves a break and reduced the price of gasoline to $1 per gallon. I guess, Mr. Speaker, I am not supposed to use that language in this House. Perhaps I should have said 22.9 cents per litre, in the Province of Saskatchewan. That was despite the National Energy Program, not because of it. We know that the NDP members in this House are in favour of the National Energy Program. They would like to see gasoline prices go higher yet. They would like to see Petro-Canada buy all the major oil companies, then the price of gasoline could really go up. If they could get the price of gasoline up to $3 or $4 per gallon, they would be very happy, but I say that the new Conservative Premier of Saskatchewan has cut the price almost in half, to 22.9 cents per litre. I am curious as to how these fellows square this with their constituents when they go home on the weekends, if indeed they dare go home on the weekends.

Some of the things happening in Saskatchewan I found very interesting. I recall hearing the Hon. Allan Blakeney talk about the need for family farms and the strength of family farms, but the NDP government in Saskatchewan had bought over a million acres of land. They were not interested in family farms, they were interested in Government farms. There is a difference between the sanctity of the family farms and the Government farms they were planning. I get terribly tired of this pious rhetoric that we get from our colleagues on my left.

As I said, I walked into the House and heard this nonsense and decided to respond in part to it. Unfortunately, I have not had the time to dig out all the quotes, but I tell you this, Mr. Speaker, I have no problem with any of the quotes the Hon. Member has cited this afternoon. He may not like them, and he may have some way of twisting them so they suit his purpose, but I tell you that the men he quoted were honest. They stood in their places in this House and they spoke their piece and they worked for the benefit of Canada. They did not get up and say one thing one time and something else another time, when it suited their purpose.

It seems to me that had we had the time to dig out some quotes it might have been very interesting to see what the Member for Regina West would have to say on this and other subjects.

I know that the new rules of the House, which I support, do not allow for a free-ranging and long-winded discourse on the New Democratic Party. It would give me great pleasure to spend the rest of the afternoon making them account for some of the things they have done.

Let me just deal for a minute, if I may before I sit down, with this piece of legislation, which we will vote against. This legislation, unfortunately, puts the burden of fighting inflation on the backs of the people who cannot fight back.

If in fact the Government, and I know who are the proponents of this Bill, the people who are trying to put this Bill in place, the NDP obviously do not know, if those people have to carry the whole burden of the inflationary program of this Government, then it is entirely unfair. Surely the answer is to reduce inflation first, and then the indexation which is in place

will not in fact increase over 6 per cent or 5 per cent. Surely that is the logical way to do the job. Surely a Government which has been in power so long should be capable of coming up with ways to do just that. Obviously it is not.

In closing, I say that we are going after the wrong people. There are those people in the civil service in Ottawa, as we have heard, who somehow seem to not know where they are going. And there are probably quite a few more than there should be. But I say that whether one goes to Regina or Vancouver or the city of Belleville, where I live, and talk to those people who are doing their jobs in the small offices of the Department of Agriculture, or in the Unemployment Insurance Commission, which happens to have its head office in Belleville, they are doing their jobs the very best way they know how. They are doing it for a Government that hands them Bill C-133, and it is time we all voted against that Bill, and did the job properly.

Mr. Bill Vankoughnet (Hastings-Frontenac-Lennox and Addington): Mr. Speaker, I appreciate this opportunity to speak against Bill C-133, and particularly this amendment, which is an insult.

I agree with the concept of Government restraint. The record shows that we voted in favour of the restraint program of the federal Government. I would like to make it perfectly clear now that the vote was not also a vote in favour of breaking faith with the many public service pensioners who will be affected by Bill C-133. I find it very disturbing that, as part of the federal Government's so-called restraint program, it has decided to penalize public sector pensioners. I am deeply concerned that this Government, reversing its repeated promise for a just and equitable tax system, is now adopting a proposal which clearly discriminates against a segment of the population who are the most susceptible to the vagaries of this recession-wracked economy, elderly pensioners.

Indexation of our tax system affords taxpayers a measure of protection against inflation and at the same time imposes a degree of financial discipline and spending control of the federal Treasury. With this proposal, the Government will profit from inflation through the erosion of the income of civil service pensions. No incentive will exist for this Government to try to halt the inflation spiral. Unlike those Canadians who, despite Liberal policies, are working, pensioners are not able to negotiate increases to their incomes to help them cope with rising costs. That is why the fully indexed pension is so necessary. It enables men and women on fixed incomes to keep the purchasing power they have when they retire. The argument that the universal old age pension goes equally to the well-off as to the needy elderly, does not apply. The very needy elderly are eligible for the Guaranteed Income Supplement, which continues to be fully indexed. The well-off elderly are in a fortunate position. However, there are about 100,000 elderly recipients of universal old age pensions whose outside incomes are just barely above the $6,000 cut-off for the Guaranteed Income Supplement.

The Senate of Canada maintains that a two-person family earning less than $11,030 in 1980, a figure which must be higher now considering this Government's track record of recessionary policies, live in abject poverty. Former public sector workers and their survivors currently receive an average of only $6,900 per year. In large cities, pensioners live well below the poverty line. While $55 may not seem to be a large amount of money, to many pensioners who have planned for their retirement, next year this amount will be very important.

Mr. Speaker, may I call it six o'clock?

The Acting Speaker (Mr. Blaker): I thank the Hon. Member for calling it six o'clock and in this pre-prandial hour, thanks is due to the Hon. Member for Ottawa-Vanier (Mr. Gauthier) for his generous offer of assistance.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

NATIONAL SECURITY—POSITION OF CANADIAN GOVERNMENT VIS-A-VIS SOVIET GOVERNMENT. (B) REQUEST FOR REDUCTION IN NUMBER OF SOVIET EMBASSY OFFICIALS

Mr. John Gamble (York North): Mr. Speaker, I welcome this opportunity to address, at some greater length, a question which I asked of the Prime Minister (Mr. Trudeau) on December 10, 1982, and the response to that question.

It will be recalled that my concern, expressed in *Hansard* at page 21474, involved the spy Hambleton and the revelation that in a British court, not a Canadian court, the country for whom Hambleton was engaged in his spying activities was the Soviet Union. Having regard to that disclosure, I asked the Prime Minister what note of protest his Government has sent to the dictatorial regime in the Kremlin. He confronted me with the response, which is on record, that to the best of his knowledge there has been no specific protests at that time.

I then went on to deal with the fundamental problem that exists with respect to the staffing of the Soviet embassy by agents of the KGB, either properly so-called or otherwise. I pointed out to the Prime Minister that this was not a novel or unusual circumstance in that it was not that long ago that 12 employees of the Soviet embassy had been expelled from Canada for conducting espionage activities. His response to me was that that showed very clearly that the Government was indeed on its toes, astute and alert and about to deal with those who tampered with our national security.

Let me refer to *Hansard* for April 2, 1982 when almost the exact circumstance was raised by myself in the House. I refer to page 16098. In that case I referred to the expulsion from Canada of a certain Mikhail Abramov, an official of the Soviet embassy who was carrying out activities which were illegal

under Canadian law. Accordingly, he was denied continued residence in this country. It will be recalled that Mr. Abramov had endeavoured, unsuccessfully that time, to convince a Canadian citizen to provide him with information of a technical nature which had been denied the Soviet Government as a consequence of its invasion of Afghanistan.

On that occasion I referred to a statement by the then secretary of state for External Affairs, now the Minister of Justice (Mr. MacGuigan), in which he dealt with the revelations of the espionage activities of Mr. Abramov. That particular press release noted that "this is the third time in a period of four years that Russians have been involved in activities of this nature." With the Hambleton affair, we might now conclude that there were four occurrences within a four-year period, or maybe three and a half-years. In any event, the circumstance with which we are confronted is one in which the Soviet Union consistently breaches our laws and engages in activities which are directly related to efforts made by their agents to subvert Canadian justice and penetrate our security.

The point I made in both cases was simply this. It is time we laid down a rule to the Soviet Union that they would understand. I suggested that that rule be this. In the event that an agent of the Soviet Union is found to be engaging in subversive acts in Canada or endeavouring to tamper with our security system or enticing Canadians to commit treason, for every expelled Soviet diplomat or agent, five of their embassy staff shall be expelled. This would be done in the hope and expectation that by reducing the number of these agents, the security of Canada may be protected.

• (1805)

Mr. Douglas Fisher (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I thank the Hon. Member for his comment to the effect that, in his view, the Government is alert and on its toes, ready to protect our national security. I believe those were his exact words and he is correct in that analysis.

When the Prime Minister (Mr. Trudeau) replied to this question on December 10 he said that the Government does not hesitate to demand the withdrawal of personnel from Canada who have abused their diplomatic status or who have behaved in ways contrary to their responsibilities as representatives of their countries. This includes the Soviet Union. The record shows that Canada has been prepared to take appropriate action as circumstances dictate. Indeed, since 1978, a total of 18 foreign officials from four different countries have been declared persona non grata. The Hon. Member should know that prompt and firm action is certainly taken against all foreign officials who abuse their diplomatic status.

It is important, however, to repeat that diplomats are posted to Canada for valid and entirely legitimate reasons. They have important functions to fulfill representing their countries' interests here, just as our representatives have in their countries. We encourage normal diplomatic functions by any embassy and we expect that same treatment for our representatives abroad.

In the case of the Soviet Union, we are aware that in the past some officials have abused their status and we have reacted appropriately. A permanent reduction in the number of Soviet Embassy staff, however, would certainly not guarantee that such unacceptable activities would end. It would, however, undoubtedly invite retaliation against our Embassy in Moscow and inevitably it would adversely affect the important work carried out by both embassies in managing Canada-Soviet relations. If we applied the Hon. Member's magical rule of five expulsions for every sin, then we would expect the same treatment to be meted out to our people in Moscow. That would not be useful.

UNEMPLOYMENT INSURANCE—PLIGHT OF PERSONS EXHAUSTING BENEFITS—REQUEST FOR AID TO MUNICIPALITIES

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, this evening I would like to raise a very special problem which has occurred in certain parts of Canada, namely, the two communities of Kamloops and Salmon Arm, British Columbia.

The unemployment rate in Kamloops as of last week was 27.4 per cent, and in Salmon Arm it was in excess of 30 per cent. These communities have had to adjust to an extremely trying situation and they have done so by formulating a series of food bank operations for needy families. They have set up unemployment guidance centres to advise on both economic and social aspects which face a family or individual experiencing unemployment, particularly those who have been unemployed for more than a year and who are now part of that growing group called "exhausties" who have lost their UIC benefits and are now dependent upon welfare or other forms of social assistance. The mayors of the communities have established special employment crisis centres. Local groups are again doing a variety of volunteer tasks to ease the unemployment problem which now face so many families in these two communities.

The question, Mr. Speaker, is this. What does the Federal Government have for these communities faced with these very special problems at this time? We hear of programs such as ILAP, under which a certain community is designated because of a high level of unemployment and the difficult circumstances it faces. I should like to ask how much unemployment is required before a community is designated under that scheme to provide financial assistance to both the public and private sector. It seems to me that 27 per cent and 30 per cent unemployment is far in excess of the statistics for those communities that have already received designations under programs such as ILAP.

• (1810)

I should like to ask the Government to consider these two communities as being in some special circumstances, and give special consideration to them for public works projects, for instance, that could be financed through a number of federal Government schemes.

The fundamental question my constituents have asked me to pose to the Government is, how many people have to be unemployment before a community is considered eligible for special assistance from the federal Government?

It has been proposed that the period for which people receive UI benefits should be extended in special circumstances. At the present time, many people who have received benefits for 52 weeks no longer qualify and see their incomes collapse to the social welfare level. Some of them end up losing their homes, their businesses, their farms or whatever.

I realize that people sometimes describe situations in terms that make them seem worse than they are, but 27 per cent and 30 per cent unemployment in a community means that the situation is very severe indeed. It does not look as if things will get much better in the months ahead. Like everyone else, I hope that economic recovery is just around the corner, but until we see some clear evidence of it I suspect that unemployment will increase.

I ask the Member of the Government who will reply, and for whom I have a great deal of respect, to give these two hard-pressed communities some encouragement so that they may approach the future with optimism.

Mr. Douglas Fisher (Parliamentary Secretary to Minister of Finance): Mr. Speaker, may I immediately tell the Hon. Member that he has raised his concerns at a most appropriate time, just before the presentation of a budget by the Minister of Finance (Mr. Lalonde). I am certain that these representations, among others, will be considered seriously by the Minister in the preparation of that document.

I think we should offer a small explanation on each of the two issues he has raised. He asked about a universal increase in the benefit period for unemployment insurance and also about increasing some tax rates in order to pay for that. In good conscience, he discussed the communities where unemployment is running at 30 and 40 per cent. His proposal to increase benefits would also apply, however, in an area like my own where we are fortunate enough to have an 8 per cent unemployment rate. I think we need to target the help more to distressed communities rather than making it universal. In an area like mine, unemployed people have communities like Toronto, Mississauga, Oakville, Burlington and Guelph in which to approach employers in thousands of businesses for work. Those people would benefit as much as those people in isolated places. For that reason we introduced targeted programs like ILAP and NEED.

I would refer the Hon. Member specifically to the municipal options available under the NEED program through which communities can build up their infrastructure and, at the same time, hire people who are exhausting their benefits. In that way, they can kill two birds with the one stone. They can get rid of some of the headaches that up to now the municipalities have not been able to solve.

The tax question is equally important and equally serious. I urge the Hon. Member to look at the advantages of leaving the money in the private sector where it can stimulate investment and where it can stimulate the creation of jobs. In effect, we have already had a tax increase, the increase in unemployment insurance premiums in October to both employers and employees.

• (1815)

I do not think it would be appropriate to drain more money out of the private sector at this time just to increase the period of time for universal unemployment insurance benefits. We should be looking at targeted programs and we should be encouraging investment. At the same time I encourage the Hon. Member to continue making his representations so that the Minister can take them into account in the preparation of his next budget.

AGRICULTURE—LEVEL OF BEEF IMPORTS. (B) BALANCE REMAINING IN QUOTAS

Mr. Bert Hargrave (Medicine Hat): Mr. Speaker, my adjournment debate participation this evening is related to questions I directed to the Minister of State for International Trade (Mr. Regan) respecting the matter of recent beef imports into Canada. The details can be found in *Hansard* of November 5, as reported on pages 20447 and 20448.

At that time I asked whether current beef imports into Canada were being properly monitored according to an earlier September meeting between the Minister of Agriculture (Mr. Whelan) and some of his staff and the newly-appointed Meat Import Advisory Committee. This monitoring procedure was necessary because of the then anticipated reduction in Canadian exports of beef to the United States under the terms of the U.S. meat import law.

This year-end disruption of beef imports and exports between Canada and the United States was precipitated by the ongoing very serious drought in Australia. This situation, which was really tragic in that country, interrupted the last half of their 1982 exports into North America and caused considerable disruption. It caused stepped-up beef exports from Australia to both the United States and Canada, but mainly into the United States because its market was obviously higher.

In his response the Minister admitted to the danger of "some of that excess being diverted into Canadian markets". Now we have a better understanding of what developed after Australia, New Zealand and Canada voluntarily agreed to reduce and limit their beef exports to the United States, in return, for which the United States would not trigger its reduced beef import law quotas to which they were entitled. Unfortunately it took Canadian authorities more than a month to put this quota control into effect.

In October 1982 the Government announced that Canada's quota had been filled, and we began to experience a serious drop in our Canadian live cow prices. Our shipment of live cows had been increasing since the United States beef quota had been applied. Two situations developed. Our live cow prices were depressed rather significantly and the incident

provided a short-term but serious irritant to American cattlemen. I know from my own experience that something like this upsets a usually good relationship between our two countries. This was all because of the delay of over a month in the Canadian Government's institution of the export permit system to provide a basis of monitoring.

The voluntary import limitation agreement was the right approach; I hasten to point that out. It was fully supported and suggested in the first place by the Canadian Cattlemen's Association. The Association also suggested quarterly quotas for the new year that we are into now. Unfortunately the joint statement at the end of last year, on December 30, did not suggest this. The reason is obvious.

• (1820)

We know the threat of excessive imports exceeding quotas at this time is not very likely. Nevertheless, this experience in 1982 suggests that not only should a quota have been declared in that joint statement at the end of last year by the Minister of State for International Trade and the Minister of Agriculture. But also, we feel sure, and the Canadian Cattlemen's Association recommended, that it be should done on a quarterly basis.

I would suggest one other recommendation I hope the Government will take seriously. When we have an upsetting situation or an emergency, such as took place in the last six or seven weeks of 1982, which requires a voluntary quota system, such as we used, a monitoring permit system should be declared early, giving the trade—not only the producers but the importers and exporters—to get used to the fact that they can expect a monitoring system under the Export and Import Permits Act.

This should be done early enough so that we do not have the panic effect we had last fall. Even though the Government indicated what it would do, it took a long time to implement the monitoring process. That had rather serious consequences on the price of our live cattle, in particular.

There is one other point concerning this situation that I think is worth mentioning. Surely this is the time to think about the General Agreement on Tariffs and Trade. We had one preliminary early meeting late last fall. This reminds us of the situation that developed in the discussions that took place in the Tokyo round during the last GATT negotiations a little over three years ago. Now that is behind us and we see the situation that developed. We know our negotiators were outmanoeuvred in the Tokyo round in two areas.

The first was the guaranteed minimum access level, to which Canada subscribed, for meat imports coming into Canada, mostly from Australia, New Zealand and the United States. It was set too high. I think that is obvious now. Perhaps the reason is that at the time of the negotiations Canada had an all-time high in our cattle population. That situation has drastically changed. It may be years before we ever reach that peak again. But let us remember, such is not the time to negotiate a guaranteed minimum access level. The figure set has caused us considerable trouble.

The second thing that developed out of those negotiations was our agreement as a trading partner to what is known as a human population growth factor. No other country, especially the United States, was asked to make such an agreement. This was an agreement that as our human population increased each year, which is inevitable, so should the level of imports of Canada. That has imposed a long-term load on what we are expected to take into Canada. This is very discouraging to our domestic cattle producers at a time when they need some incentive to get back into the industry.

• (1825)

Mr. Douglas Fisher (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I appreciate the points raised by the Hon. Member. I will make sure they are drawn to the attention of the Minister of Agriculture (Mr. Whelan) and the Minister of State for International Trade (Mr. Regan).

The Hon. Member pointed out the events of 1982. I would like to note further that on September 28, the Governments of Canada and the United States entered into an arrangement to control the trade in beef and veal for the calendar year ending December 31, 1982. The two Governments anticipated that Canadian exports of beef and veal to the United States would not exceed 121.1 million pounds and that U.S. exports of beef and veal to Canada would not exceed 21.4 million pounds, both figures for 1982.

Consequently, beef and veal were placed on the Export Control List and the Import Control List effective October 1, thereby requiring export and import permits for the last quarter of 1982.

On December 31, 1982, the Minister of State for International Trade and the Minister of Agriculture announced that upon review of the international meat situation, Canadian import controls would not be required for at least the initial 1983 period. In addition, a review of the U.S. beef market indicated that, at least for the first two-quarters of 1983, it would not be necessary to restrict beef exports to the U.S. In view of these developments, the requirements for export and import permits were revoked, effective January 1, 1983.

The Minister of agriculture has added, however, that the decision not to limit imports of beef and veal in 1983 would be reviewed on a quarterly basis—and that is close to what was said in one of the comments by the Hon. Member—and that import action would be considered if the forecast for imports of beef and veal increased significantly, or if the United States moved to restrict its own beef and veal imports.

The Acting Speaker (Mr. Blaker): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at two o'clock.

At 6.28 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, January 19, 1983

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

AGRICULTURE

INSTITUTION OF SPECIAL COMMITTEE TO STUDY CROWSNEST PASS RATES MODIFICATIONS

Mr. Jean-Guy Dubois (Lotbinière): Madam Speaker, I am pleased with this opportunity, under the provisions of Standing Order 21, to discuss the changes in the Crow rate and thus the Gilson report. Since the report was published, Madam Speaker, the Quebec caucus, both at its meeting in Jonquière in September and since the beginning of the session on October 27, 1982, has been meeting with farmers and with representatives of the FPU, the Coopérative fédérée and the Association des meuniers du Québec to discuss the general situation. At the insistance of all Quebec members, the caucus formed a special committee, and although a great many members were interested, we had to keep the number of committee members to ten. On this committee, the members for Rimouski-Témiscouata (Mrs. Côté), Chicoutimi (Mr. Dionne), Saint-Hyacinthe-Bagot (Mr. Ostiguy), Portneuf (Mr. Dion), Lévis (Mr. Gourde), Beauce (Mr. Lapointe), Lac-Saint-Jean (Mr. Gimaïel), Mégantic-Compton-Stanstead (Mr. Tessier) and Richmond-Wolfe (Mr. Tardif) and myself, as chairman, are working to protect the interests of Quebec's farmers and to promote the equitable development of Canadian agriculture from east to west, so that no one is penalized and everyone will have a role to play in Canada's agricultural industry.

* * *

[*English*]

CANADA DEPOSIT INSURANCE CORPORATION

LIMIT OF PROTECTION FOR INVESTORS

Mr. Joe Reid (St. Catharines): Madam Speaker, the Minister of State for Finance (Mr. Cosgrove) announced that he would introduce draft legislation soon to increase guarantee deposit insurance coverage. Agitation to increase the 1967 limit began as early as 1975. Astra Trust went broke in 1980, and still the Government refused an increase and called for a study. The report of that study was in the hands of the appropriate Minister for more than a year, yet the Government refused to act.

The 1967 dollar upon which the $20,000 limit was based is now worth only 40 cents. Per capita savings in Canada are greater than they are in the United States. Now, after three more trust companies are shown to suffer from financial instability, the Government is struck with creeping paralysis.

The Minister said that each depositor will be insured up to $60,000. A director of CDIC and the Superintendent of Insurance said that, until legislation is passed, depositors will still be limited to a guarantee of $20,000, although they may be protected up to $60,000. What those depositors should have—and the legislation should contain—is a guarantee of up to $100,000. Since the legislation has to be retroactive, why will the Government not give the same protection to the depositors of Astra Trust as to the three trust companies now under consideration?

* * *

[*Translation*]

COMMUNICATIONS

PAY TV—EFFECTS OF PORNOGRAPHIC FILMS

Mr. Henri Tousignant (Témiscamingue): Madam Speaker, I wish to thank you for giving me a chance to bring to the attention of this House a matter that is making the headlines and which remains a very controversial question. I am referring to the advent of pay television and to its programming which is expected to include pornographic films. Now, I do not wish to seem prudish or Victorian—in fact some of my colleagues will agree that I am quite broad-minded in such matters—but I think it would be useful, Madam Speaker, to ask ourselves what the constructive and what the negative effects of this type of film will be, and I am thinking of negative in terms of delinquency, violence and perhaps social disorder. Unfortunately, ninety seconds would be too short to provide supporting evidence, but I do hope that the members of this House will be willing to consider this matter very seriously and to take a strong stand at the appropriate time. After all, whatever the terms of licensing of these companies or television networks may be, we, in this House, have the power to decide one way or another, and if the majority of the House is against this type of entertainment, I think we should decide according to our convictions.

S.O. 21

[*English*]

SHIPBUILDING

NECESSITY FOR "BUY CANADIAN" PRINCIPLE

Mr. Howard Crosby (Halifax West): Madam Speaker, Canadian shipyards have demonstrated a production capability that makes our shipbuilding industry equal or superior to the world-wide standard, yet over 2,000 shipyard workers are unemployed in the Maritimes, and thousands more across Canada. Canadian shipyards can compete internationally and for domestic orders if the ground rules are the same for all competitors. Unfortunately they are not.

Some shipbuilding nations subsidize employment. Others use their national banking system or treasury to assist ship construction. Canadian shipyards cannot compete for foreign or domestic orders in the face of such massive national subsidization. In order to maintain viability and secure thousands of skilled jobs, Government protection and help are required.

Here is part of the problem—East Coast resource exploration has created a huge demand for marine drilling rigs and service vessels, yet only the Sedco 709, among the 20 or more drilling rigs, is Canadian-built. Even Petro-Canada charters foreign built oil rigs and service vessels. Canada must have a shipbuilding policy that establishes a "Buy Canadian" principle for energy exploration and the fishery, as well as northern and coastal marine activity, thereby excluding non-Canadian vessels.

● (1410)

The Government policy must also provide realistic financial assistance to off-set the support provided in competing nations. Unless a Government shipbuilding policy provides adequate protection and assistance, a viable job-generating industry will be destroyed. The proposed shipbuilding policy does not meet this test.

* * *

INDUSTRY AND LABOUR ADJUSTMENT PROGRAM

DESIGNATION OF COMMUNITIES

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, it is well known that certain Canadian communities are experiencing more economic pain than others as a result of the present recession/depression. In an effort to provide special support to those communities especially hard hit, the Government of Canada established the Industry and Labour Adjustment Program. Consequently, a number of communities are receiving special financial assistance, as a result of having been designated under ILAP.

Recent employment figures have identified the communities of Kamloops, B.C., and Salmon Arm, B.C. with unemployment rates of 27 per cent and 30 per cent respectively. These unemployment levels are the highest in Canada. These communities have therefore been ravaged by unemployment more than most. To seek relief, both formal and informal requests for designation under ILAP have been made. To date these appeals have fallen on deaf ears.

The questions which spring to mind are: first, how devastated must a community be before it is designated under ILAP and, second, is the designation under ILAP based on a community's need, or is it designated under the auspices of patronage?

* * *

THE ECONOMY

SUGGESTED FORMATION OF PRODUCTIVITY COUNCIL

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Madam Speaker, during this harsh economic time it is especially significant to note that Canada stands alone among the major industrialized nations in that it does not have some form of national productivity centre.

As the Prime Minister (Mr. Trudeau) stated in his three talks to the nation, improvement in the country's economy, especially in regard to our international trading position, requires, in part, an improvement in Canadian productivity. I would like therefore to suggest that the federal Government, in co-operation with the Provinces and other business and labour groups, consider the formation of a Canadian productivity council. Such a council could have as its goals: first, to raise the country's level of productivity consciousness; second, to act as a clearing house for productivity research and literature; and third, to establish centres across the country and offer short courses in productivity improvement.

These goals would in turn encourage both business and labour to increase productivity, decrease the per unit cost of our goods and services, and thereby increase the competitiveness of Canadian goods and services both at home and abroad which would help to spur on the Canadian economy and employment opportunities.

* * *

AGRICULTURE

CAPITAL GAINS TAX ON FARMLAND

Mr. Blaine A. Thacker (Lethbridge-Foothills): Most Canadians, including many MPs, believe Canada has enormous agricultural land. That belief is totally untrue and is very dangerous. On a global scale, Canada has only 3 per cent of the world's arable land. Canada has less agricultural land than Western Europe, and one-seventh that of the U.S.A. Within Canada only 13 per cent of our land is arable, and only 4 per cent of that is class one or two.

The yearly loss of agricultural land is enormous. It is over 30,000 acres. The number of farmers has dropped 55 per cent since 1941 to some 318,000.

Liberal Party economic policies have resulted in over 50 per cent of our farmers having to earn income off their farms to

survive. The most recent attack on farmers is the capital gains tax. In fact it is a tax on capital, because inflation has been the reason for increased land values and not productivity.

It is now almost impossible for a farmer to keep a farm together as one unit and pass it on to the next generation. Capital gains tax is a time bomb which will result in Canadians standing in food lines. The solution, and it is essential to our national well-being, is for the capital gains tax to be abolished on bona fide farmland. This will encourage small family farms which, in turn, will buy machinery from Canadian manufacturers. It will also result in farms being better managed, and in a higher percentage of food self-sufficiency.

Fellow MPs, let us act together now so our descendants will be proud of us and not curse us from bread lines.

• (1415)

ORAL QUESTION PERIOD

[*English*]

TRUST COMPANIES

GOVERNMENT ROLE IN INVESTIGATION OF POSSIBLE ILLEGAL ACTIVITIES

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is directed to the Minister of State for Finance. It concerns the Crown Trust, Greymac, and Seaway Mortgage mess that we are all reading so much about in the newspapers. It becomes clearer every day that the inaction on the part of this Government has been a clear factor in leading to the expected bankruptcies of these companies.

I have been told that over a year ago the Government was made aware of the problems and the manipulations which were occurring in the activities of these companies, yet it took action only after the Province of Ontario stepped in to take over the companies. The result of this delay has meant that the savings of Canadians, their registered savings plans, have been put at risk.

When did the Government take action to look into and stop these possibly illegal activities, in its role as a regulator of the mortgage companies or as the trustee for the Canada Deposit Insurance Corporation?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, with respect, the Hon. Member has confused the provincial trust companies under the jurisdiction of the province of Ontario with the supervision exercised by the Superintendent of Insurance over federally incorporated mortgage companies. I would respectfully suggest to the Hon. Member, if he is genuinely concerned and feels, for example, that the statement made by the Hon. Mr. Elgie in the Ontario Legislature was not satisfactory and did not give answers to his questions, that he contact the Minister who is a resident in the Hon. Member's own municipal area.

Mr. Wilson: That is an incredible answer. The Minister totally avoided the question which I put to him. The point is that the Canada Deposit Insurance Corporation and two mortgage companies are under his jurisdiction as Minister of State for Finance.

Some Hon. Members: Hear, hear!

OWNERSHIP OF CROWN TRUST—ROLE OF CANADA DEPOSIT INSURANCE CORPORATION

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, since the loss to the Canada Deposit Insurance Corporation could be well in excess of $100 million, since the transfer of the Crown Trust Company to new owners is an important element in minimizing the loss to the Canada Deposit Insurance Corporation and the depositors, and since there is some suggestion that CDIC has been delaying the transfer of ownership of Crown Trust to new owners, would the Minister tell the House what he will do to ensure the speedy transfer of Crown Trust to new owners and thereby help salvage the savings of those many Canadians which are at risk right now?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, now I am convinced that the Hon. Member is confused. He is restricting his questions to the discussion of Crown Trust. That is clearly a provincially incorporated corporation. It is under the jurisdiction of the Minister in the Province of Ontario. Again I would urge the Hon. Member to speak to his Conservative Minister in the Province of Ontario.

Mr. Wilson: If the Minister would only listen to the question that I put to him—the Canada Deposit Insurance Corporation is under his responsibility and jurisdiction. That was the basis of the question, as well as what is the CDIC doing to allow that transfer of Crown Trust shares.

REQUEST FOR REPORT FROM MINISTER

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, the Minister mentioned the statement made by Dr. Elgie in the provincial House at Queen's Park the other day. When will the Minister make some statements on these facts to this House? When will he report on the activities of the CDIC with respect to the transfer of Crown Trust? When will he respond to the first question that I asked him about what the Government has been doing with the two mortgage corporations under his jurisdiction, since there are hundreds of millions of dollars in savings of individual Canadians at risk here? I remind you, Madam Speaker, that this could be the largest single financial default in Canadian financial history.

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, I would remind the Hon. Member that the specific issue of the transfer of a provincially controlled trust company lies exclusively within the jurisdiction and under the legislation of the Province of Ontario.

Second, I would remind the Hon. Member of the obvious difficulties that are being experienced by companies, the largest of which is Crown. That is a company which is exclusively under the jurisdiction of the Province of Ontario.

The answer to the last question is yes, the question of Canada Deposit Insurance Corporation is a matter under federal jurisdiction, and yes, the Superintendent of Insurance has taken some actions. According to the legislation, the Minister responsible for the superintendent in this area is required to exercise a quasi judicial hearing in the matter. That is presently under way. Until such time as it is concluded I could not, under law, under conscience, or as a practical matter, respond in detail.

• (1420)

GOVERNMENT RESPONSIBILITY

Mr. Don Blenkarn (Mississauga South): Madam Speaker, the Minister's CDIC yesterday took the liquid assets of Crown Trust and put them in the Bank of Canada. If that is not exercising some responsibility, what is it? Will the Minister tell us about that? While he is at it, will he stop ducking his responsibility? He knows that ever since this Parliament opened, this Party, the Opposition, has been demanding some responsibility. We have seen Re-Mor, we have seen Astra Trust, we will have seen Caledonia and Pitts Insurance Company. When will the Government do something, come clean, and exercise some sense of responsibility to the people of Canada?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, the Superintendent of Insurance of Canada, as one of the officers of the Canada Deposit Insurance Corporation, in response to the request from the Minister of the Province of Ontario, agreed to support the Province's action in assuming responsibility for Crown Trust, a company exclusively under its jurisdiction, under its supervision, and now under its control.

The Province asked for the help of the federal Government. We have given that help. More than that, we have accepted the advice of the Hon. Member and many of his colleagues, including the last Hon. Member who asked the question, who, in July, asked the Government to increase Canada Deposit Insurance coverage to $60,000. We have done that, and we have done it quickly. We think we have moved with the interests of small, ordinary Canadians in mind, and we will continue to keep their interests at heart.

Some Hon. Members: Hear, hear!

VALUE OF SECURITIES

Mr. Don Blenkarn (Mississauga South): Madam Speaker, the Government knows, as all Canadians know, that we have had falling real estate prices, yet the bulk of the assets of these companies are in mortgages which are supposed to be less than 75 per cent of value. The Superintendent of Insurance and the Government have been asked to inquire into the value of securities behind trust and loan companies. What action has the Government taken to inspect the real estate securities of trust and loan companies to ensure that mortgage indebtedness against properties is not more than 75 per cent?

An Hon. Member: Speak to Bill Davis.

Mr. Blenkarn: What effort has the Government made to ensure that people can have faith in money they have with trust and loan companies?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, to begin with, the Government has indicated that it will increase mortgage deposit insurance from the present limit of $20,000 to $60,000. That legislation will be introduced in this House of Commons this afternoon—

Miss MacDonald: Mine will!

Mr. Cosgrove: —and in view of the fact that many Hon. Members oppposite, including the Hon. Member who asked the question, requested that increase, we hope that we will have the assistance of all Hon. Members in the House, who are obviously concerned about the issue, to give speedy passage to that legislation.

Second, because the provincially controlled corporations, the trust companies to which the Hon. Member has referred, are the major shareholders in the federally controlled mortgage corporations, the Superintendent of Insurance, after the Province acted, moved as well to assume control of assets.

Mr. Wilson: That is a cop-out.

Mr. Cosgrove: The Superintendent recommended to the Minister of Finance that we undertake an investigation. To do that, in co-operation with the Province of Ontario we retained the services of the same accounting firm, Touche & Ross. They are presently investigating the standards, the books, and all of the issues raised by the Hon. Member. When that information is available, when I am permitted under law to give those answers, I will give them to the House.

* * *

SHIPBUILDING

ANNOUNCEMENT OF POLICY—GOVERNMENT POSITION ON CONCESSIONARY FINANCING

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, my question today again deals with the Government's lack of an industrial strategy as a basic problem in the country, and is with respect to the announcement of the recent shipbuilding policy in which there was a glaring flaw, the omission of addressing the necessity of placing Canadian manufacturers on an equal footing in relation to shipbuilders and shipowners in Canada. Would the Minister of Industry, Trade and Commerce be prepared to tell the House why an important feature was left out of that new policy—the approach to providing concessionary financing to shipbuilders in Canada?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, I am sure that the Hon. Member is aware that the shipbuilding industry received the announcement by the Government of Canada with respect to its new policy in a very favourable way. As a matter of fact, what we did ensure was that by raising the tariffs on a more consistent basis for ships, for drilling rigs and for supply vessels, to a tariff of 20 to 25 per cent, which originally applied only to ships within the 12-mile limit, now the shipbuilding industry of Canada will be on a more competitive basis with the shipbuilding industries of Europe and the Far East.

• (1425)

Secondly, we extended the 9 per cent production subsidy to July 1, 1985, for ships delivered prior to that date. I think the Hon. Member should be aware that the comments have been very favourable from the shipbuilding industry, at least the comments that I have received in my office and that the Minister of Transport and the Minister of State (Finance) have received.

Mr. Skelly: Madam Speaker, it is very clear that doing anything in that area is certainly better than the Government's record to date, and there was a glaring need there.

LEASING OF SHIPS PRIOR TO PASSAGE OF LEGISLATION

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, it would appear that there are some serious flaws in the policy statement. One of them is the question of implementation. If, in fact, there is expansion next year through an agreement with the Atlantic Provinces on offshore activity, the implementation date is vital. If that policy is not implemented very quickly what we will find is that the promised activity will be taken up by obtaining and leasing rigs from foreign builders. Could the Minister give us an indication of how he intends to block that major flaw in it, what he intends to do with Petro-Canada, hopefully making it an instrument of national economic policy as well as energy?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, with respect to Petro-Canada I am sure that question can be more properly answered by my colleague, the Minister of Energy, Mines and Resources, who has the responsibility for Petro-Canada.

With respect to the Hon. Member's point concerning companies renting or leasing ships during the period until the legislation is passed, I am sure that with the co-operation of the other House leaders, my colleague, the Government House leader, will be more than happy to put this legislation forward quickly and to have it adopted by Parliament.

Oral Questions

HOUSE OF COMMONS

PRESENCE IN GALLERY OF THE PRESIDENT OF THE LEGISLATIVE COUNCIL OF NEW SOUTH WALES, AUSTRALIA

Madam Speaker: I would like to recognize the presence in our Gallery of the Hon. John Johnson, who is the President of the Legislative Council of New South Wales, Australia.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

AIR TRANSPORT

ALLEGED REFUSAL OF PERMISSION FOR WARDAIR TO COMPETE WITH AIR CANADA AND CANADIAN PACIFIC AIRLINES

Mr. Pierre Deniger (La Prairie): Madam Speaker, my question is directed to the Minister of Transport and concerns Wardair.

Could the Minister of Transport inform the House and the Canadian people why, as reported in *The Citizen* on January 11 of this year, the Government is denying Wardair a chance to compete with Air Canada and Canadian Pacific on certain regular flights, and how such a decision could be said to benefit Canadian travellers and Wardair?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, a few weeks ago, Mr. Ward, the President of Wardair, came to see me and discussed several problems he was experiencing. He asked me to examine with him the problems his company was facing, and to give him some indication, as soon as possible, of the Federal Government's intentions with respect to his interests. I promised to do so, and I am preparing a reply which I shall be communicating to the Hon. Member in due time.

* * *

[*English*]

COMMUNICATIONS

PAY TV LICENCES—APPROVAL OF PORNOGRAPHIC PROGRAMMING

Mr. John Bosley (Don Valley West): Madam Speaker, I have a question for the Minister of Communications, supplementary to his answers given yesterday. I might remind the Minister that yesterday he indicated he was certain that if "any one of those channels had applied for a pornographic Pay TV licence, that licence would have been refused by the CRTC, and certainly would have been refused on appeal to the Governor in Council".

When he gave that answer yesterday was he aware that the majority of the successful applicants to the CRTC explicitly included in their applications and in their undertakings a desire and a commitment to produce and to show adult or

restricted programming, and that in fact the CRTC has heard the question of whether soft core pornography may be shown, and has approved of it?

Hon. Francis Fox (Minister of Communications): Madam Speaker, I was listening to Mrs. Barlow last night and I think the women's groups themselves made the distinction which the Hon. Member has not made in his question, that is, the distinction between an adult movie and a pornographic movie.

PORNOGRAPHIC AND ADULT MOVIES

Mr. John Bosley (Don Valley West): Madam Speaker, I would greatly appreciate it if the Minister would take the time to enlighten the House on the difference between a soft core pornographic movie and an adult movie, which is the acronym which is used when marketing the film to cover that issue in the law.

Hon. Francis Fox (Minister of Communications): Madam Speaker, I would like to remind the Hon. Member that the Minister of Communications holds powers given to him under Acts of Parliament. Parliament in its wisdom, and I agree with it, decided that governments of any political stripe ought not to be the ones to interpret what community standards will be. Parliament has decided that the courts ought to do so and, within a certain restricted range of areas, that the CRTC ought to do so. That is the desire of Parliament. Those are the powers, and the decisions that have been made by successive Parliaments.

* * *

• (1430)

AIRPORTS

SALE OF HOUSES AT MIRABEL TO PUBLIC SERVANTS

Mr. Scott Fennell (Ontario): Madam Speaker, my question is directed to the Minister of Public Works. Under an Act respecting the expropriation of land, paragraph 19, there is a provision for retrocession of land to the original owners. In light of the sale to federal public servants of properties in the Mirabel area prior to December 31 so that they would qualify for and get the $3,000 grant, and in view of a Quebec parliamentary commission just having been completed, which was in opposition to the federal Government, what right does this Government have to sell houses in Mirabel to public servants who were tenants, prior to an offer to the original owners?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, I am sure the Hon. Member would not want his question to be interpreted as being unfair to a lot of people. The decision to offer those houses for sale to those who wanted to buy them was made a number of months ago. Many asked that they be allowed to put in bids before the program of home ownership assistance ran out. Among them there were six, and that is the correct figure, public servants, many of whom had been residents of the area for many years and happened to work for the Government of Canada. They were not processed quickly. They were examined and re-examined very carefully. Then they were allowed to make purchase offers.

Over 180 houses were purchased in all. Therefore, what we are talking about are six people who, as residents of the area and occupying those houses, were eligible to make an offer to purchase, like anyone else. That they did. I wanted to be doubly sure that there was no last minute speculation by employees of the Government of Canada. That is why I asked that every case be reviewed very carefully.

[*Translation*]

SUITABILITY OF CERTAIN LANDS FOR AGRICULTURAL PURPOSES

Hon. Roch La Salle (Joliette): Madam Speaker, I have a supplementary for the Minister responsible for this land, the Minister of Public Works. In view of the fact that this is farmland, and the Minister is undoubtedly aware of the tremendous importance of agricultural development, and I am sure he has already heard from people representing the various sectors, considering this aspect therefore, could the Minister perhaps ensure that the future owners, if he is not willing to accept the principle of returning the land to the original owners, could the minister perhaps suggest including a condition that the future owners should be farmers, so as to promote the development of this excellent farmland?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, that is exactly what we have in mind. Furthermore, in line with a decision already made by my colleagues before I was appointed to this Department, I have been emphasizing the broadest possible identification of farmland, and I have done nothing to stop consolidation of farms into units bigger than the original farm before expropriation, if that would make a unit more profitable. Contrary to what is being said by a number of officials of the Quebec Government and by some politicians, farming in this area is in better shape than people say, and I think we should encourage this positive trend and try to put as much land as possible back into farming. That is why I feel that a first step has been made with the identification of some 30,000 acres, and that we must go even further, provided we succeed in reaching an agreement with the Ministry of Transport.

REQUEST FOR RETROCESSION OF 80,000 ACRES AT MIRABEL

Hon. Roch La Salle (Joliette): A supplementary, Madam Speaker. The Minister has just told the House that he had already agreed to 30,000 acres being ceded back. Considering the fact that the government was astonishingly greedy a few years ago, and that present estimates show that it would be possible to cede back 80,000 acres, could the Minister inform

the House, still within the context of specific farming operations, whether he is prepared to accept the principle of ceding back at least 80,000 acres, which would leave ample room for the present airport's operations?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, I would rather not refer to exact figures before having read the experts' report. The Hon. Member knows perfectly well that although there are definite long-term zoning regulations which cannot be changed at the whim of every new government, there is still a possibility to reduce the scope of Mirabel. We are looking at this and that is the approach we are taking, and if there is a possibility to cede back more than 30,000 acres, I shall do so with pleasure.

* * *

[*English*]

EMPLOYMENT

GOVERNMENT POLICY

Hon. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Minister of Employment and Immigration. Following the last war the Government committed itself to a national policy of full employment. In the intervening years it began to whittle away at this commitment, culminating in the Dodge report of two years ago in which the Government talked about trade-offs between full employment and inflation. Yesterday the former Leader of the Liberal Party in the Province of Ontario, the President or Executive Director of the Science Council of Canada, stated that full employment is now an unattainable goal. Does the Government of Canada still have as its overriding policy in the economy a commitment to full employment? If so, will the Minister tell us the targets for achieving it and define what the Government means by it?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, there is no question that this Government is very deeply committed to the goal of providing full employment in this country to the extent that the resources, conditions, and circumstances that we live in make that possible.

As the Hon. Member knows, and he has been studying the issue for a long time, as we all have been, we are going through some very traumatic changes in the kind of technology that goes into industry and the nature of our international markets. What we are trying to put together in this period of time is a kind of strategy in the area of export markets, the area of reorganizing and modernizing our industrial base and the retraining and development of new human skills, so that we can maximize those, but they do not all come together at once. What we can try to attain as much as possible is working together with business, labour and government at all levels to achieve the maximum benefit possible for workers in this country. That means we have to be very open-minded, prepared to change and to do some awfully hard work to bring about some reforms in our system which are long overdue.

Mr. Broadbent: I think that can be summarized reasonably concisely by saying the Government's policy now is full employment if necessary, but not necessarily full employment.

REQUEST THAT GOVERNMENT SET TARGETS FOR REDUCING UNEMPLOYMENT

Hon. Edward Broadbent (Oshawa): Madam Speaker, I would like to direct a supplementary question to the Minister with reference to another report that came down yesterday, this time by the Metro Toronto Social Planning Council. It reported that an alarming almost 900,000 additional men and women ought to be included in the unemployment figures but, for reasons the Minister well knows, are not included in the official figures. This means that in Canada now we have in real terms about 2.5 million unemployed. With reference to the report, the director preparing that report said that what is lacking is the political will to achieve full employment. Will the Government set specific targets for the next 12 months that it will aim at in terms of reducing the level of unemployment? It has done this for inflation. Why will it not do it in terms of jobs?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, to begin with, just commenting briefly on the report from the Metro Toronto Social Planning Council, they have not sent me a full copy, but I have seen news reports of it. We have to be very careful with such reports that we do not distort the figures and exaggerate them beyond what the reality is in order to frighten people.

• (1440)

What they do include in that report is what they call the discouraged workers and underemployed workers. That includes a lot of people, who have gone back to school to improve their education and training during that period of time, so I believe we have to be very careful. That does not in any way diminish the seriousness or the critical factor that there are a lot of people out of work, and we must work together to bring them back into jobs.

One of the major achievements we have made over the last several months is in working closely together with the provincial Governments to co-ordinate our efforts, to provide for a combination of resources, to do joint planning so that we can work together to use the maximum amount of governmental resources in this area.

We are now engaged in a meeting with the private sector, with business and labour, to see if we can develop systems to bring that about with them as well. It will only work, Madam Speaker, if we have that kind of partnership and not the kind of rhetoric which the Leader of the Opposition too often uses.

Mr. Broadbent: Madam Speaker, I am not interested in this instance in rhetoric. I am interested in a very specific kind of goal which the Liberal Government set for itself in 1945. When we have unemployment reaching the same level on a

percentage basis almost as we had in the 1930s, surely it is time to set the goals again.

GOVERNMENT POSITION ON SETTING UNEMPLOYMENT TARGET

Hon. Edward Broadbent (Oshawa): Considering that the Government brought in a program which set as a target an inflation level of 5 per cent for next year—a specific program to try to achieve that goal—and considering that a right to a job is a fundamental human right, why cannot the Government bring in the same kind of target for unemployment levels and the same kind of specific programs to achieve those goals?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, it is my belief that that target of full employment should not just be restricted to Members on the Government side. It should also be a goal which every Member of Parliament endorses. What we must do is establish the framework within which economic recovery and growth can take place. That is the reason why we developed a program of restraint in the economy, to bring inflation right down and to bring interest rates down. Members of the Hon. Member's caucus and the Conservative Caucus stood up in this House day after day saying that the solution to the problem was to bring the interest rates down. The interest rates are coming down, Madam Speaker, because of the establishment of a goal set by the Government last fall and last spring. What we must begin to do through our direct employment program is provide supplementary support for workers who are out of work.

Some Hon. Members: Oh, oh!

An Hon. Member: Your own Members are laughing.

Mr. Axworthy: And by the way, for the Tories who are laughing now, it is that group who were in Government who cancelled all the direct employment programs so that no one would have had any assistance.

* * *

SHIPBUILDING

POLICY REVIEW—REQUEST FOR INTRODUCTION OF LEGISLATION

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce, and I would like to bring him back to the matter of the shipbuilding policy review which he was referring to earlier in the Question Period and which has finally been released after months of indefensible delays by the Government. He is correct when he says it has been welcomed by industry, labour, and management alike, as a positive step in the long-term solution of the ills which have been suffered by the shipbuilding industry due to the Government's inaction over the long term.

As was pointed out, however, by the previous questioner, the policy does have some very serious shortcoming and loopholes, such as the six-month implementation period during which the Canadian market could be flooded with an influx of cheap foreign vessels which could negatively affect the precious few jobs which remain in the industry, for periods up to five and ten years. The Minister has indicated that he is prepared to implement and bring this legislation—

Madam Speaker: Order. Does the Hon. Member have a question?

Mr. Corbett: Yes, indeed I do, Madam Speaker, and I thank you for allowing me to put it. Will the Minister now bring that legislation into this House, because I can assure you that, if it means saving jobs in this country, the Government will have the co-operation of this Party in seeing that it is passed speedily?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, first of all, the responsibility for bringing forth that piece of legislation does not rest with my Department. Second, we will try to expedite the negotiations so it may not take six months, but obviously we do not have total control over these negotiations. Third, although there is a possible loophole for the renting and leasing of ships and floating equipment, we do not expect that too many firms will take advantage of that situation. In fact—

Mr. Clark: Just Petro-Canada.

Mr. Lumley: —there are few orders on the order books almost anywhere in the world right now for marine construction.

Mr. Corbett: Madam Speaker, this is an indication of how much co-operation the industry can expect from this Minister.

CONSTRUCTION OF FRIGATES

Mr. Bob Corbett (Fundy-Royal): Regardless of how co-operative the Government is going to be, it is going to take months, or even years, before the effect of this policy can be felt by the shipyards. Will the Minister press his colleagues to do something about something which they can do something about, and that is to see that the frigate program, for instance, is implemented immediately, and that those proposals which they have made to build navigational aid vessels, as well as search and supply vessels, are put into effect now, and not six months down the road?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, first of all, my colleagues gave me full support when I requested, in spite of the restraint program, an extension of the 9 per cent production subsidy for the shipbuilding industry to 1985, which also could enable several of our firms to get some export orders on which they are building the present time.

Second, we did stretch the rules of the Export Development Corporation a year ago at the request of my colleague, the Minister of Public Works, to ensure that the first major drilling rig for the East Coast of Canada was produced in Canada by Canadians. That was worth over $100 million. But just as my colleague, the Minister of Employment and Immigration, said, Madam Speaker, I think if there were a little less rhetoric from the other side of the House and a little more co-operative effort in trying to ensure jobs for Canadians, we could be more successful in industries such as the shipbuilding in areas such as the one from which the Hon. Member comes.

* * *

[*Translation*]

AGRICULTURE

STATE OF DISEASE AFFECTING PIGS IN DENMARK

Mr. Marcel Ostiguy (Saint-Hyacinthe-Bagot): Madam Speaker, my question is directed to the Minister of Agriculture or to his parliamentary secretary. More than a year ago, the Danish pork-producing industry was struck by an epidemic, and as a result, production was increased in Canada. Could the parliamentary secretary inform the House whether this epidemic in Denmark is now under control and what the effect will be on pork production in Canada?

Mr. Marcel Dionne (Parliamentary Secretary to Minister of Agriculture): Madam Speaker, in 1982, an epidemic did, indeed, cause a number of problems in Denmark, and this country has just confirmed that the epidemic still exists, since last week, 120 cases were reported among hogs and seventy-two cases among calves, all of which were slaughtered this week. It is obvious that the consequences will be the same as in 1982, that is, the epidemic will eliminate Denmark from export-import markets, with, once again, favourable consequences for Canadian producers. Finally, I can say that the same sanitary measures will be taken and that the Department is also taking very stringent action to prevent this disease from spreading to our country.

* * *

[*English*]

CANADIAN NATIONAL RAILWAYS

TRANSFER OF HEAVY FREIGHT OPERATIONS FROM PRINCE EDWARD ISLAND TO NEW BRUNSWICK

Mr. Tom McMillan (Hillsborough): Madam Speaker, my question is directed to the Minister of Transport. Senior Canadian National officials earlier this week advised the Government of Prince Edward Island of their plans to transfer most of the Island's heavy freight operations from the Island to Moncton, New Brunswick, as part of an over-all rationalization of services within that region and Quebec. Given that that measure, if it goes ahead, will render Prince Edward Island the only Province in Canada without a fully operational carload centre, will the Minister undertake to exercise every possible moral suasion with Canadian National officials in Montreal to have this disastrous decision reversed?

Hon. Jean-Luc Pepin (Minister of Transport): I must admit, Madam Speaker, that the Hon. Member has a very special way of introducing that question which makes my answer a little more difficult than it otherwise would have been. But each time that three or four or five jobs are lost in the CN there is a question or protest of this kind. My answer is always the same, that if my hon. friend wants CN to be viable and to give Canadian shippers the best possible rates, the lowest possible rates, they have to allow the Corporation to make these technological and administrative changes. In this particular instance it affects ten people, three of whom are going to stay in Charlottetown, two are being relocated, and the other five will be given the usual pre-retirement and retraining opportunities.

• (1450)

REQUEST THAT MINISTER INVESTIGATE TRANSFER

Mr. Tom McMillan (Hillsborough): Madam Speaker, I will put a supplementary question to the Minister of Transport. It is not just a few jobs that are involved; it is a question of whether we are going to have an essential service for the Island and an important part of the economic base of the Province.

Given that Island shippers require on-the-spot, direct, personal, day-to-day services provided by CN employees on the Island, rather than having those services provided by computers in some other part of Canada, and instead of echoing some rationale given to him by the head office of CN in Montreal, would the Minister take the initiative to investigate the matter himself? At the moment he is just echoing something said to him by people who have a vested interest in taking apart the railway in P.E.I.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I take some objection to the tone of the question, but I will not answer in kind. I am too generous and too cool to do that sort of thing.

Mr. Clark: That is why you ignored the CTC on VIA Rail.

Mr. Pepin: This is not a position that was imposed upon me by CN. I dare say that people in P.E.I. really believe, as I do, that these changes have to be made if potatoes, other agricultural products or the manufactured goods of P.E.I. are to be shipped at the best possible price. I think that this a strong belief throughout Canada. It has the name of productivity, if my hon. friend is looking for an expression to characterize it.

There is no law in the Constitution which indicates that all provinces should have centres of all Crown corporations of the country. There are other cases where centres are not located in every province in Canada. This is one of those instances, and I regret it. I prefer to be charming, but in this instance I think that the importance of the best possible rates for shippers is the predominant pre-occupation.

Oral Questions

NATIONAL DEFENCE

TORONTO AGENCY COLLECTING FEES FROM POTENTIAL ARMED FORCES RECRUITS

Mr. Dan Heap (Spadina): Madam Speaker, in the absence of the Minister of National Defence my question is directed to the Deputy Prime Minister. Are the Minister and the Government aware that in Spadina riding, at the corner of Bloor and Bathurst Streets, there is an enterprise advertising itself as "Jobmart" which promises, in return for a $50 fee, to give exclusive job-opening information to unemployed job seekers? One of the opportunities offered to those who have paid their $50 fee is the chance to apply to join the Canadian Armed Forces. Did the Minister or the Government authorize Jobmart so to advertise the Canadian Armed Forces recruiting program in return for a fee to be paid by the unemployed? If the Minister did not authorize this, what action will the Government take to end this misuse of the name of the Government of Canada in shamefully cheating Canada's unemployed men and women?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, I have no information on this point. I think the best answer is to rely on the good sense of the constituents of my hon. friend who would not likely be induced to pay a fee of $50 to join the Armed Forces of Canada. There is a great deal of advertising about the Forces which is well known to anyone who wants to join. I think the Hon. Member ought to rely more on the good sense of the public than upon actions to be taken by the Government at this time.

* * *

LABOUR CONDITIONS

SASKATCHEWAN POTASH INDUSTRY LAY-OFFS—REQUEST FOR GOVERNMENT ASSISTANCE

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, I have a supplementary question about jobs, for the Minister of International Trade. On December 22 last, in response to questions I asked him about potash workers being laid off in my Province, the Minister said that he would do everything possible to help. A few days ago 100 potash workers were laid off at the head office of the Potash Corporation of Saskatchewan, and another 900 workers will be laid off between now and the end of February. This means about half the potash workers in the Province will be laid off. This is largely because the provincial Tory Government scrapped the export wing of the Potash Corporation of Saskatchewan.

Will the Minister tell the House today what specific measures he will be taking to make sure that those workers in my Province get their jobs back within the next few weeks or months?

Hon. Gerald Regan (Minister of State (International Trade)): Madam Speaker, I am reluctant to become involved in disputes between the Hon. Member and the Government of Saskatchewan. I am sure that the Hon. Member is aware of the fact that international markets for potash, as a consequence of international economic conditions, are not in the sort of condition one would wish. I think he has to look in that direction to determine a large part of the nature of the problem that exists for this particular industry at the present time. The problem that it is experiencing is shared by many other potash producers around the world.

I can say to the Hon. Member that my Department remains available to assist in locating new markets that exist, at any time, but I cannot promise him an earlier solution to that particular problem than to the problem of economic improvement in general.

* * *

AIRPORTS

MIRABEL—SALE OF HOUSES TO PUBLIC SERVANTS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is for the Minister of Public Works. Will the Minister tell the House if the six properties at Mirabel which were sold to public servants were first offered to their original owners as is required by law?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, I should correct the record. I said public servants. In fact these are employees of the Crown corporation which administers the lands. They are not public servants in the traditional sense.

Mr. Nielsen: What Crown corporation?

Mr. LeBlanc: I would have to check the legality of this. I am not a lawyer. I would not even aspire to be one.

Some Hon. Members: Hear, hear!

Mr. Lawrence: There is no sense in overreaching yourself.

Mr. LeBlanc: I was alluding to the Right Hon. Member's former ambitions in that area.

I will have to inquire what the legalities of the situation are, and report to the Right Hon. Member.

Mr. Clark: Madam Speaker, I doubt that it would be possible to reach higher standards than those that have been established consistently by the Minister responsible for the pork-barrel in New Brunswick.

Some Hon. Members: Oh, oh!

PROVISIONS OF EXPROPRIATION ACT GOVERNING RESALE OF PROPERTY

Right Hon. Joe Clark (Leader of the Opposition): Let me return to the question, Madam Speaker. The Minister said earlier in the House that he had looked into those matters individually, and with great care. He should know that in the

case of the expropriation of land for which the Government no longer has a use, Section 19 of the Expropriation Act requires him to make a first offer to the original owners. That is the law that the Minister is sworn to uphold. Did the Minister follow the law in this case? Was a first offer made to the original owners before those six sales were made to employees of a federal Crown corporation?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, I inherited a dossier which said that the lands and the residences would be offered for sale to those who occupied them.

Mr. Nielsen: Oh, oh!

Mr. LeBlanc: The Hon. House Leader should really keep his cool.

I have asked that public servants or Crown corporation employees not take undue advantage of the situation. The figures that I have show that six out of some 180 sales were made to these people. That is a reasonable number and each case was looked into.

I did not investigate the legality of this. I am not a lawyer, but I will ask the law officers of my Department about it, and answer the Right Hon. Member's question.

Mr. Clark: Madam Speaker, what the Minister inherited was a law which he is sworn to implement.

QUERY RESPECTING OFFER TO ORIGINAL OWNERS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, the Minister indicated earlier that he carefully investigated the backgrounds of the purchasers, but he did not carefully investigate the law. Will he now answer the question. Was a first offer given to the original owners of these six properties? That is a simple question, and he should answer yes or no.

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, obviously I will look into this. I do not think that if the Hon. Member repeats the question for a fourth time, it will get me to give him more information than I have. I know what I have stated already.

Mr. Baker (Nepean-Carleton): It obviously is not very much.

Mr. LeBlanc: On the other issue he has raised, I will obviously ask the questions.

COMMUNICATIONS

UNLICENSED SATELLITE RECEIVING STATIONS

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, I have a question for the Minister of Communications. Last fall the Minister was very bellicose in making attacks on pubs and other institutions which had unlicensed earth stations. What has happened since then?

• (1500)

[*Translation*]

Hon. Francis Fox (Minister of Communications): Madam Speaker, as the Hon. Member is aware, our policy is aimed at protecting cable distributors who are licensed by the Canadian Government against unfair competition from people who pirate programs and try to retransmit them, thus competing with licensed cable distributors. There are a number of cases which will come before the courts in February, including one in Chicoutimi and another involving the Holiday Inn in Winnipeg. Meanwhile, as the Hon. Member is aware, the Newfoundland Court of Appeal has confirmed that as far as the reception of programs via satellite is concerned, the Canadian Government has full jurisdiction.

[*English*]

Mr. Beatty: It appears that the Minister has huffed and puffed, but he has yet to blow the house down.

LAYING OF CHARGES

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, I want to ask the Minister specifically how many charges have been laid, since last fall, as a result of his threats against the owners of unlicensed earth stations.

[*Translation*]

Hon. Francis Fox (Minister of Communications): Madam Speaker, following the statement I made last autumn, we got in touch with a number of people who were using antennae without getting permission from the CRTC and without a licence from the Department of Communications. I remember at least two hotels in the Toronto area which ceased such operations at our request, and there have been other cases in Canada where an order from the Department or the CRTC has put an end to such illegal activity.

I should hope, Madam Speaker, that it will not always be necessary to take legal action in order to make people comply with the law. I believe that now the Canadian Government has successfully put its case to the courts in Newfoundland and in a number of other instances, people will be more likely to comply with the requirements of our legislation.

Business of the House

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

MR. EPP—RECONSIDERATION OF BILL C-133

Hon. Jake Epp (Provencher): Madam Speaker, I have the honour to present a petition signed by approximately 200 constituents in my riding requesting the Government to re-establish the pension provisions as it had originally contracted them and asking the Government to withdraw Bill C-133.

MR. SKELLY—SHIPBUILDING POLICY

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, I have the honour to present a petition on behalf of more than 3,000 Canadians from coast to coast, calling upon the Government of Canada to implement an effective shipbuilding policy, to estalish a Canadian merchant fleet and, in addition, to plug the holes in the present policy in order that many thousands of Canadians can return to work.

* * *

CANADA DEPOSIT INSURANCE CORPORATION ACT

MEASURE TO AMEND

Hon. Paul J. Cosgrove (Minister of State (Finance)) moved for leave to introduce Bill C-142, an Act to amend the Canada Deposit Insurance Corporation Act.

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

* * *

BUSINESS OF THE HOUSE

NOTICE OF ALLOCATION OF TIME TO CONSIDER REPORT AND THIRD READING STAGES OF BILL C-133

Hon. Herb Gray (President of Treasury Board): Madam Speaker, I wish to inform the House that there have been consultations among the representatives of the Parties and that it has not been possible to reach an agreement pursuant to Standing Order 80 or 81 with regard to the allocation of time to the report stage and third reading stage of Bill C-133, an Act to amend the Supplementary Retirement Benefits Act (No. 2), and that, therefore, at the next sitting of the House I shall propose a motion pursuant to Standing Order 82 to allocate one sitting day to each of the said stages of the said Bill.

Some Hon. Members: Shame!

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Jim Peterson (Parliamentary Secretary to Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, the following questions will be answered today: Nos. 2,786, 4,563 and 4,585.

[*Text*]

HOUSE OF COMMONS PRINTERS

Question No. 2,786—**Mr. Cossitt:**

1. Has or will the Department of Supply and Services absorb approximately 50 to 55 printers of the House of Commons staff and, if so, for what reason?

2. What House of Commons items will be printed by the Department and, specifically, does this include householder mailings by Members of Parliament?

3. Is it now government policy to take over from the House of Commons printing services and any other House services and, if so, is it the government's intention to thereby place the House of Commons under control of the government in power rather than under its own control as in the past?

4. What are the names and job designations of all persons in the Department or persons who dealt with the Department that were involved in the planned takeover of certain House of Commons printing and was there any contact between the Department and House of Commons employees and, if so, did the Department initiate such contact and, if not, who did?

Hon. J.-J. Blais (Minister of Supply and Services): 1. The Department of Supply and Services (DSS) has absorbed 52 employees who were engaged at the House of Commons. These persons previously had produced householders in the House of Commons, but that work is now being produced by DSS.

2. The Canadian Government Printing Office has always had the responsibility for printing Parliamentary Papers including *Debates*, *Order Papers*, *Votes and Proceedings*, Bills and Committee Reports. The responsibility for printing householder mailings for Members of Parliament has been added recently.

3. No.

4. The following persons participated in the negotiations regarding householders.

Department of Supply and Services

G. A. Berger:	Assistant Deputy Minister Commercial Supply Service
Ed. Roberts:	Director General Canadian Government Printing Office
J. G. Jennings:	Printing Production Manager Canadian Government Printing Office
J. M. Denault:	Advisor Staff Relations Canadian Government Printing Office
D. Duguay:	Administrator Personnel Services Canadian Government Printing Office
B. Scott:	Acting Director, Main Plant Branch Canadian Government Printing Office
P. Tarnowski:	Chief, Industrial Engineering Division Canadian Government Printing Office

P. G. Franche:	Acting Director, Management Support Group Canadian Government Printing Office
House of Commons	
A. Silverman:	Administrator
Dr. R. C. Blain:	Director General Human Resources Directorate
R. J. Desramaux:	Director, Support Services
R. Laflamme:	Chief, Printing Operations Branch

Representatives from the Canadian Government Printing Office met with employees of the Printing Operations Branch of the House of Commons at the request of the Administrator of the House of Commons.

FINANCIAL CONTRIBUTION TO CANADIAN ASSOCIATION OF FIRE CHIEFS

Question No. 4,563—**Mr. MacKay:**

What is the financial contribution by the Government to the Canadian Association of Fire Chiefs, either directly through grants or indirectly through paid membership of the federal employees?

Hon. Roméo LeBlanc (Minister of Public Works): The Government of Canada makes a matching grant to the Canadian Association of Fire Chiefs (CAFC) up to a maximum of $25,000 subject to grants obtained from the Provinces in any fiscal year. Public Works Canada pays an annual membership of $65 to the Association in the name of the Fire Commissioner of Canada.

PAMPHLET "URBAN PARKS AND GREEN SPACES IN THE NATIONAL CAPITAL"

Question No. 4,585—**Mr. McCuish:**

1. Did the National Capital Commission publish a pamphlet entitled "Urban Parks and Green Spaces in the National Capital" and, if so (a) what was the total cost for the design, production and distribution (b) how many copies were printed and distributed to date (c) who was responsible for the design and production?

2. Was the contract awarded outside the Government and, if so, in what manner was it awarded?

Hon. Roméo LeBlanc (Minister of Public Works): 1. Yes. (a) $5,100; (b) 50,000 printed; 2,400 distributed to date; (c) Executive Director, Public Activities Branch, National Capital Commission

2. Yes. Printing contract awarded following tender call.

[*Translation*]

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

Madam Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

Deposit Insurance

MOTIONS FOR PAPERS

Mr. Jim Peterson (Parliamentary Secretary to Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, would you be so kind as to call Notice of Motion No. 113?

[*Text*]

COMPARISON OF CANADIAN AND UNITED STATES AGRICULTURAL SUBSIDIES

Motion No. 113—**Mr. de Jong:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of all studies, documents, research papers and reports done by or for any department or agency comparing Canadian government agricultural subsidies and United States government agricultural subsidies.

[*Translation*]

Mr. Marcel Dionne (Parliamentary Secretary to Minister of Agriculture): Madam Speaker, in answer to Notice of Motion No. 113, given by the Member for Regina East (Mr. de Jong), the Minister of Agriculture (Mr. Whelan) is not aware that the requested papers exist. He therefore asks the Hon. Member for Regina East to withdraw his motion.

[*English*]

Mr. Nielsen: Transfer for debate.

Madam Speaker: Transferred for debate.

[*Translation*]

Mr. Peterson: Madam Speaker, I would ask that the remaining notices of motion for the production of papers be allowed to stand.

Madam Speaker: Shall the notices of motion for the production of papers be allowed to stand?

Some Hon. Members: Agreed.

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*Translation*]

Madam Speaker: All orders preceding No. 465 under the heading: *Public Bills* and made by members shall be allowed to stand, by unanimous consent.

[*English*]

CANADA DEPOSIT INSURANCE CORPORATION ACT

AMENDMENT TO INCREASE BASIC DEPOSIT COVERAGE

Madam Speaker: Before proposing the question for the second reading of Bill C-665, an Act to amend the Canada Deposit Insurance Corporation Act, the Chair ought to express strong reservations as to the procedural acceptability of this Bill, which seems in part to infringe upon the financial initiative of the Crown as far as the power to pay any amount out of the Consolidated Revenue Fund is concerned.

Having entered this caveat, the Chair is prepared to allow debate to take place on the motion for second reading of Bill C-665. Should such debate come to an end, the Chair will have to rule on the procedural acceptability of this Bill.

Hon. Flora MacDonald (Kingston and the Islands) moved that Bill C-665, an Act to amend the Canada Deposit Insurance Corporation Act, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

She said: Madam Speaker, the Private Member's Bill which I have before the House this afternoon, Bill C-665, comes, I would say, at a particularly propitious time. I make that statement, of course, because of the very great concern which surrounds the takeover of certain trust companies based in Toronto and the increased attention that has been paid to that matter in recent days. I would also suggest that that concern has been in the public domain for quite a time.

• (1510)

The purpose of my Bill—and this will explain why it comes at such a propitious time—is to amend the Canada Deposit Insurance Corporation Act so as to increase present insurance coverage for depositors from $20,000 to $100,000. This is a move which is long overdue. The insurance coverage under the Canada Deposit Insurance Corporation Act has really not been changed since the Act was brought into effect back in 1967, even though the $20,000 coverage that was established some 15 years ago is totally unrealistic given today's economic realities. A sum of $20,000 in 1967 dollars no longer has anything like that value today; it is perhaps 40 per cent of the value of $20,000 in 1967. Therefore, it has no relevancy to the needs of today.

I reiterate, sir, that this increase is long overdue. Arguments favouring such a move have come from a variety of sources over a considerable period of time, and rightly so. They have come because of inflation, high interest rates, rampant unemployment and huge deficits. These things have all contributed to the very uncertain economic climate in which Canadians exist today. These are the conditions which have caused Canadians to view their economic security with anxiety and concern. That concern is not limited solely to the vast national problems that affect this country. It is not limited to the economic instability and uncertainty that one hears being expressed from coast to coast. It centres more and more upon the personal financial security of individuals. People are wondering how they are going to stand in relation to their own future.

That concern was expressed long before the recent developments with regard to Crown Trust, Greymac Trust and Seaway Trust. Obviously those developments which have taken place in recent days have aggravated the concern considerably. But for much of the last year and indeed before that I was being questioned more and more often by people in my own riding and by groups to whom I have spoken elsewhere about the security of their deposits with banks and trust companies.

It was in response to those repeatedly expressed concerns that I introduced this Private Members' Bill, hoping that it might be given serious consideration and, indeed, that it would be given acceptance by the Government. In so doing, it would give assurance as well to the individuals concerned that their life savings, in whatever form they might be, whether as RRSPs or as deposits in banks, would not be in any jeopardy.

Canadians are only too well aware that the country has been on an economic roller coaster for some years now. The time has come, therefore, to strengthen some of the safety features which are supposedly in place to protect Canadians. Obviously, the Canada Deposit Insurance Corporation Act is one such measure which needs strengthening. If that measure is going to be there to protect Canadians, then we ought to do what it says we will do, and that is, protect them. At the moment the $20,000 limit does not. What I am suggesting today would help to meet that protection.

Various proposals have been put forward over the years to achieve that goal. My Bill is one such proposal. It would increase the coverage for insurance from $20,000 to $100,000. This proposal does not originate with me; it has been presented by many people and it has been well argued by several organizations. The Consumers' Association of Canada is one such organization that has put forward this proposal.

Tom Delaney, the economic policy adviser for the Consumers' Association of Canada, was quoted in an article which appeared in *The Globe and Mail* on Monday, January 10, 1983. He said that the federal Government should immediately strengthen its deposit insurance protection limits to $100,000 and iron out confusion in the legislation to avert what he calls a crisis of confidence in the trust industry. He is quoted as having said the following:

> I'm not saying this is the doomsday scenario, but it's the kind of thing that demonstrates the reason for the CAC's concern over the years.

Concern has been expressed repeatedly by Mr. Delaney and others.

It is my understanding that the Canadian Bankers' Association has suggested increasing the coverage to $40,000 with unlimited coverage for RRSPs. I may be misinterpreting their position, and if so, I am sorry. But if I am correct in my interpretation of what they would like to see instituted, then that is a proposal well worth considering.

This afternoon the Minister of State for Finance (Mr. Cosgrove) finally got around to introducing a Government bill

to raise the coverage by the Canada Deposit Insurance Corporation from $20,000 to $60,000 with protection being retroactive to January 17, 1983. He is the latest in a series of individuals to make proposals along this line. Though I am glad to see the Government is finally taking some positive steps toward reviewing the present insurance arrangement, I am concerned about several factors of that Bill.

First, as my colleague, the Hon. Member for St. Catharines (Mr. Reid), who also has a Private Members' Bill before the House on this subject, said earlier today in the House, there is some question as to whether or not there would be adequate protection for depositors under the retroactive legislation proposed by the Minister.

In a *Toronto Star* article dated January 18, 1983, Mr. Robert Hammond, a Director of the Canadian Deposit Insurance Corporation and Superintendent of Insurance, said that until the legislation is passed in the House of Commons depositors will still be limited to $20,000, although they will be protected to $60,000. As a result of this difference in opinion as to the actual protection available, I point to the urgency for this House to end the uncertainty for depositors. That uncertainty can indeed be ended by sending this Bill to committee so that the issue can be studied and adequate protection established at the earliest possible moment. Canadian investors must have that insurance. There exists too much uncertainty today. For instance, how long would it take an investor to be reimbursed for any loss by the Canada Deposit Insurance Corporation; and would the reimbursement include interest for the period of time that the investor has to wait for the payment to be made? Those are questions which further aggravate the uncertainty.

Two concerns have been expressed to me about my Bill, Mr. Speaker. One is that it would cause a very significant increase in the premiums that would have to be paid by the chartered banks on insurance deposits which they have in the Canada Deposit Insurance Corporation. While I sympathize with their dilemma, I am confident of their ability to meet it.

The other concern that has been expressed is that the increase in insurance coverage to $100,000 may, in itself, add to the anxiety and uncertainty of depositors. In other words, it might cause alarm that a crisis may be imminent. My Bill is intended to do just the opposite. The anxiety and the uncertainty exists already. They are there and cannot be denied. The best way to overcome them is to provide the security that investors have a right to expect. I know of no better way to accomplish this than to send this Bill to the Standing Committee on Finance, Trade and Economic Affairs this very afternoon so that we can get on with implementing its provisions and introduce a level of insurance that will guarantee protection to investors so that the uncertainty and anxiety which exists in the country will be erased.

• (1520)

Mr. John Evans (Ottawa Centre): Mr. Speaker, it is a pleasure for me to rise to speak in this very important debate concerning the security of the deposits which Canadians have in our financial institutions. This important issue has been considered in previous deliberations in the very committee to which the Hon. Member would like to send her Bill, the Standing Committee on Finance, Trade and Economic Affairs. We undertook that study during our deliberations on the question of bank profits when all Members of the House were represented in the Committee. At the time of the report, one of the Parties had decided to withdraw. Certainly the Members of the Official Opposition and the Government were represented during those deliberations and they concurred entirely in the recommendations.

It was made clear by both Members of the Official Opposition and the Government during our discussion on the question of deposit insurance that a $60,000 limit was adequate, given the purpose for which deposit insurance is in place and the changes which have occurred since 1967 when deposit insurance was established at $20,000 per institution, with some exceptions. The existing law has been changed as a result of the announcement by the Minister of State for Finance (Mr. Cosgrove) on Monday, when he indicated that any deposit in place from Monday onward would be covered by the new limits, which have been raised to $60,000 from $20,000.

The question we were concerned with at the committee deliberations was the limit at which deposit insurance should be set in order to provide adequate coverage. One can see the necessity for deposit insurance when its history is reviewed. Deposit insurance was originally established in the 1930s, primarily at the initiative of the United States but in Canada as well. The difficulties faced in the United States were much more serious since bank failures had taken place in that country. Authorities in the United States were much more fearful that, if no protection were provided for a depositor's funds in financial institutions, there would continue to be runs on institutions whenever there was a rumour that depositors' funds may not be safe in a particular institution which might not have been able to reimburse the full value of a deposit.

In Canada, our track record in this regard has been much better. I believe that the last bank failure occurred in the mid-1920s and it was a relatively small bank.

Mr. Blenkarn: What about trust companies?

Mr. Evans: Our institutions have been solvent and have not experienced any problems of failure—except for the recent example that the Hon. Member just mentioned of Astra Trust.

Mr. Kempling: What about Argosy?

Mr. Evans: Canadian depositors have been very well protected by the institutions. In addition, however, deposit insurance has been in place up to the amount of $20,000. This deposit insurance is structured in such a way that $20,000 is not the total coverage that is available to an individual who has means in excess of $20,000. For example, this means that a depositor can have a deposit at an institution with coverage at all branches of the institution, whether a bank or trust company, up to a maximum of $20,000, but that person's spouse can also have coverage in the same institution for accounts in

that person's name of up to $20,000. As well, they can both have a third joint account which is also covered. Under the old rules, this meant that a person and their spouse could be covered up to a maximum at that time of three times $20,000 or $60,000.

In addition to that, the deposit insurance limits apply to the value of deposits in a particular institution. Therefore, if a person deposits up to $20,000 in one institution, they are covered; if they deposit $20,000 in a second institution and $20,000 in a third institution, they are also covered. This means that a person can achieve total coverage equal to the amount of their deposit, whether $100,000 or $200,000, by splitting deposits among different institutions.

The difficulty that arose was that the increase in inflation and salaries gave rise to increased savings and the limit of $20,000 became very inappropriate. For example, the three-year maximum limit of RRSP contributions would amount to approximately $15,000 or $16,000 plus interest, and a person could exceed the total value of the deposit insurance in that institution very quickly. This is a result of the limits remaining unchanged since 1967 while inflation has certainly escalated the amount of savings and income available.

During the review of this whole question in the Standing Committee on Finance, Trade and Economic Affairs' study of bank profits, the Members of the Committee unanimously agreed, as appears at page 21 of the Committee hearings, that:

> Deposit insurance is also important as a means of protecting depositors' savings.

Here, we were referring to the whole question of bank solvency and bank liquidity, but we were not just concerned with chartered banks. We had broadened our scope implicitly to include the solvency and financial integrity of all financial institutions which accepted deposits. The Committee went on to say:

> Since it was first implemented in 1967, the value of the protection this insurance offers to depositors has been seriously eroded by inflation. The Committee therefore recommends that:
>
> 8. Deposit insurance should be increased to afford a better real protection of depositors' savings. The level of insurance for each individual depositor with any bank should be raised from the present $20,000 to at least $60,000, which restores the real value of protection offered when it was introduced in 1967. The level of deposit insurance should be reviewed every five years.

I believe that was a very good recommendation. It was responsible in light of all of the facts. It certainly goes to restore the real value of the protection that was provided.

I would note that this recommendation is fully reflected in the Bill that the Hon. Minister introduced in the House today and in the statement that he made on Monday with regard to the Bill that the limits have now been increased to $60,000 as recommended. While I have not yet seen the Bill, I urge that there should be some protection for an automatic review of those ceiling limits if that is not in the Bill. There should be some provision for automatic review of those ceiling limits every five years, as we have recommended in the committee report. Every five years we should review the limits of deposit insurance coverage and then we would not get ourselves back into the position we are now facing. Such was the motivation behind the Bill presented by the Hon. Member for Kingston and the Islands (Miss MacDonald). Fifteen or sixteen years after the fact we are just getting around to modifying those limits.

• (1530)

We in the committee felt very strongly that not only should the limits be increased, but there should also be an automatic provision in the Bill that the question concerning limits and their adequacy should be brought before Parliament at least once every five years.

Therefore, the question is whether the Government Bill and the raising of the limit from $20,000 to $60,000 is adequate or whether those limits should be further raised to $100,000. I do not think it is necessary to raise those limits to $100,000. I have noted Mr. Delaney's comments, a man I have known for a long time. I respect his work for the Consumers' Association and as a private consultant in the field of financial affairs.

The other night, on "The Journal", I believe Mr. Delaney indicated that the Government's action was too little, too late. I do not agree that it is either too little or too late because certainly, now that we have increased the limit to $60,000 through the multiple family accounts which I described earlier, a person, with his or her spouse, could obtain coverage in a single institution up to $180,000. On the other hand, by simply splitting the accounts across three institutions, for example, a bank, a trust company, and another trust company or bank, which can now be done efficiently because the amounts which we are discussing are large enough, the individual can again be covered up to $180,000, or, across four institutions, up to $240,000.

These limits, these amounts, go far beyond the financial savings of the vast majority of Canadians, and I also think it is good, sound financial practice, for purposes of financial planning and management, for people not to place all of their savings in one institution. It is a good idea to diversify those savings across several institutions and several kinds of investment vehicles, such as five-year guaranteed investment certificates, perhaps self-administered registered retirement savings plans of various forms, or short-term savings certificates. Various forms of financial instruments should be invested in when one is considering the volumes of money we are discussing here under the new coverage. Certainly, a person would be wise to spread those moneys across institutions simply because different institutions have different performance patterns. In order to get a good average rate of return representing what can be achieved from the marketplace, so to speak, it is a good idea to diversify.

Certainly, the coverage we are now asking Parliament to approve in the Minister's Bill today, $60,000, would provide adequate coverage for a very sound investment in any one institution and would allow efficient splitting of savings across institutions, whereas the $20,000 limit clearly did not and needed to be raised. It caused people to find it necessary to distribute their savings of, say, $100,000 or $110,000 in RRSP

across five, six or seven institutions. Not only is that inefficient, but it is also difficult for the individual to administer that kind of fund. It also adds to the cost of the institutions involved and thereby lowers the return which could be paid to savers. This is because if an institution has many small accounts of $15,000, for example, instead of a few larger accounts, its cost of doing business increases. It either lowers the rate which can be paid on savings, or it tends to increase the rate paid on loans. Not only do we want to try to make the system fair, equitable and safe for Canadian savers, but we also want to try to make the system efficient from the point of view of the Canadian financial institutions so that the rates of interest charged on loans are the lowest they could possibly be and the rates on savings are the highest they could possibly be.

I think the amendment by the Minister to the Act is an adequate one. It is one which was very strongly recommended by the Finance Committee, there being unanimous agreement of its members. I might add that there was no logical argument against this proposal given to us by the Hon. Member for Kingston and the Islands other than the fact that the United States has a limit of $100,000. I think there are some other differences of which she may be aware between how deposit insurance is handled in the United States and how it is handled here. It is also a fact that Mr. Delaney of the Consumer's Association of Canada has recommended a limit of $100,000. I believe the basis of his recommendation is that that is the limit in the United States.

I believe that with the amendment concerning the limit proposed by the Minister of $60,000, in fact the one which is now in place for Canadian depositors, we will be able to provide adequate protection for deposits of any size if they are split in the way I have suggested. I do not see any need to impose additional cost on financial institutions by raising the limit from $60,000 to $100,000, so I do not see the logic in the argument in favour of $100,000. Certainly, in 1967 there was logic in setting the rate at $20,000. The Hon. Member for Kingston and the Islands said that that has now been depreciated to 40 per cent of its original value in real terms, which would mean that it has been dropped down to real coverage of $8,000. If we multiply that by 2.5, it is once again $20,000, which would be full coverage. Therefore, 2.5 times the 1967 value, according to her figures, would bring it to full value.

Miss MacDonald: I am thinking ahead.

Mr. Evans: However, 2.5 times $20,000 is $50,000, the Minister has proposed a limit of $60,000, and she is proposing $100,000. I suggest that perhaps the Hon. Member's figures are slightly off because we considered that situation, and increasing the limit from $20,000 to $60,000 is very close to being the full readjustment for inflation. I think it is more than 50 per cent. I think the depreciation has come down further than 40 per cent. Therefore, the actual restoration of original value requires that we increase from $20,000 to $60,000 today, and then there would be an automatic review every five years to upgrade or adjust if inflation continues at a high rate, which I certainly do not expect and I know the Government does not. The financial markets certainly are not predicting inflation at historical rates, so we would expect that there might be some deterioration relative to the same extent as we have experienced lately.

Concerning raising the limits further, beyond $60,000, one must consider that in the way our deposit insurance is structured, all institutions are required to pay about one-thirtieth of 1 per cent on deposit liabilities as a contribution to the fund. That percentage varies depending on the type and size of fund and the necessity of further contributions.

There is another issue involving raising the limit which would affect all institutions, especially those which are marginal and might be in a position to get themselves into trouble, such as the ones in the marketplace which have been the subject of much public and media coverage in the last few months. The argument against raising the limit is that institutions which might have marginal lending and investment practices would then be able to borrow from the public through the form of deposits up to a maximum of $100,000 and would have this public insurance umbrella. The fact is that, as a result of that ability, other institutions would have to pay higher premiums for deposit insurance to provide the coverage necessary to protect the public interest with regard to deposits in some of these more marginal institutions. That kind of redistribution I do not think is right; I do not think it is fair.

• (1540)

We have to provide a balance between causing the stable, sound institutions to subsidize the less stable institutions, and at the same time protect the public interest. I think a $60,000 limit does precisely that. It provides for a sound coverage of deposit insurance and at the same time it does not increase the limits to the extent which would allow some of the more marginal institutions—there are certainly some in Canada and there could be more in the future—to exceed their depth at the expense of a publicly insured deposit situation.

Looking at the actual Canadian experience with deposit insurance, there are some figures as to how much additional benefit the Canadian depositor would receive from going from $60,000 to $100,000. Here are some estimates of the percentage of deposits that would be covered at the various levels of deposit insurance. In the case of banks, with the limit at $60,000, 79 per cent of all deposits in the chartered banks are less than $60,000. When you go to $100,000, you only move from 79 per cent to 83 per cent. So you do not achieve a great deal of increase of protection for Canadians by increasing the limit from $60,000 to $100,000.

In the case of trust companies, 92 per cent of all deposits are less than $60,000 and 95 per cent are less than $100,000. For an additional $40,000 of protection and the costs associated with that, you only increase the percentage of total deposits covered by 3 per cent, whether it be with banks or with trust companies.

I think that the possibility of splitting deposits efficiently now, with the new limits of $60,000, and the fact that the vast majority of deposits are being covered by these limits, means that we should support the Government Bill to increase these

limits to $60,000. I suggest that if we could get together in the Steering Committee on Finance and come to an agreement, I can see no reason why we could not give the Government Bill all three readings in very short order.

The Acting Speaker (Mr. Blaker): The Hon. Member for Edmonton-Strathcona (Mr. Kilgour) on a point of order.

Mr. Kilgour: Mr. Speaker, I wanted to ask the Hon. Member a question but there are other speakers who want to use the time.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I will be brief in order that we can move this Bill quickly into the Finance Committee for rapid passage, but I do want to make two or three comments. The Bill is long overdue but I am encouraged that this Bill, which was brought forward by the Hon. Member for Kingston and the Islands (Miss MacDonald), is finally before us.

The Committee to which the previous speaker referred tabled the study into bank profits earlier in the summer, and only on Monday did the Government see fit to bring in their Bill. I wonder if the Hon. Member for Kingston and the Islands had not introduced this Bill whether that kind of action would have been seen. But whatever the reason, we are now dealing with this very important matter in an effort to bring some stability and to build confidence in Canada. To say that there is a feeling of uncertainty in the country would be an oversimplification. Indeed, for many people in this country there is a certain sense of fear. The takeover of the assets of the three trust companies by the Province of Ontario recently does little to dispel that fear and the most haste we can bring to bear on this Bill will be in the best interests of developing security and hope for the future of Canada.

I have very little interest in the debate on whether or not the maximum should be $60,000 or $100,000. I think that is a point open for some discussion. I have listened to the two previous speakers who have made a strong case for one or the other. I suppose I feel at the moment that $60,000 would be an appropriate figure, for a number of reasons. I understand that a $60,000 maximum would in fact cover about 92 per cent of deposits in trust companies. Raising the limit to $100,000 would move that figure up to 95 per cent, and for that 3 per cent difference, and considering the extra premiums that would be expected from the institutions, I am not certain that is really necessary at this point.

I, along with others, have received a great number of representations, both from trust companies and from individuals who are very concerned. My colleagues from Kootenay West (Mr. Kristiansen) and the Battlefords-Meadow Lake (Mr. Anguish) have expressed the concerns of their constituents. A typical example could involve a man and wife who have on deposit with one of the controversial trust companies, Greymac, about $55,000. Under the present legislation they are not fully protected. They are viewing this as retirement income and are bringing to their Member's attention their concern and urging him to press for raising that deposit insurance from $20,000 to $60,000, or higher. Again I say that at $40,000 or $60,000 I believe a case can be made for either one.

I listened with interest to the Hon. Member for Kingston and the Islands who I believe referred to the $100,000 coming from the American model. While we recognize that the United States banking and financial system generally is quite different from ours in Canada, being more along monopoly lines I suppose one of the benefits is that it does provide more security as opposed to the small, independent banks in the United States.

With the $60,000 limit a couple could have security for $180,000 in terms of each individual having an independent deposit protection of $60,000, as well as sharing a joint deposit with the $60,000 coverage.

As other speakers have suggested, spreading one's deposits among various institutions simply reflects good business practice and is probably in their best interest. Again, a $60,000 maximum would probably provide one with all the coverage one may need to expect.

I do appreciate the initiative which has been taken by the Hon. Member for Kingston and the Islands. I would like to see this Bill referred to committee today and let us get on with it quickly and get it back into the House. I know that as a steering committee we will have no difficulty in negotiating a $60,000 or $100,000 sum. Then we can get the Bill back into the House for rapid passage, preferably without debate.

The Acting Speaker (Mr. Blaker): The Hon. Member for Mississauga.

Mr. Fisher: Which Mississauga?

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, my friend from Mississauga North (Mr. Fisher) will note that the Speaker called me the Member for Mississauga! It depends how the representation is in the city.

There are two questions which have been raised in this debate which I think should be dealt with immediately. First is the question whether the limit should be $60,000 or $100,000. Our friend from Ottawa Centre (Mr. Evans) suggested that the difference was not that much in terms of the numbers of people being covered. He said that 92 per cent of the trust company deposits were less than $60,000 and that 95 per cent of them were less than $100,000. So the Hon. Member asked, why not make it just $60,000? The answer, of course, is why not make it $100,000, because the additional risk is quite minimal. So why not go for the $100,000?

The second question he raised concerned the decision to make the limit $60,000. I remind him that that was before it became eminently apparent that the Government had lost track of its management responsibilities in the money markets. There is a real fear, concern and lack of confidence that has developed, and it is essential that we do something and do it well in order to restore that confidence. I say that $60,000 does not have the ring of confidence that $100,000 has. As the

Member for Ottawa Centre pointed out, the cost is not that much different.

• (1550)

The Government has a responsibility to supervise these companies. One way of ensuring that supervision is carried out is to increase the liability of the Government for its failure to supervise. That can easily be done by changing the terms of the Canada Deposit Insurance Corporation Act to $100,000. That $100,000 will give real assurance that the Canada Deposit Insurance Corporation will look at the securities held by trust and loan companies and make sure that they are properly policed. They have not been properly policed.

We have seen that with the incorporation of Greymac and Seaway by this Government. Seaway was incorporated in 1982. It was not incorporated in 1981. Imagine a company being incorporated in 1982 and before even a year had elapsed it has already had seized its assets and responsibility for deposits. That is a clear indication of lack of attention to detail by that ministry. It is important to restore confidence. This Bill is an attempt to do that.

The next question is, why not proceed instead with the Government legislation? I remind Hon. Members that the Government has been attempting to end this session of Parliament since November, so it says. There are some 18 or 19 Bills which the House Leader has indicated are essential, even though this session is to end relatively early in February. Where will we get time to deal with that piece of legislation? The probability is that, having introduced the legislation and having made a fuss about introducing it, the Government will do as it did with the Bankruptcy Act and a whole series of other statutes. They leave them on the Order Paper. They boasted about them, sent out pamphlets, did their PR work, but they have not been passed.

If this House really intends to deal with deposit insurance and intends to get down to the business of increasing the limit, why not take advantage of this Bill, pass it at second reading and get it to committee? Amendments can easily be made in committee, hearings held quickly, the Bill brought back to the House and the matter dealt with.

The Government has a shortage of House time. We are suggesting that this is an opportunity to take advantage of Private Members' time to get what amounts to Government legislation through the House now. To make sure the Private Members' hour does not elapse, I will resume my seat and let this Bill come to a vote.

Mr. Douglas Fisher (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I appreciate the opportunity to make a few comments on this Bill. May I say at the beginning that I welcome it, and I welcome some of the comments that have been made. A few moments before the debate began we heard the Speaker say she had some reservations about this Bill and would have to pass judgment on it if it got as far as a vote. I take those directions from Madam Speaker very seriously. However, we can be assured that the debate today has been most useful and welcome in light of the tabling of the Government's Bill earlier today in the House. This has been a constructive joining of efforts to advance the issue and clear up some of the comments on it.

I extend my congratulations to the Hon. Member for Kingston and the Islands (Miss MacDonald) for her obvious concern about this topic and to the other speakers who rose to comment. We all join in trying to clear the air at a time of uncertainty and to give the ordinary depositor and the ordinary Canadian a sense that the safety net of deposit insurance is intact and satisfactory.

Along that vein, I would like to refer to an editorial in the *Toronto Star* of January 18, yesterday, entitled "And Ottawa's reassuring step". I quote:

> Given the concerns raised by Consumer and Commercial Relations Minister Robert Elgie's statement yesterday, Ottawa's decision to triple the level of protection for people who entrust their money to financial institutions comes not a moment too soon.

I quote from the end of the same editorial:

> It is vital that people be able to have full faith in our financial institutions and not have to fear the slightest possibility that their life's savings could be wiped out at a strike, through no fault of their own. Cosgrove's announcement is a reassuring step in that direction.

There are two initial comments that can be made about this present debate. First, as I have already said, we welcome the opportunity to debate this question. Second, we are grateful to the Hon. Member for Ottawa Centre (Mr. Evans) and other Members of the Finance Committee for the hard work they did on the bank profits study which provided much of the factual background for a Bill such as the one before us.

The increase to $60,000 does give much of the reassurance that the Hon. Member for Mississauga South (Mr. Blenkarn) is seeking for ordinary savers. It is important and notable that 92 per cent of all the deposits in trust companies are covered by the $60,000 limit. Equally important, almost 79 per cent of bank deposits are covered by that limit.

As the Hon. Member for Kamloops-Shuswap (Mr. Riis) pointed out, that is an important emphasis for the trust companies, which appear to be much more vulnerable than the banks. As he said, it is an important benefit that we get from the Canadian banking system. When a community suffers an economic setback, the banking system in that community does not become vulnerable. People's savings are protected by these large banks and the strength of the whole system is applied to the individual community.

There is a different system in the United States. They have community-located banks which are more vulnerable than our banks. They are not able to bring this national strength to bear when a local community runs into economic difficulty.

The fact that 92 per cent of the trust and loan company deposits are covered by this $60,000 dealing is significant. It is no secret that for some time the Government has been considering the question of increasing this ceiling. The Government's Bill, the one introduced today, applies additional insurance protection to the existing deposits in those Ontario trust

companies which are currently in difficulty and, as a result, their depositors are not going to suffer.

• (1600)

Now, before I go further, Mr. Speaker, I would like to point out some important aspects of the deposit insurance provided by the CDIC. The Corporation was established by federal legislation in 1967, in the wake of the failure of another Ontario trust company in which a considerable number of people lost their savings. Membership in the Corporation is restricted to banks, trust companies and mortgage loan companies. It is mandatory for federally-incorporated companies. Provincially-incorporated trust and mortgage loan companies must apply for membership and they are accepted only if the Government of their Province has approved the application and certain standards and conditions are met.

Deposits with companies in Quebec which are incorporated by that Province are covered by the deposit insurance plan administered by the Quebec Deposit Insurance Board. Obviously, the main difference between the Bill we are debating today and the Government's new proposal involves the amount of the maximum limit of deposits covered by insurance.

The Hon. Member today in her Bill proposes that the present $20,000 limit be escalated up to $100,000. The Government in the Bill we introduced today suggests that the ceiling be increased to $60,000. This is the amount which was recommended, as we have discussed, by the Standing Committee on Finance, Trade and Economic Affairs in the report on July 27 on bank profits. It is a reasonable amount, reflecting the increases in incomes, prices and savings since the deposit insurance plan was begun in 1967.

Interestingly enough, *The Toronto Star* in that same editorial estimates that the $20,000 limit would translate from 1967 to today at approximately $63,000. There are additional factors, however, which argue in favour of the $60,000 maximum. One of the most important considerations relates to the basic purpose of the deposit insurance scheme. The goal of the 1967 legislation, and the goal we should be seeking today, is to provide substantial insurance for the savings of average Canadians.

The plan recognizes that ordinary Canadians should be able to deposit their savings in our basic financial institutions with the confidence that their money will be safe. Ordinary Canadians should not have to equip themselves with sophisticated skills and knowledge so as to reassure themselves that this kind of savings deposit can be made with assurance.

Mr. Blenkarn: On a point of order, would the Hon. Member for Mississauga North (Mr. Fisher) accept a question?

Mr. Fisher: Mr. Speaker, I would be delighted to accept a question from my colleague, the Hon. Member for Mississauga South, my compatriot from that beautiful city, but perhaps he would be courteous enough to let me finish my remarks and then I would love to hear from him. It would be a great pleasure.

I suggest that people with individual investments as large as $100,000 can reasonably be expected either to have some knowledge of financial markets, or go to someone who does have that knowledge and equip themselves with that knowledge.

The extent of coverage being provided, even with the existing $20,000 ceiling, really is substantial. We heard from the Hon. Member for Kamloops-Shuswap (Mr. Riis) along those lines. With the $20,000 limit, CDIC estimates that there is a total insurance protection for 63 per cent of bank deposits and 76 per cent of trust and loan company deposits. The proposed $60,000 ceiling would mean that approximately 79 per cent of bank deposits would be insured, and trust and loan companies would include 92 per cent of the deposits.

I would point out that even the average investor is not so unsophisticated that he or she is unaware that there are very simple ways of ensuring insurance protection for amounts of savings greater than the $20,000 limit, or $60,000 under the new proposal. Since the limit applies to the total of deposits which an individual has in his or her name within a single institution, that person can simply place extra amounts on deposit in another institution. Even within a single institution, a married person is insured to the maximum amount in his or her own name, and at the same time has the maximum insurance in a joint account held by both spouses. To carry the point further, the other spouse may have a third account insured to the maximum. Therefore, by using three different accounts, a married couple, under the $60,000 ceiling, is insured for up to a total of $180,000 in a single institution. Given these facts, it can hardly be argued that the $60,000 limit is unreasonably low and will not provide the means for adequate insurance protection for the savings of a vast majority of Canadians.

The argument is also made, and was made here today, that because of the large amounts of savings accumulated in recent years in Registered Retirement Savings Plans, and to a lesser extent in Home Ownership Savings Plans, the insurance maximum should be tailored to better accommodate RRSPs. That would not be a wise course for a number of reasons. We should bear in mind that deposits in RRSPs and RHOSPs can be invested in a variety of ways, not only via an insured account in CDIC member institutions. Assets of RRSPs which are invested in this way are insured separately from any other deposit of the holder of the RRSP; thus such an individual has up to $60,000 of insurance for the RRSP savings in such a plan, on top of the other insurance for ordinary deposits outside the RRSP. To provide a higher ceiling for RRSP savings would obviously bias and distort the decisions which are now made as to how RRSP funds are invested. Furthermore, it would discriminate against the very large number of employer/employee pension plans which cover a large proportion of our working force and which do not have similar insurance guarantees for their solvency.

One other essential question must also be addressed in judging a proper limit for this kind of insurance protection.

That point involves the need in our system of financial institutions to encourage good management and sound financial practices. That point can hardly be over-estimated in light of recent occurrences in Ontario. It is unreasonable to expect that the federal and provincial agencies which supervise trust and loan companies can on their own ensure the soundness of all the investment decisions made by every company. That would require an army of inspectors. Therefore, we must ensure that the broad rules under which these companies operate are such as to encourage prudent investment decisions within the industry. In other words, we should not be concerned that the limits for deposit insurance are not so high that they serve to encourage speculative investments or firms with inadequate financial resources and weak management. There must be fairness and balance in the system.

Bear in mind that the CDIC insurance fund is financed through premiums from its member institutions. The large, strong institutions which hold the great majority of deposits are, therefore, the principal source of funds for the CDIC. Even without the insurance system, their deposits could be considered secure. It would, therefore, be difficult to justify forcing such institutions to contribute to a fund that would underwrite the operations of smaller and weaker institutions, if we are talking about insuring a deposit of $100,000.

• (1610)

The Acting Speaker (Mr. Blaker): Order, please. I am sorry to interrupt the Hon. Member. I would remind Hon. Members that under the provision of new rules and Standing Orders for the House of Commons, one hour has been provided for the discussion of Private Members' Public Bills. That hour has expired and accordingly, pursuant to Standing Order 24(2), it is my duty to interrupt the proceedings.

PRIVATE MEMBERS' MOTIONS

[*English*]

INCOME TAX ACT

SUGGESTED DEDUCTION FOR VOLUNTARY FIREMEN

Mr. John McDermid (Brampton-Georgetown) moved:

That, in the opinion of this House, the Government should consider the advisability of amending the Income Tax Act in order to allow voluntary firemen to deduct from their income $1,000 for all expenses incurred in the exercise of their duties.

He said: Mr. Speaker, it is indeed a pleasure to address the above motion which I originally made on April 15, 1980 under the then Standing Order 15.

I have a soft spot in my heart for firefighters in this country, Mr. Speaker, particularly volunteer firefighters. I wish to recognize the service they provide and, if I may, I will relate a story to the House.

Last March, at eight o'clock one morning as I was getting ready to come up to the Hill, the fire alarm went off in the apartment building in which I live in Ottawa. Anyone who

lives in an apartment building knows that the fire alarm goes off quite often. This time, however, I opened the door to check and found the hall filled with smoke and the apartment next to mine on fire. I ran down the hall, grabbed the hose and at full speed headed for the apartment, only to find that the hose was about 40 feet too short to reach it and so I fell flat on my fanny. By this time the fire was well under way and the smoke filled the hallways.

If anyone has ever been in a fire they will know just what I am talking about. It is not a situation I should like to experience again. However, it gave me a far greater appreciation of the dangers that firefighters have to face. It also showed me, in very dramatic detail, what damage smoke can do to an apartment and to clothes. There was a total of $4,000 smoke damage done to my apartment alone. I can now appreciate the damage done to the personal belongings of people who go to fight fires. This reinforces my feelings about the importance of firefighters, particularly volunteer firefighters, and what they go through.

In 1975, at the sixtieth annual conference of The Canadian Association of Fire Chiefs, a resolution was introduced by the voluntary sector of the Fire Chiefs' Association of British Columbia regarding an increase in the income tax exemption for all volunteer firemen. I will not read the entire motion but at that time a $300 exemption was allowed to volunteer firefighters for expenses incurred as a consequence of their duties. This exemption was introduced about 36 years ago and had not been changed since then. In 1979, the Hon. Member for St. John's West (Mr. Crosbie) proposed an increase in the exemption in his now infamous Budget. The proposal, of course, was defeated with the rest of the Budget but it was adopted by the Liberal Government in 1980 when the exemption was increased to $500.

The Minister of Finance (Mr. Lalonde) has told us that a Budget will be forthcoming in the not too distant future. I see his Parliamentary Secretary in the House and I am sure he will relay my message to the Minister. The Minister has spoken of having conferences with various interested groups in the country with a view to determining what should be included in the Budget. I hope he will seriously consider including the recommendation made in my motion. An adjustment in the tax exemption for volunteer firefighters is a small way in which these people could be repaid for their dedication and community spirit. I do not think anyone in the House or in the country would deny their importance.

I will dwell on conditions in Ontario because I am most knowledgeable about that Province. In Ontario, fire protection is a municipal responsibility. In fact, under the provisions of the Municipal Act, councils of local municipalities are authorized to establish and regulate fire departments, incur expenditures for capital and operating costs for such services to be paid from local taxes, and decide on the quality and quantity of fire prevention and firefighting services provided to their citizens. For instance, under this system the available statistics, which are for the year 1978—we do not have statistics for

1981—indicate that 8,301,704 people in Ontario were provided with various levels of fire prevention and firefighting services. It should be noted that there is no legal obligation for municipalities to establish a fire department, although in recent years the Canadian Association of Fire Fighters has recommended that firefighting services be made mandatory for municipalities, through legislation.

Most municipalities recognize that they have a social obligation to organize fire protection services. In cases where municipalities have no fire departments of their own, special equipment and firefighting services are purchased through operating agreements with neighbourhood communities.

The basis of what is known as mutual fire aid is pre-planning to provide adequate manpower—in other words, volunteer firefighters and equipment—for given situations and locations, and to use men and equipment as efficiently as possible to the best possible advantage. The pooling of resources underlies the whole system of mutual aid. Mutual fire aid agreements are particularly effective in towns and villages where firefighting facilities are inadequate to handle emergency situations.

I have spoken about the situation in Ontario and I should now like to touch upon the situation in my riding of Brampton-Georgetown, where there are firefighters of whom we can all be proud. Chief Jim Brunne in Brampton and Chief Cunningham in Georgetown are to be congratulated for their dedication and service. Although Brampton is a city of approximately 160,000 citizens, it has 45 volunteer firemen in four different locations. The town of Halton Hills is divided into two areas. In Georgetown there are 45 volunteers and in Acton there are 35. These people are so well recognized in Georgetown that the entire volunteer fire brigade was named citizen of the year a few years ago. They are very dedicated people with a great sense of community. These are the ordinary guys who feel that their assistance to the fire department helps everyone.

In Brampton a volunteer is compensated on the points system. He or she earns five points per fire call and five points for attending a training session or for being on weekend duty. The average compensation is from $150 to $175 per quarter year. They are given $40 per year, which is expected to cover such things as the cleaning of and the wear and tear on clothing. With $40 per year, one smokey fire and the cleaning bill is shot. I saw the bill to clean the clothes that were in my apartment during a fire which caused only smoke damage.

• (1620)

In Georgetown volunteers are given $1,500 per year to cover the wear and tear on clothing and the cost of gasoline. It is interesting to note the difference in what is being paid in compensation in these two communities which are next to one another. To some the compensation may appear to be enough but I do not think to too many. We must be realistic. In Brampton there is an average of three to ten calls per month on volunteer time. In Georgetown there is an average of 200 calls per year. It is a busy fire department. The compensation and tax deduction simply do not cover the actual wear and tear on clothing, the wear and tear on volunteer's cars, the cost of gasoline and the disruption in volunteers' time. I strongly believe that an increased tax exemption is warranted and would more adequately recognize the services and actual expenses of volunteers.

Volunteer firefighters are not easy to recruit. Every advantage we can give must be given to persons interested in becoming volunteers and to those who are already fighting a very serious threat to us all—fires. The employment of volunteer firefighters, or a combination of full-time and volunteer firefighters in lieu of only full-time firefighters attached to a fire department, can save governments millions of dollars annually. Volunteers are paid only when they are called to the scene of a fire. The saving to Governments which volunteers represent must be acknowledged. The federal Government must do what it can to encourage the continuation of volunteerism with respect to firefighters. They render a valuable service to the Canadian community at great risk to their own lives. I do not think anyone would argue that. I cannot imagine what many communities would do without volunteers.

The Hon. Member for South West Nova (Miss Campbell) is vitally interested in this particular issue. I gather, because she is present and I know of her interest and involvement in a similar motion, she will speak on it today. Many Members of my caucus have spoken to me over the last number of days because they knew my motion was coming forward. They are vitally interested in the subject. One said, for example, that in his ridings there were 42 volunteer fire departments and only one permanent one. Of course, he and others support this motion and ask that the Government give serious consideration to it and include it in the next Budget.

Just to give an idea of the numbers about which we are talking, the last available figures for Ontario indicated that there were 16,000 part-time volunteer firefighters, and that of 637 municipal fire departments, there were 503 part-time departments employing only volunteer firefighters. These following statistics for other provinces are for 1981. For some reason the other provinces are more up to date than Ontario in their statistics. At the end of 1981, Newfoundland had 4,175 volunteers; Prince Edward Island, 751; Nova Scotia, 7,000; New Brunswick, 3,063; Quebec, 14,771; Manitoba, 2,400; Saskatchewan, 6,000; Alberta, 4,500; British Columbia, 6,500; the Northwest Territories, 750; and Yukon, 150.

We cannot afford to lose these volunteers and the service they provide. It is about time that the Income Tax Act adequately recognized their valuable service to all Canadians. An increased exemption should be considered and included in the forthcoming Budget. The Minister of Finance has an ideal opportunity to win the repect of approximately 67,000 people across Canada through a very simple amendment to the Income Tax Act. I urge him to introduce such an amendment.

As I mentioned earlier, there has only been one change to the tax exemption since its original inception in 1953. That change was proposed in the Budget of the Hon. Member for St. John's West and later adopted by the Liberals. Once again

it is time to look at the tax exemption and to increase it to $1,000.

I should like to point out what this would cost the treasury. It will cost approximately $11 million in lost tax revenue. Just to put that in its perspective, for most of us $11 million is a lot of money but the Government spends $9 million in the time that it takes to hold Question Period—$9 million in 45 minutes. We are asking for a tax exemption which will cost about $11 million or approximately 55 minutes of expenditure by the present Government. We are not asking for something monumental in terms of this tax deduction.

I think we should sum up the services performed by these volunteers. They risk their lives. They interrupt their day-to-day routines. In some cases they lose pay at their regular jobs each time they answer a fire call. I think it is worthwhile; I doubt that there is a person in Canada who would disagree with that. If the Minister of Finance conducts a survey of every fire marshal or commissioner in Canada, I am certain he would find unanimous approval of such a tax exemption increase.

In summary, I ask for support of this motion by all sides of the House to increase the tax exemption for volunteer firemen to $1,000 in the next federal Budget, which we expect early in the spring.

Some Hon. Members: Hear, hear!

Miss Coline Campbell (South West Nova): Mr. Speaker, the Hon. Member for Brampton-Georgetown (Mr. McDermid) was quite correct: I planned to speak this afternoon as soon as I knew that his notice of motion would be before the House. I certainly appreciate the opportunity to speak again on behalf of volunteer firemen, not only in South West Nova but across Nova Scotia and Canada.

I realize that the Hon. Member's motion is to increase the amount allowed under Section 8(1)(b) of the Income Tax Act to $1,000 for volunteer firemen who receive allowances from a Government, municipality or other public authority. However, in Nova Scotia there are 8,000 firefighters, 7,000 of whom are volunteers. The majority of them receive no allowance at all from a municipal body or any other public authority. In my opinion, the notice of motion of the Hon. Member does not cover volunteers who receive no allowance. We must remember that all volunteer firemen across Canada incur similar expenses. Not only do they incur expenses, but they risk their lives voluntarily and save many lives across the country, as well as save millions of taxpayers' dollars. They do it night or day, winter or summer, and they do it without knowing when they will do it.

As the Hon. Member mentioned, I raised my concerns in this regard in the House last July at which time my notice of motion was debated. I have raised it in the past before with Ministers of Finance as to the need to make a special example of the volunteer firemen because of the special type of work that this volunteer does in Canada. I do sympathize with the need to increase the amount. However, I would like to see us amend the Income Tax Act to include these people. I say this not to go against the motion because I feel expenses are rightly there, but if they should be increased to $1,000, so be it. I say this because I feel that this motion does not go far enough or deal with that volunteer fireman who is not entitled to take advantage of Section 8(1)(b), which the Hon. Member wants to amend today.

• (1630)

I raised the matter recently with the present Minister of Finance (Mr. Lalonde) after his appointment because I have been working, as I have said, to have it changed. I wanted to bring my concerns to the new Minister of Finance.

I have a letter from the Minister of Finance dated January 12, 1983 in which again he explains the position of the Government on this matter. I would like to talk about these volunteers. The Department of Finance seems to feel that if we give special status to the volunteer firemen we will be offending other volunteer groups across Canada. I can appreciate that. I can appreciate all the good work that is done by volunteers right across Canada, but I am asking that special status be given to volunteer firemen. Most of us at one time or another have seen the work done by volunteer firemen. Their work includes going to meetings, training, looking for new equipment and, particularly in rural Canada, raising money to run volunteer fire departments. It also includes raising money to buy coats, hats, boots, gloves, or whatever type of clothing they must wear to a fire. They have no choice as to the time a fire takes place. A fire can take place when they are at their normal work. They have to go to the scene of the fire. They have no choice but to go in the clothes they are wearing. They receive no additional recognition if their clothes are destroyed. It is up to them to replace their clothing at their own expense. It seems to me that all Canadians should be aware that for volunteers who do not receive an expense allowance from a municipality this is not provided for in the Income Tax Act. Volunteer firemen cannot deduct expenses like these from their income tax. I feel very strongly about that.

The Minister and his Department have a concern. In his letter to me of January 12, 1983, he writes:

> Contributions of money and time in volunteer service is basically personal—

It is a personal decision to be a volunteer. The Minister continues:

> —undertaken at a taxpayer's discretion. The related expenses of providing the service are, therefore, personal expenses. Because of the possibility of abuses of tax incentives for personal gains, tax concessions are not generally provided in respect of personal expenses, even when they are expended to earn incomes—

I will accept that. The letter continues:

> Given this general tax principle, it would be very difficult to introduce tax benefits for volunteer services that would be fair to the taxpaying public who must ultimately finance these benefits.

The taxpaying public to which the Minister refers is receiving an extra special service from these volunteers who are trained to go out at the risk of their lives to protect property and people in burning buildings. I do not think that the Canadian taxpayers would object if they were asked whether they would mind the deduction being allowed, under Section

8.1, to all volunteer firemen, and Section 8(1)(b) being amended to include all firemen, whether they receive an expense allowance or not.

It seems to me that the section was obtained because of pressure from the bodies named in the section and is geared to those municipal bodies that can afford to give an allowance to their firemen. It is not geared to the smaller communities, the rural communities, which put in a lot of time and effort to build up a local fire department and cannot give them expense money which would then come back as a deduction under the Income Tax Act.

The other concern in the Minister's letter—and I know it is a concern of the Department as well because I have discussed it with them—is who would decide what is a legitimate expense of a fireman. Under the present system under the Act there is an independent control element because a municipality or a public body gives a certain expense allowance. Therefore, you have a control. If you give up to $500, then you can get a $500 tax deduction. If you give above that amount, you are limited to $500. Regarding that independent control which the Department seems to imply, reading from the Minister's letter we find the following:

> Permitting a deduction of these expenses, as you propose, would clearly increase the administrative cost of ensuring that the expenses are reasonable. It would also further aggravate the disparity between volunteer firemen and other volunteer workers,—who constantly point out the inequity in a tax concession for firemen and no similar treatment for them.

I feel there are several elements here. As I have already stated, I do not think that Canadian taxpayers and other volunteer groups would deny that firemen do a special job, right across Canada, independent of each other, but for the same purpose. I do not think that other volunteer groups would be against a special status for volunteer firemen. I do not think either that Canadian taxpayers would mind or begrudge this income tax deduction to volunteer firemen, nor did I feel that volunteer groups would deny that there are special circumstances in the jobs that firemen do, regardless of the amounts being paid to them by a public authority or a municipal body.

Let me come now to control. There may be a few additional costs as to what are reasonable expenses. I believe that most fire chiefs across the country can certainly work out a system whereby percentage-wise they could, by attendance throughout a year, tell what the participation of the volunteer was, and they could make a percentage of that participation up to the full amount of deduction under Section 8(1)(b) whether amended by the Hon. Member or not. I have to discredit that. A fire chief's statement could be sworn by a commissioner of oaths as to the number of hours or the amount of volunteer work of the individual fireman. This might encourage others to become volunteers because they would at least be given a deduction on their income tax for expenses they incurred while carrying out their duties.

● (1640)

The Minister also legitimately pointed out that fire protection is a municipal service. I agree that these services are provided locally and that some municipalities provide a reduction in property taxes to volunteer firefighters. However, I am asking that some consideration be given to the savings provided by volunteer firemen across Canada, not only to the Government of Canada but to all Canadians, as a result of their volunteer work.

I am aware that there is a provincial responsibility as well as a local one to provide incentives to this type of volunteer. In my Province of Nova Scotia a special committee of the legislature has been set up to study this question. I look forward to the report of that committee to see its recommendations, if any additional incentives will be given at the local and provincial level, and whether it believes that the federal Government should also be involved in allowing a deduction.

Since the federal Government has put this item under Section 8(1)(b) and has given special status to certain volunteer firemen, I believe the federal Government should provide it to all volunteer firemen, regardless of whether or not an allowance is paid by a municipal body. It might be easier for the authority paying the allowance to decide what the legitimate expenses are, but where there is no authority I suggest that this role could easily be performed by a fire chief, perhaps at the beginning of a year when a deduction can be based on the amount of time a volunteer puts in for the whole year.

I do not believe that the Department's opinion that there is no independent control is reason enough to not allow a tax deduction. Let me say in conclusion the Minister has assured me that he will consider my request for future tax concessions. Of course, I am aware of the present economic climate but I feel that this is an important matter which should be considered in the upcoming budget as a concession to the importance of the work of all volunteer firemen in Canada.

I welcome the opportunity to reinforce my motion on this matter and to state very clearly that while I am in favour of the present notice of motion before the House, I strongly feel that it does not go far enough to include my notice of motion. I believe that no increase should be given before the work of this segment of volunteer firefighters in Canada is recognized. They should at least be given the $500 that is presently provided for in the Income Tax Act. As the Hon. Member said, there are 7,000 volunteer firemen who are doing a very commendable job for the people of Nova Scotia, as do all volunteer firemen.

Mr. Doug Anguish (The Battlefords-Meadow Lake): Mr. Speaker, I welcome the opportunity to take part in this debate on Motion 52 which was put before the House by the Hon. Member for Brampton-Georgetown (Mr. McDermid). In his motion, the Hon. Member wishes to have the tax exemption for volunteer firemen raised from the current $500 to $1,000.

The previous speaker has pointed out that this does not go far enough. I agree with her. In fact, from discussions which I have had with the Hon. Member for Brampton-Georgetown I know that it was his intention to have the $1,000 exemption include all volunteer firemen regardless of whether they receive any remuneration or honorarium for the volunteer

work they do. For that reason I support the motion before us today.

The Hon. Member for South West Nova (Miss Campbell) referred to changes which she felt needed to be made to Section 8(1)(b). If she was referring to the Income Tax Act, I believe the section which would apply to volunteer firemen for this exemption would be Section 5(1)(b) of the Income Tax Act. I cannot overemphasize the fact that this exemption should be extended. I am sure all Hon. Members who have spoken on this issue would agree that it should be extended to all volunteer firefighters, regardless of whether or not they receive remuneration or an honorarium for their services.

My constituency of The Battlefords-Meadow Lake comprises almost a third of the geographic area of northwest Saskatchewan. There are almost 70,000 square miles in the constituency of The Battlefords-Meadow Lake. There is only one fire department staffed full-time in the dozens of communities which have fire departments in my constituency. That fire department is in the City of North Battleford. There are literally dozens of other communities which have volunteer fire departments and a great many of those volunteer firefighters are paid little, if any, remuneration. For this reason, I strongly feel that this exemption must include all volunteer firefighters.

The role of the volunteer firefighter is very important to those communities which have volunteer fire departments. These firefighters are called upon at all hours of the day and night and in all kinds of weather. They very ably serve their communities with a great deal of conscientious service. They are made up of people from all walks of life. In my constituency, volunteer fire departments are made up of men and women. In some cases they are farmers who live within a small community, they are small business people, trade unionists, labourers or professionals. They are the ones who are very concerned and dedicated to the work within their community and who provide the very essential and necessary service that smaller municipalities cannot afford on a full-time basis.

I must say that the role of the volunteer firefighter in some of these departments is just as varied as that of full-time firefighters in large municipal areas. For example, I think of a volunteer firefighter who is not from my constituency but from my Province. In 1982, I was pleased to attend the Governor General's residence to witness the presentation of awards of bravery to people from all of Canada. A medal of bravery was presented to Fire chief Gerald John Jurgens. On September 5 of 1980, this fire chief was called out from his hometown of Eatonia, where he has a small business, to save an 18 month old child who had fallen down a well on the parents' farm. The chief of the volunteer fire department went out to that location and some of the people who were gathered around were uncertain as to what to do. Fire chief Jurgens instructed them to tie a rope around his legs and lower him into the well. Consequently, he saved the life of the child who had fallen into the water at the bottom of the well. I commend this individual for his volunteer service and his concern to his community. There are many other individuals like that firefighter who participate in such activities throughout Canada and certainly throughout the Province of Saskatchewan.

• (1650)

I am happy to support the motion which has been brought forward here. If the motion to allow all volunteer firefighters a $1,000 exemption does not pass here today, I would certainly urge the federal Government to include it in its next budget. From the figures which were cited by the Hon. Member for Brampton-Georgetown, I see that there is about one volunteer firefighter for every 165 residents in the Province of Saskatchewan. The cost to the taxpayers of Canada would be about $11 million, which is a large amount of money in terms of one's personal wealth, I would imagine, but if one compares that amount to the national debt, which is expected to be some $150 billion at the end of this fiscal year, one finds that $11 million would amount to less than one one-hundredth of 1 per cent of the national debt.

I am sure the taxpayers of Canada recognize the valuable role played by volunteer firefighters across Canada and certainly would not begrudge this deduction which is quite well warranted because of the very valuable and conscientious job which they perform within the many communities where they provide such excellent service.

Mr. Bill Vankoughnet (Hastings-Frontenac-Lennox and Addington): Mr. Speaker, I rise to support my caucus colleague who is proposing a simple increase in the tax exemption for volunteer firemen from $500 to $1,000. The notice reads:

> That, in the opinion of this House, the government should consider the advisability of amending the Income Tax Act in order to allow volunteer firemen to deduct from their income $1,000 for all expenses incurred in the exercise of their duties.

I believe it is significant to note that the Progressive Conservative Party has attached a great deal of significance to voluntary organizations in Canada. As I am sure my colleagues in the House are aware, my Party, while it formed the Government, established a special committee of the House of Commons to examine the role of the voluntary sector in Canada. The committee would then have made recommendations on action the Government should take to strengthen the position of voluntary organizations. Tax treatment was an important aspect of the committee's deliberations, and my colleague, the Hon. Member for St. John's West (Mr. Crosbie), as Finance Minister, recognizing the importance of volunteer firemen, proposed in his budget to increase the tax exemption from $300 to $500. While it was unfortunate for Canadians that the Liberal Party did not incorporate all of the budget, it was fortunate that it did pirate the proposal from the Progressive Conservative budget to raise the level of tax exemption from $300 to $500.

I would also like to point out that the exemption for firemen had not changed since 1952, until it was proposed in the Progressive Conservative budget of 1979. This gives some indication of the importance we attach to the valuable service firemen and volunteer firemen provide and how it is placed as a priority with the Liberal Government.

Volunteer Firemen

In 1975, at the annual Fire Commission meeting, the Commissioners recommended that the tax deduction be increased to $1,000. The proposal has been with us and I believe it should receive serious consideration by this House.

In Canada, there are approximately 67,000 volunteer firemen and, while some receive compensation for actual hours of service, in most instances it does not correspond to the service which is provided.

My constituency of Hastings-Frontenac-Lennox and Addington is primarily rural in character. The provision of fire protection by local municipalities encounters problems which are not prevalent in urban constituencies. Of the 632 fire departments in Ontario, no fire protection whatsoever exists in some 54 fire areas, and 516 have only part-time departments which employ only part-time volunteers. Residents who live in urban constituencies tend to take the provision of services, particularly fire protection, for granted. However, in rural areas, this is not the case. By removing some of the financial constraints involved, perhaps many of these municipalities which presently provide no fire protection would be in a better position to provide this service which some people in urban areas take for granted.

The volunteer firemen respond to and participate in countless community emergencies across Canada. This service is very important in rural areas which otherwise would not have this protection to life and property. Hastings-Frontenac-Lennox and Addington has over 25 different voluntary fire associations. These people provide skills, training and self-help to their respective communities. Needless to say, this service not only provides a valuable safety service but also saves thousands of dollars in insurance premiums paid by property owners. The mutual aid service provided by the voluntary fire department is a prime example of how these men save countless dollars for property owners.

I appeal to the Minister of Finance (Mr. Lalonde) to increase the income tax deduction from $500 to $1,000 or more. All volunteer firemen should be granted this exemption regardless of whether or not they receive any allowance from local Governments. So also we must amend Section 8(1)(b) of the Income Tax Act to include all volunteer firemen.

Mr. Garnet M. Bloomfield (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, I am genuinely pleased to participate in the debate on the motion before us today. In my view, the motion addresses an issue which is a very important component in the social affairs of Canadian rural communities. While volunteerism and the work of all voluntary groups is necessary, there is no more important job to the small towns, villages and farmers than that of the volunteer firemen who provide an essential service at no manpower cost to the community, risking physical well-being in protecting the lives and properties of residents of their respective areas. Coming from a rural community myself, I understand the value of these firemen and their equipment. Modern equipment is a very valuable asset to any community. I well remember the hopelessness of the old bucket brigade.

It is a very difficult thing to put a monetary value on the work that these people do, but we all agree that it is very high. Consider the value of the property damage saved by their actions and consider the injuries and death prevented by their heroic efforts, often in bringing people out of burning buildings. Certainly we cannot put a monetary value on a life. But I think of the money these voluntary firemen save governments in medical expenses by preventing accidents and injury, and I think of the millions of dollars in property damage they prevent by their fast, efficient action. Surely we can no longer ignore the unselfish contribution they make to their communities.

• (1700)

Another point I would like to make is that we should be aware of the insurance coverage that should be considered for injury or life. We should urge our municipalities to consider that matter very carefully because those individuals often place themselves in very great danger. Unfortunately, many of these firemen receive very little allowance from government, if any at all, be it from a municipality or other public authority, to help cover the expenses incurred in carrying out their duties as volunteer firemen. The Income Tax Act should be extended to cover these volunteer firemen, in these cases.

I realize that Bill C-54, passed in February, 1981, amended portions of the Income Tax Act and increased from $300 to $500 the amount of tax exempt expense allowance which a volunteer fireman could receive from local government. This was a much needed and welcome change. However, it does not offer compensation to those who receive no allowance at all. For such volunteers, surely a similar tax break should be available.

The volunteer firemen are a very special group. They are on call 24 hours a day, 365 days a year. When the fire alarm sounds they drop everything and answer the call of duty. I know of their dedication at first hand. Whether they are at work, at a social event, shopping, or doing anything else, they respond immediately. With no concern for the clothes they are wearing or the duties they may be performing, they go to fight the fire. Inevitably, clothes and other personal belongings will be destroyed. These items must be replaced, often at great expense to the family income. At the very least, clothes must be cleaned, again an expense to the individual fireman. If dress uniforms are used, normally the volunteer fireman must either pay for the original, a replacement, and oftentimes both. In view of the valuable services volunteer firemen provide to society, surely a tax exemption under the Income Tax Act is warranted.

In a July 16, 1982 address to the House of Commons on the issue, the Hon. Member for South-West Nova, Coline Campbell, suggested a points system that could be used to implement this tax exemption, and today she made the same suggestion again. This points system could be used—

The Acting Speaker (Mr. Corbin): Order, order! I should again advise Hon. Members that they should not refer to their colleagues in the House by their proper names, but refer to

them by the name of their ridings or by the portfolio they occupy.

Mr. Bloomfield: Thank you, Mr. Speaker, but I did want to give the Hon. Member for South-West Nova (Miss Campbell) credit for that suggestion.

I agree with her suggestion. Under this system fire chiefs would keep records of the percentages of participation in a given year by each volunteer fireman. For example, if an individual fireman had an activity rate of 100 per cent, he would be entitled to 100 per cent of a set deduction; if another gave only 50 per cent of his personal time, he would be eligible for only 50 per cent of the maximum deduction.

That certainly seems like a very fair way of handling the situation, and a very practical way of solving it. It might also encourage more volunteers to work in volunteer fire departments. More people are desperately needed to do this work, and if a tax exemption for expenses incurred while fighting fires attracted these additional firefighters, then a great benefit would be given to all rural communities in Canada.

At the present time, lack of some form of compensation for this volunteer work could be a deterrent to gaining new volunteer firemen. Personal commitments of time and money spent from personal incomes can make the job unattractive, and eventually unthinkable. As I mentioned earlier, the firemen often must leave work to respond to a fire alarm. If a worker wears special clothing for work and it gets destroyed while fighting a fire, he has no alternative but to buy another outfit before returning to work. Surely both of these factors weigh heavily on any volunteer fireman considering quitting his post with the local fire department, or a prospective recruit planning to join up. However, if a tax exemption were offered to those not receiving an allowance, the possibility of keeping veteran firefighters and attracking new ones would be enhanced.

Many people have argued that introducing such an exemption would be perceived by Canadians as discrimination in favour of this group. I personally do not agree with that sentiment. The rural residents of Canada, such as those in my constituency of London-Middlesex, appreciate the excellent service and protection offered by their volunteer fire departments. I am confident that Canadians would not begrudge a tax exemption being offered to volunteer firemen receiving no allowance, especially in light of the services provided. The exemption being suggested is not large and in my view is a modest return for the valuable service performed.

This issue is a real concern to local rural fire departments in my constituency. I have spoken with several of the chiefs and they unanimously support the idea of a tax exemption for volunteer firemen. I agree with them, and urge that this provision be included in future amendments to the Income Tax Act. These firemen are available for duty 24 hours a day. They are ordinary Canadians giving fellow ordinary Canadians the benefit of extraordinary service. While the social value of their work is recognized, the value of personal expenditures incurred by them is not. I believe that this recognition should come in the form of a tax deduction similar to that presently available to those volunteer firemen already receiving an allowance. I therefore ask that the House seriously consider this motion. If it does not pass today, at least we should be considering it for some future amendment to the Income Tax Act.

I believe that these individuals who spend their free time, often giving up their involvement in sports and other activities, put themselves at risk, and are trained to be efficient firemen; these men are not second rate firemen, they are first rate. They are trained; they are capable; they deserve to be recognized in a special way.

Mr. Laverne Lewycky (Dauphin): Mr. Speaker, I will make sure I watch the clock to allow enough time for the question, if Hon. Members to my right would indicate that to me. I understand that I have until 12 minutes after five.

I rise in support of Motion No. 52. It says:

> That, in the opinion of this House, the government should consider the advisability of amending the Income Tax Act in order to allow voluntary firemen to deduct from their income $1,000 for all expenses incurred in the exercise of their duties.

I have received representations from my constituency, even before the presentation of Bill C-54, which was referred to earlier and would allow exemptions to be increased from $300 to $500.

I would like to place on record a resolution from the Manitoba Association of Fire Chiefs which reads:

> Whereas volunteer fire fighters are presently allowed an amount of $300 as a deduction for income tax purposes for clothing and transportation relative to their fire fighting duties, and
>
> Whereas this deductible amount was established many years ago when economic conditions were a great deal different than they are today, and
>
> Whereas the volunteer fire fighter performs his duties in the protection of lives and property primarily as a public service without or with very little remuneration, and
>
> Whereas the type of work involved in fire fighting duties produces abnormal wear and tear on the volunteer fire fighters' personal clothing and vehicle, and
>
> Whereas due to present economic conditions, inflation and a devalued dollar, the replacement and/or repair of personal clothing and/or equipment damaged in the course of fire fighting duties has become increasingly more costly, and
>
> Whereas the cost of repair or replacement of such personal clothing or equipment damaged in the course of fire fighting activities has for several years far exceeded the $300 deduction allowed.
>
> BE IT RESOLVED that the Manitoba Association fo Fire Chiefs make representation to the federal Government and request in the strongest possible terms that the present deductible amount of $300 per year be increased to $1,000.

• (1710)

This was submitted by Fire Chief Gordon Seeley of Dauphin, Manitoba, my hometown, which has a volunteer fire department, seconded by the Fire Chief of Winnipeg, Manitoba. It was passed unanimously by that association. In view of this and the fact that many other communities have volunteer firemen, I urge the House to vote in favour of this motion. I will conclude now so that the question can be called and voted on favourably.

Mr. Douglas Fisher (Parliamentary Secretary to Minister of Finance): Mr. Speaker, this is a terrific motion. It is too bad

the other Members talked so long and talked it out. I just want to get a couple of ideas on the record. The spirit of the motion was to bring an idea to the attention of the Minister of Finance (Mr. Lalonde). I thank the Hon. Member for Brampton-Georgetown (Mr. McDermid) for doing that. It is a good proposal prior to the budget, one that has been well presented in the debate here today.

I was particularly impressed with the comments by the Hon. Member for South West Nova (Miss Campbell) who worked on this idea in previous presentations, and the ideas from my friend, the Hon. Member for London-Middlesex (Mr. Bloomfield) whose concern for his community shone through his speech. I do not want to downplay the contribution of the Hon. Member for Hastings-Frontenac-Lennox-and Addington (Mr. Vankoughnet), the Hon. Member for Dauphin (Mr. Lewycky) or the Hon. Member for The Battlefords-Meadow Lake (Mr. Anguish). All of these people brought good representations to us today. I thank them for the efforts they put into their comments.

The Acting Speaker (Mr. Corbin): Order, please.

Mr. Baker (Nepean-Carleton): Mr. Speaker, I rise on a point of order. There seems to be a general willingness to put the matter through second reading now without a division. I want to say on behalf of my Party that we are prepared to do that.

Mr. Deans: Mr. Speaker, may I say on the same point of order that with the concurrence of Government Members, we too would be willing to have the matter dealt with now and proceed to committee.

Mr. Fisher: On the point of order, Mr. Speaker, I thank the representatives of the other two Parties for making their position so clear and for their willingness to move ahead on this. However, I suggest it is probably much better to simply pass along our enthusiasm to the Minister of Finance and leave it at that.

The Acting Speaker (Mr. Corbin): Order. Pursuant to Standing Order 24(2), the hour provided for the deliberation of Private Members' Notices of Motions being exhausted, it is my duty to interrupt the proceedings at this time.

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

The Acting Speaker (Mr. Corbin): Shall all orders listed under Private Members' Public Bills preceding Order No. 295 be allowed to stand by unanimous consent?

Some Hon. Members: Agreed.

REGISTRATION OF LOBBYISTS ACT

MEASURE TO ESTABLISH

Mr. W. Kenneth Robinson (Etobicoke-Lakeshore) moved that Bill C-495, An Act respecting the registration of lobbyists, be read the second time and referred to the Standing Committee on Privileges and Elections.

He said: Mr. Speaker, I welcome the opportunity to speak on Bill C-495, my Bill, an Act respecting the registration of lobbyists. This matter of lobbying has come before the House of Commons on a number of occasions. I note that in past years it was examined through Bills C-328, C-268, C-428 and now my Bill, Bill C-495.

I will mention at this time that the Opposition Member for Nepean-Carleton (Mr. Baker) in the past referred to a Bill on lobbying. I quote a statement made by him and referred to in the January 29, 1977 issue of the Ottawa *Journal*:

—continued above-board dealings between pressure groups and administrators and politicians.

That is really what this is all about. The explanatory note in the Bill reads as follows:

This Bill provides for the registration of lobbyists, and a declaration by them stating in whose interest they are working. It imposes a fine and disqualification from lobbying for those convicted of evading these provisions.

The intention of this Bill is to make the public aware and provide for public scrutiny of the individuals and organizations that hope to influence Government policy and legislation. This would also allow the civil service, with whom many lobbyists deal, to know who they are really talking to and why.

Lobbying is the deliberate organization and application of effort to influence public policy generally for the benefit of some specific person or group. Lobbyists as defined in Bill C-495 means:

—any person who attempts to influence, directly or indirectly

(a) the introduction, passage, defeat or amendment of any legislation or budgetary estimates before either House of Parliament, or

(b) a decision to be taken on any matter coming within the administrative jurisdiction of a Minister of the Crown, whether or not that matter has come or may come before either House of Parliament for legislative action;

If this Bill is passed, any person or persons attempting to effect some legislative change, extract some favour or influence policy could be identified through public disclosure. This would also allow the public to gauge the success of lobbyists by the subsequent rejection or acceptance of their proposals by the Government.

In our parliamentary system, the presentation of testimony before a parliamentary committee or subcommittee is a well-established process. It has been widely recognized that our committee system, unlike the more successful United States committee system, is not provided with the resources necessary for adequate performance of committee duties, except for special committees and the Standing Committee on Regulations and Statutory Instruments, where we do have legal counsel. This has already been stated as a major issue for those concerned with parliamentary reform.

The time of a Member of Parliament is valuable. Therefore, when they take time to listen, they should be assured the benefit of expert witnesses and quality information. If there is not an established mechanism to sift through lobbyists, we cannot be assured that true representatives of groups get a chance to speak. We also risk wasting time on unnecessary representations.

By registering lobbyists, we would give Members of a given committee access to a master list which would provide them with names of expert witnesses when they are studying a piece of legislation. It would also allow committee Members to vote in a more enlightened way and perhaps recognize and implement amendments that might otherwise be missed. Such a Bill as I am suggesting would allow for a more organized, efficient and effective approach to the taking of the national pulse on any given issue.

If Parliament takes to heart the recommendations for parliamentary reform, they will find it has been suggested that committees be given responsibility for overseeing operations of relevant Government departments. At present our committees do not have the responsibility for overview and scrutiny that United States committees have.

The question is, should our committees take on such a responsibility? If this is so, it is all the more important for a given committee to be in a position to identify on an ongoing basis those individuals or groups outside the bureaucracy whose representations may be relevant. Lobbyists would clearly have access to specialized interest groups.

In his speech in the House of Commons the Hon. Member for Grenville-Carleton, as the constituency was then called, had this to say on January 28, 1977 as reported at page 2515 of *Hansard*:

—the direction in which our parliamentary system should be evolving—toward a more open Government with a more influential House of Commons—leads me to believe that we should begin now to establish a framework for the operation of lobbyists before any serious problems develop.

I subscribe to that statement. It is as relevant today as it was then. We are now in the process of seriously examining our parliamentary system. Perhaps now is a good time for renewed interest in such matters as registration of lobbyists. Lobbyists are able to provide legislators with feedback on the actual operation of Government programs in the field. As we already know there is usually a discrepancy between bureaucratic theory and the practical application of Government programs. The sooner the Government is able to gain insight into the effects of any given program, the sooner it will be able to act upon that information.

• (1720)

As we all know, many large associations and organizations have taken offices in Ottawa for the specific purpose of lobbying. The biggest of them, the Canadian Manufacturers' Association, the Canadian Labour Congress, the Canadian Federation of Agriculture, the Medical Association, and there are numerous others well known already, present their briefs and publicize their views before each federal budget. They also maintain year-round contacts with civil servants and also members of Parliament who may be working on legislation which affects them. The survival of any organization which claims to effectively represent its members depends on its ability to persuade the power holders to recognize them as a legitimate representative agent. Interest groups have developed links with the existing political and social structure to ensure the protection of their interests and also to keep open the direct lines to the Government.

It is my contention, Mr. Speaker, that it is essential that lobbyists register. It would clarify their situation as well as give a clear understanding of which groups are legitimate and which most fairly represent the interests of the public as a whole. I would like it to be understood that I am not suggesting we restrict lobbying, paid or otherwise, or in any way interfere with the right of the public to make representations to Members of the Senate or the House of Commons. Rather, I am suggesting that lobbyists should be registered and we should know on whose behalf they are acting and making representations.

Under this Bill, the Clerk of the House will be responsible for maintaining a registry of lobbyists. This registry will be accessible to any Senator, Member of Parliament, and accredited member of the Parliamentary Press Gallery. Each lobbyist shall be issued an identification card. In this way we could maintain an ongoing list of those groups and individuals within the lobbying system, and at the same time ensure a level of security which will be advantageous to the House of Commons as well as to the public.

In conclusion, Mr. Speaker, I would like to say that, since this matter has been before the House of Commons on so many occasions, and since there has been so much concern and deliberation and debate on the matter, it should be sent to the appropriate committee for further consideration, and I would so recommend.

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, I would like to begin my rather short speech this afternoon by saying to the Hon. Member for Etobicoke-Lakeshore (Mr. Robinson) that I am extremely grateful to him for his very kind references to Bills I have had on the Order Paper on other occasions with respect to this matter. If you read his Bill and my Bills C-432 and C-214 in prior sessions of Parliament, you will see that they are virtually the same, so we are *ad idem*. I would have seconded the introduction of his Bill, Mr. Speaker, if you had cast your eye my way. I do not fault you for casting it the other way, but I want to say that because I think it is important. I would also like to suggest that the penalty section of his Bill, which does go beyond mine, I feel is a worthy addition to the Bill and something which the committee should be able to discuss.

I am particularly grateful that I am able to respond to his very generous speech, both with respect to the subject matter and to me, personally. I would like to respond in kind and inform the House that the Hon. Member for Etobicoke-Lakeshore joined my colleagues, the Hon. Member for York-Sunbury (Mr. Howie), the Hon. Member for Vancouver South

(Mr. Fraser), and Senator Joan Neiman from Toronto, in being honoured in the federal Queen's New Year's Honours List with the designation of Queen's Counsel. I think it is right that the Government should see fit to recognize distinguished lawyers on both sides of the House of Commons, and certainly my hon. friend, the Hon. Member for Etobicoke-Lakeshore is one of those. I should add that I was surprised that he did not wear his gown today for the purposes of this debate.

My hon. friend and I are *ad idem*, Mr. Speaker. Both of us agree that it is absolutely essential to the understanding of Government of the problems of the private sector, whether that happens to be the private sector composed of doctors, manufacturers, farmers, accountants, lawyers, secretaries, women's groups, and what have you, or of particular industries and businesses, that there be an interchange of information between Government and those sectors. It is essential for Government to be attuned to the greatest extent possible with the operation of the private sector. Therefore, my hon. friend and I are *ad idem* that that process must go on.

Equally, it is important that we recognize that through no fault of our own, the word "lobbyist" has taken on a somewhat odious connotation, and that is unfortunate because it seems to imply that anyone who buttonholes a Member of Parliament, or talks to a senior public servant, or a group of them, or even talks to a Cabinet Minister, is advancing at all times a nefarious cause, and that is not so.

It is essential for us as Members of Parliament, and I suppose for the Hon. Members of the other place, to understand the relationship, which is important, and which I characterize in my first reference to "Government's understanding". This Bill, I know, and my Bill, was not designed as a technique to penalize or interfere with, or deal in a negative way with those who are engaged in the legitimate operation of attempting to influence Government—using the word "influence" in its best sense—but what is happening in our society is that all of our instruments are becoming suspect. This Parliament is becoming suspect. Members of Parliament are becoming suspect. The Public Service is becoming suspect. Those who talk and push for a point of view, even legitimately, are becoming suspect. The trust which heretofore existed pretty well throughout the country with respect to all kinds of institutions, is breaking down. People are questioning. The purpose of this Bill is not a negative thrust, as I understand the Hon. Member. It is very positive. It says, "Let us recognize the legitimacy of the function but let us ensure not only that right is done, or that justice is done but that it appears to be done. And what better way is there, or has there been since time immemorial, than full disclosure? We demand more of Members of Parliament who go into a Cabinet than full disclosure. Is it wrong for us to say that those who come to Parliament should be asked at least to give full disclosure?

My hon. friend's Bill says that those who would attempt to move public policy, whether through Parliament or the Public Service, will have to come forward and declare their interest, not how much money they are making, that is their business, but their interest. It is also important because what may be the interest of one particular lobbyist may very well be interesting to a force which is opposed to the point of view of that first lobbyist. It is, therefore, important that we know who the players are. It has always been important in the Public Service because the Public Service does not have to come and answer here every day on the floor of the House of Commons. The Public Service in our system has carried on outside of the glare of publicity, and that is probably the way it should be. I am prepared to say that is the way it should be. Therefore, it is important that those interchanges which may take place between the public sector as represented by the Public Service, and the private sector, be fully disclosed in the sense of who the players are and what the relationships might be.

We have done something in this Parliament, at least for an experiment, and I hope it is an experiment which will last. We have suddenly done something that should have been done years ago, and I believe when it grows out it will have a profound effect on Members of Parliament, on the work of the Members of Parliament and their individual power in terms of particular issues.

• (1730)

We have given the committees of the House an opportunity to be independent and to respond, on their own, to those persons, ideas, associations and groups of people with ideas, who may ask for an expression by Members of Parliament. We are into the second or third day of the experiment but I do not think all Members quite understand the profound change that this can and will make to the House. As the House becomes used to it and as Members become used to the independence they have as a result of the changes, they will be equally aware of the representations they can make and will be asked to make on behalf of interest groups. It is therefore doubly important that interest groups be registered, that they be public and that their interest be disclosed.

We are embarking upon quite an important experiment, Mr. Speaker. When I introduced the earlier Bills, particularly Bill C-432 which was mentioned by my hon. friend, I received a great deal of correspondence from people who have an interest they wish to bring to public officials and to Parliament. This correspondence was very helpful, but it is interesting that not one letter said that the idea of disclosure was wrong. Some had reservations about the form of my Bill and therefore about the form of my friend's Bill—not about the penalty but about the ambit of the Bill. Invariably they said that the idea was sound, but they did present some problems they had with my definition.

I will quote from a letter I received from the Canadian Soft Drink Association in 1976. The writer made some observations which would be helpful to committee. The letter reads in part as follows:

A lobbyist would have to be very clearly defined. While we accept the fact that an association may be able to register as a lobbyist, it is unclear whether that automatically covers the chief executive officer of the association, all the staff of the association and all appointed committee members and all directors. This

certainly will have to be clarified as in many cases the chief executive officer would be accompanied to Ottawa by some of the elected or appointed members either as resource people or to share the work load.

He was really asking, "What is the extent of the disclosure?" The letter continues:

The next point to be covered of course is the persons hired temporarily by an association for a specific job. These persons may vary depending on their expertise. Supposing it is a piece of legislation under the Competition Act, you may hire a corporate lawyer or if it is a bill concerning say the Health Protection Branch, you may hire a lawyer who is well versed in food and drug regulations. Very often the same lawyer could not accompany you or could not do the lobbying for you and he may send his assistant. Do you therefore extend a blanket coverage to all people appointed and hired by the association or does it only apply to an individual.

Furthermore, we think that registered lobbyists may take advantage of the fact that they are registered, canvas firms that may be interested in having lobbying done on their behalf and thereby weaken the efforts of the association. While this, of course, is left to the discretion of the individual firms, i.e whether they want to go through the association or through a private lobbyist, sometimes the private lobbyist, who let's say is a retired senior civil servant, may have some appeal that outweighs the advantages of acting jointly through an association.

In effect, he was saying that it is important that this type of question go to committee. The Standing Committee on Privileges and Elections could study this, and I am sure it would receive a great deal of correspondence from a growing army of people who come to this capital and others to influence—I am using that word in its best sense—the direction of public policy.

I commend my hon. friend for bringing this Bill forward today and I am prepared to support it. I hope that after a short debate the Bill will go to committee for discussion. I think that it could be improved by the committee. I expected my Bill to be improved and I am sure my hon. friend expects the same for this one. I see that he nods in agreement. I am sure that its time has come in our legislative and governmental process.

I hope at the end of today's debate the House will see fit to send the Bill to committee where the subject matter can be dealt with. I believe it is important. I think my friend has done a public service in bringing it forward today. I close as I began, by saying that if Your Honour had cast his eye in my direction when calling for a seconder for the Bill, I would have been pleased and honoured to do so.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I want to join the two previous speakers in giving my support and the support of this Party to the concept that is suggested. I must confess that I have some reservations about the actual legislation. The Bill is a good one but it may have to be changed in order to make it work in the way that the Hon. Member for Etobicoke-Lakeshore (Mr. Robinson) would like it to work. That matter could be taken care of in committee where some of the minor and even the more important deficiencies could be dealt with, as could the last point made by the Hon. Member for Nepean-Carleton (Mr. Baker). He raised the question of how one could identify the lobbyist as opposed to a lobbying group, and how one takes care of an association as opposed to the private individual or private lawyer who has contacts in Government as a result of having been involved behind the scenes with one or other of the political parties.

I think we must never be seen as trying to subvert or dissuade public input. That is to be encouraged. It is essential that the public at large feel free to contact Members of Parliament whether they be in the Senate, the House, in Opposition in the backbenches or in Cabinet. Members of the public must know that we want this input, but we must make it easier for them to participate.

What we are doing today may make it easier for the public to participate. They will be better able to judge the arguments advanced by certain, and sometimes high-priced, individuals who put forward the position of a particular vested interest but fail to identify that party. I think members of the public would be less likely to be influenced if they fully understood that the person making the argument to Government was a lobbyist paid to do so. From that point of view I think the Bill is valuable.

From another point of view it is valuable as well. I think it is important that the public should be able to identify the players in the field. Those of us who are in politics and have been for some time know that there are certain people who are in and out of government. I do not mean in and out of elected office necessarily, but in and out of government—in the Privy Council, out lobbying later; back into a senior Government position, out lobbying later, working to make people Prime Ministers, out lobbying later. I am sure the House knows the kind of people I mean.

• (1740)

Mr. Keeper: Liberals.

Mr. Deans: Not necessarily. The Hon. Member might be surprised to know that there are even two or three Tories who do this. I think it is valuable that we should have that kind of information readily available. There is a need to show that it is legitimate to be a lobbyist but, more important, there is a need to show that certain people in the country in fact exercise considerably more influence than others, even though they are faceless and frequently nameless. By making provisions such as those brought forward by the Hon. Member for Etobicoke-Lakeshore, we would at last be able to see the faces and names of those who exercise the power behind the scenes. I think that is important.

I commend the Hon. Member for Nepean-Carleton because he has been pushing for this for years. I had reason to read a number of comments made by him over some years and comments attributed to him in addition to the ones he had made personally. His interest is longstanding. He very carefully set out that he did not want in any way to dissuade people from becoming lobbyists, as did the Hon. Member for Etobicoke-Lakeshore. It is not a matter of trying to keep people from doing it. It is a matter of trying to get people who want to represent the views of other people to be prepared to stand up publicly and to be placed under the kind of scrutiny which is inevitably put on those who are doing work for pay. There are individuals who, on a matter of conscience on any subject, decide out of their own pockets or by joining with some friends, to attempt to influence the Government's course of

action, to make representation, to travel overnight to Ottawa, to stand on the steps of Parliament, to visit with Members in their offices, or to telephone at their own expense. Sometimes they share among themselves, but there is quite a difference between the view they might express as a result of their very strong convictions and the view which might be expressed by someone pulling down $100,000 or $200,000 simply for being available to express a view. We have to be able to measure that in our judgment about the force of the argument and the level of commitment.

Let us be quite fair. There may be someone living in Vancouver who has a very strong sense of miscarriage of justice in a particular issue. He or she may, together with some friends, pay the expense of coming to Ottawa to visit various Members of Parliament to express a concern. Such people are not lobbyists in the sense of the word to which this legislation refers. Indeed they are lobbyists inasmuch as they are lobbying Members to gain favour for their points of view. We are not talking about these kinds of people. We are talking about persons sitting in offices somewhere in high-rise towers. Not only are we talking about them, but about those who make the trip for considerable remuneration or at someone else's expense to present a well-thought-out brief which pays little attention to other matters than that it must be done in a professional and very technically correct manner. I do not want to leave the impression that we are in any way trying to do anything to keep down the level of public participation by anyone, but particularly by those whose opinions are being expressed because they are their opinions.

I say to the Hon. Member for Etobicoke-Lakeshore that I do not think I would be wrong in saying that no doubt he received at least one letter as a result of the recent statements of the Minister of State for Mines (Mrs. Erola). In fact, he smiles; I bet he even received two letters. I have received literally hundreds of letters from people who are vitally concerned about the statements of the Minister. Each and every one of them wrote to ask me to ensure that this proposal never saw the light of day. Each one asked me to do all in my power to keep the Minister of State for Mines from imposing her nutty scheme on the people of Canada. I am sure Liberal Members have also received similar kinds of communications. I can only suggest that the people writing to us are doing so in good faith. They are lobbying us quite justifiably. They are saying, "For Heaven's sake, stop that madwoman before she goes too far", and I agree with them. They are not the kind of people about whom we are talking in this legislation. We are talking about the Bill Lees and the Bill Nevilles of the world and the others moving in and out of the circles of Government, lurking behind the scenes in the halls, carefully sidling up to people at lunch and whispering in their ears.

It happens to all of us at some time. I am referring to people who attempt to influence us on behalf of others. It is time we all knew who they were. If someone walks through our doors, calls for an appointment or writes for an opportunity to come before a committee or to speak to us, we ought to be able to refer to a register and see who is this person and whom they represent, so that we are able to make a judgment about his or her commitment to the cause being presented. Not only that, we might even want to make a judgment about such a person's contacts or general background so that we know—not because it would influence us—or sense how to deal with the individual in the question placed before us.

It was interesting when the Hon. Member for Nepean-Carleton pointed out a dilemma in terms of the soft drink association, was it?

Mr. Baker (Nepean-Carleton): Yes. They were very constructive comments.

Mr. Deans: It was a very constructive comment. I could relate to it because it was what was in my mind when I read the Bill. How would we deal with associations? How would we register them? Whom would we register officially? Would we make a provision for others to represent them? If so, at what cost if at all? Would they all have to register? That crossed my mind; we could deal with it in committee. Would we register law firms? There are many legal firms which take on substantial lobbying efforts. If I am not mistaken, I think the petroleum association was represented by a law firm. Am I correct in that?

Mr. Baker (Nepean-Carleton): I cannot tell you.

Mr. Deans: In any event, it seems to me that the petroleum association was at one point represented by a law firm. Would we register the firm? Would we register the principal within the firm? Would we register the individual? How would we go about doing that? To what extent would we have to have disclosure?

A question was posed as to whether we would want to know the level of income. I think we would be going a mite far if we asked for that, but by the same token there is some cause to look at the question of substantial contribution. For example, lobbyists could receive a substantial contribution and act, for want of a better word, as bagmen for one of the two major political Parties, Liberal or Conservative. Even though they may not be receiving any direct income from the work they are doing on behalf of contributors and, therefore, might technically fall outside the area of this particular law, they could nevertheless be influencing for gain, which may in fact turn out to be gain such as an appointment to the Senate. I think that is not unreasonable. I have looked around and I have seen some who have been appointed to the Senate who have been very active in the raising of funds for one or other of the Conservative or Liberal Parties and who have not perhaps received, I am not sure, any money personally for the lobbying they did on behalf of certain special interest groups but who gained, nonetheless, from their efforts.

• (1750)

I want, therefore, to make the point that the bill is somewhat deficient in dealing with that problem. I think that as we get it into committee, and I hope we will any minute now, we will be able to keep that in mind too. I am sure that the Hon.

Member for Etobicoke-Lakeshore, as also the Hon. Member for Nepean-Carleton, would be aware of the efforts of Bill Kelly, for example. He is one who comes to mind quickly, a person who has worked very hard on behalf of the Conservatives in Ontario and who knows how much he has raised and who knows whether or not he ever got paid. I do not. Nevertheless, he could be considered a lobbyist. Is that not fair? But he may not fall within the jurisdiction of this Bill. In any event, I make these points. I think they are important. I think there is value in what is being offered. It will find favour with us if amended appropriately. Maybe we can dash this Bill off to committee now, get the committee working on it, make it law, and we will have served the public of Canada in the process.

Mr. Gary F. McCauley (Moncton): Mr. Speaker, I want to begin by congratulating the Hon. Member for Etobicoke-Lakeshore (Mr. Robinson) for once again drawing our attention to this important issue. He is, of course, building on the arguments advanced in this House before by the Hon. Member for Nepean-Carleton (Mr. Baker), as my colleague here says, with eloquence and passion. It was a privilege to hear him once again on this subject which we know is dear to his heart and important to us all. As my colleague, the Hon. Member for Etobicoke Lakeshore has said, this is a subject that has received a thorough airing in this House and also in other places.

I refer to a 1979 symposium organized by the Conference Board of Canada. The topic was: Lobbying: A Right? A Necessity? A Danger? Lobbying is probably all of those things and more.

I believe it is important that we define what we mean by lobbying. In a speech on his Bill in January, 1977, the Hon. Member for Nepean-Carleton defined lobbying as:

> I think of a lobbyist as someone who seeks, by means of contact with persons of power or influence, to have a significant effect on executive or legislative actions to be taken by the Government of Canada. Lobbyists may act directly for themselves, or on behalf of organizations which hire professionals to make their case. Lobbyists are, in short, special interest and pressure group publicists or their representatives.

That definition encompasses quite well one kind of lobbyist; those whom we would call special interest advocates. It seems to me that is the same kind of lobbyist to whom my colleague, the Hon. Member for Etobicoke-Lakeshore was referring. But there is another kind of lobbyist. There is a group or an individual who could be defined as a public interest lobbyist, a citizens' interest lobbyist.

In the symposium organized by the Conference Board of Canada, this type of lobbyist is well defined. The distinction is well made. Let me quote from the symposium as follows:

> Public or citizens' interest groups can and should be distinguished from special interest groups. Public interest groups have no financial or other vested interest in the causes they support—They want a better society and so challenge politicians, bureaucrats, businessmen and others to take into account in their decision making aspects of the public interest that might otherwise be overlooked or not given proper weight.

This morning, those of us in the Atlantic Government caucus had an example of that kind of public interest lobby group. We had before us representatives of the International Union of the Marine and Shipbuilding Workers of Canada, Local 3, Saint John, New Brunswick. They presented to us in a forceful and passionate way their beliefs regarding the shipbuilding industry, not only on the East Coast of Canada but on the West Coast and wherever that industry is situated in this great country. They did a fantastic job presenting their case. We were very impressed by the quality of their arguments. I do not think any of us who heard them would be of the opinion that they were a special interest advocacy group about which we have to be concerned, that they were the kind of people who had to be registered, noted and so on.

Another group who fits this category about whom I would like to make note, and I am sure my colleagues in the House who have had experience with them will agree with me, is made up of the various and sundry groups throughout the country who represent the UFFI home owners. They were pleading and lobbying all of us in various and sundry ways and were a great help in forming Government policy, in responding to the needs of these people with UFFI in their homes. They were a great help to us in the Standing Committee on Health, Welfare and Social Affairs when we studied this whole question of how UFFI came to be and how the whole problem arose. This group appeared at committee meetings and made their point succinctly and well. They were of great assistance to us. No one in the Standing Committee on Health, Welfare and Social Affairs would say that these people should be registered, noted, or that a record should have been kept of who they were and from where they came.

I do not think any of us in this House this afternoon would have any objection to public or citizens' interest groups. There is no need to take note of them or to register them. There is no need to register those who speak for the poor, the disposessed, the unemployed or the powerless in our society. In fact, some would argue that such groups should be assisted by Government to lobby. That would create certain problems, but it is a point worth debating.

May I call it six o'clock, Mr. Speaker?

[*Translation*]

The Acting Speaker (Mr. Corbin): It being six o'clock p.m., this House stands adjourned until tomorrow at 11 a.m., in accordance with the provisions of Standing Order 2(1).

At 6 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, January 20, 1983

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

SUPPLEMENTARY RETIREMENT BENEFITS ACT (NO. 2)

MEASURE TO MODIFY BENEFIT INDEX

The House resumed from Tuesday, January 18, 1983, consideration of Bill C-133, an Act to amend the Supplementary Retirement Benefits Act (No. 2), as reported (without amendment) from the Standing Committee on Miscellaneous Estimates; and the motion of Mr. Gray (p. 21886) and the motion of Mr. Baker (Nepean-Carleton) (p. 21889).

Mr. Bill Vankoughnet (Hastings-Frontenac-Lennox and Addington): Mr. Speaker, I welcome this opportunity to continue my remarks on Bill C-133 and the concern I have for the pensioners of this country who will be affected by this legislation. In two years, when pensions are supposed to be once more fully indexed, there will be a lower base with which to determine any necessary increases.

I would also like to draw attention to the petty manner in which this federal Government has implemented its so-called restraint program. This 6.5 per cent and 5.5 per cent gesture is a gimmick. The federal Government claims that by reducing indexing the pension account will save $100 million. However, the Government neglects to point out that this money in the pension account belongs to contributing public sector workers, not the federal Government. Federal public sector workers are required by law to contribute 6.5 per cent of their salary to a pension account. They pay an additional 1 per cent of their salary to purchase pension indexation for inflation. The federal Government also neglected to point out that it borrows heavily from the pension fund to pay its deficit, so that while the accounts show $14 billion in the pension fund at the end of March, 1981, in fact that money does not exist in that account.

Earlier I made the point that, unlike Canada's decreasing working population, pensioners are not able to negotiate increases to their incomes to help them cope with rising prices.

The right of public sector employees to the collective bargaining process is now denied to that group also. Through no fault of their own, as they do not set policy, they are now being penalized for being public sector employees by the actions of an inept Government. Once this Government attacked current public sector employees, the writing was on the wall for public sector pensioners as well. I repeat that my Party's support for Government restraint should not be misconstrued to mean that there is an agreement to limit the incomes of public sector pensioners.

The principal difference between Bill C-124 and this Bill relates to the actual pension account and whose money it really is. This federal Government is behaving as though the $100 million it proposes that the pension account will save does not rightly belong to the pensioners. The contributions that have been deducted from the pay of public service employees rightfully belongs to those individuals. I might add that pension plans registered under the Canadian Income Tax Act are prohibited by law from reducing either accrued benefits or any right to a supplementary pension in respect of those accrued benefits. This federal Government is now about to take the kind of action vis-à-vis its own pension recipients that has been specifically legislated against in the case of private pension plans.

In the case of the administration of the pension fund, public sector workers have demonstrated not only good faith but trust that the federal Government would administer the pension fund for the benefit of its contributors. Not very many retired civil servants can look forward to the lush pension arrangement the federal Government gave to Michael Pitfield, or to the Liberal example of restraint which was to increase the salary of the Liberal Party President by 140 per cent. The six and five window dressing applies only to pensioners, not Liberal Party friends, as these cases demonstrate.

Credibility is what this Government needs to restore the sort of economic climate that will encourage investment. Bill C-133 sets a poor example for employer and employee relations, particularly when the Prime Minister (Mr. Trudeau) has made a call to smooth differences, to work together and to show a little trust.

The Government states that this action is necessary to reduce inflation. If the federal Government had any faith in its own program, it would find that it would not be necessary to legislate six and five or 6.5 per cent and 5.5 per cent, as inflation would be at those levels and indexing of pensions would reflect this. It would be ironic if 18 months hence this Government finds itself paying pensions higher than the rate of inflation.

• (1110)

The fact of the matter is that if the Government had better managed the economy, the capping Bills would not have been necessary. The OECD results that placed Canada twenty-fourth out of 24 countries in fighting inflation demonstrates a

total lack of control. This is what Canadians can expect from a Prime Minister who thinks that during Christmas they were skiing or in the Caribbean. That should give a few chuckles to seniors or the unemployed. The Prime Minister should not dismiss the Bishops' statements so quickly. He might learn that the grim realities faced at Christmas by the 1.5 million unemployed in this country did not include a Caribbean holiday.

The fast-rising deficit demonstrates how this Government is out of control. Due to the Government's lack of confidence in its own recovery program, it will seek security through the reallocation of $100 million of Public Service pension money, which rightfully belongs to its contributors, to other uses, such as funding the estimated $30 billion deficit that will be imposed on Canadians.

Furthermore, pension money which the federal Government is trying to raid from the employee pension fund is a paltry sum compared to the millions involved in the Petro-Canada takeovers which do not create one new job, the billions of dollars to Dome Petroleum and the $34 million to an undeserving Maislin Transport, as well as the millions of dollars spent on bail-outs that will provide no long-term job opportunities to Canadians.

In closing, I ask the federal Government to demonstrate some faith in its own recovery program. Bill C-133 only contributes to an attitude of suspicion and mistrust.

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, we are debating Bill C-133, to amend the Supplementary Retirement Benefits Act. The Government is anxious to terminate debate on this Bill and thereby have pensioners pay for the Government's irresponsible handling of their pension account.

I support my colleague, the Member for Nepean-Carleton (Mr. Baker), in his claim that the Government's move to invoke closure is absolutely reprehensible. Not only is it reprehensible, it is also condemnable.

The Conservative Party has steadfastly supported Public Service pensioners in their fight to defeat a Bill which takes $165 million away from pensioners, a segment which is often least able to defend its rights and protect its standard of living. The Conservative Party is well aware that public employees pay 7.5 per cent of their salary to support their pension plan. The private sector employee contributions seldom exceed 5 per cent and are frequently less.

Benefits paid from the plan to date have been more heavily financed by employees than by their employer. Of $1,360 million paid out between October, 1981 and September, 1982, employees contributed $735 million compared to the Government's $625 million.

The Conservative Government of 1979-80 was able to trim $500 million from the federal Budget without any income penalties to retired civil servants or senior citizens in general. Approximately $445 million would be paid out of benefits this year, according to the Treasury Board, and $420 million will come out of the Consolidated Revenue Fund, with only $25 million covered by the contributions made by pensioners when they were employed. This is due to the fact that, while the plan was only implemented in 1979, the benefits are extended to all retired public servants whether or not they contributed to the fund. As time goes on, the drain on the CRF will diminish and the Supplementary Retirement Benefits Account will pay a larger share of the benefits. The total cost of indexing the pension was approximately 4.5 per cent of the payroll from regular public servants last year. Pensions for the Armed Forces and some other groups are administered separately.

There is a paper figure of $15.5 billion in the Public Service Superannuation Account. The present employees' contribution rate of 1 per cent of salary to the SRBA provides for only a 1.5 per cent inflation rate in the future, according to the Treasury Board.

An actuarial analysis claims that the total surplus of $15.5 billion in the superannuation account is sufficient to meet future benefit payments and the accrued interest on this account, especially if it were invested at a high rate of interest, would be more than adequate to cover the cost of pension indexation. Records show that Public Service employees have contributed more to the pension plan than their employer. I suggest that Government-employer contributions to the PSSA and SRBA be investigated to determine if they have been adequate.

• (1115)

The Prime Minister (Mr. Trudeau) has previously committed the Government to full indexation of Public Service pensions as a right earned during working years. His Ministers previously defended the plan and argued that the Government could not break its contract with public employee pensioners by reducing indexation. I would suggest that the Liberal Government is working in reverse. There are other areas on which the Liberal Government should be focusing its sights. The Government should eliminate waste and mismanagement within the federal Government. By eliminating the waste and mismanagement which is in the billions of dollars, inflation will drop and indexing will look after itself. We will not have to worry about indexing once we get Government spending under control.

To give some examples of waste, we could start by considering the document I have in my hand, copies of which have been widely distributed across Canada. I also have in my hand a transcript of the Prime Minister's broadcast to the nation on the economy. There was absolutely no need for this document to be printed. No one is interested at all; it is just an absolute waste of money. In his broadcast, the Prime Minister said: "Of course I am concerned about waste, very concerned; where we find it, we will weed it out". Those were empty, meaningless words. The man does not mean what he says, and he never has since he took over the country in 1968. We heard these statements starting in 1968, and we are hearing them again in 1983. He does not mean what he is saying; if he did, he would not allow a document like this to be printed and distributed. It would just end up in the trash can.

Repeated reference has been made to the Joyal-Davey report on the six and five program. It is the most expensive Liberal householder which has been put out in Canadian history. It is just propaganda and is not required. It is costing hundreds of thousands of dollars and is simply not needed. We receive the Auditor General's report every year, but the only difference between last year's and this year's report is that this one is worse than last year's. They never get any better.

The Liberals have been in office since 1968, and they have no intention of eliminating waste, mismanagement and duplication. They have proven that time and time again. One must simply read the Auditor General's document to find that out, because it gets thicker every year, not thinner, and the horror stories mount up.

The Auditor General pointed out that about $16 billion is missing some place. An article in the Ottawa *Citizen* dated November 2, 1982, stated:

> Auditor General Kenneth Dye has again proved that his federal Government is at worst not competent to manage money, and at best reluctant to let us know how they handle it.

This is the understatement of the year.

So what are we doing? We are debating a Bill to cut pensions and retirement benefits. The Government is starting at the wrong end. It is very easy to cut pensions. Anyone can go out and cut pensions. However, why does it not implement the recommendations in the Auditor General's report? I have not heard any Liberals discussing that during the debate.

I have in my hand a research paper which is full of horror stories within the Liberal Government. I would simply like to read a couple of examples for the record. One states:

> Spending "cut" by juggling the book. In order to present the illusion of slower spending growth, the Government has changed its accounting system by netting out petroleum taxes against petroleum compensation payments. Thus, through a wave of an accountant's magic wand, spending on a public accounts basis is "cut" by $2.7 billion in the current (1982-83) fiscal year.

That is an example of the type of bookkeeping of the Liberal Government. I guess that in order to account for the $2.7 billion, the Government will reduce old age pensions. The item continues:

> Perhaps the next accounting trip of the Government will be to say that "Income taxes are really a public debt tax, and as such interest on the debt does not cost the Government anything". The logic of this is the same as the logic used by the Government in saying that it does not cost anything to subsidize imported oil.

This is another example of juggling the books. I say: Never mind juggling the books; start balancing the books and start spending the money properly. In this respect the federal Government could well look at the Province of Manitoba and how it pays for its indexing. The Roblin Government set up a plan some years ago whereby pension money is invested to cover the indexing of civil servants in Manitoba. All the indexing comes from the investment of their funds, not from taxes or from general revenues. It is one of the best pension plans in Canada and it is unfortunate that the federal Government did not implement a similar plan. There is no question that the federal pension plans could stand some improvement in the way they are handled. The indexing in Manitoba is not a drain on the taxpayers of Manitoba; it is a sound, well-administered pension plan and it is most unfortunate that the Liberal Government did not study this plan. If it had, we would not be in the mess we are in today.

• (1120)

I want to point out at this time that I am voting against this amendment.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I would like to make some brief comments on the amendment which is before us and the Bill we are dealing with. I do not think it is possible to deal with this Bill without thinking out the implications of four pieces of legislation. I remember well in August, when Bill C-124 was brought forward, the Bill to implement the six and five program, the indecent haste with which the Conservative Party dashed across the floor to embrace the Liberals in their efforts to cut the incomes of civil servants.

How well I remember the Leader of the Opposition (Mr. Clark) as he rose and said they were prepared to pass the Bill post haste, without debate if necessary. I remember the Leader of the Opposition saying: "It is too little, too late, but it is a step in the right direction". Now we have the hypocrisy.

However, we are now dealing with the fall-out, the consequences of the Tories' inability to see the Liberal duplicity. That is the difficulty we are now facing in this country, the difficulty with which many seniors and all mothers of children are now being faced. I say to the Conservatives that they should be ashamed of themselves.

Let us look at the legislative program. We have before us three Bills. The Bill we are now discussing will limit the entitlement of civil service retirees for the rest of their natural lives. This is not a minor thing; this is a major thrust by the Government. It could not have happened if the Tories had not supported the Government originally; nevertheless now we have it. The Bill ought to be withdrawn. If there was ever a time for this legislation, if it could have been justified—and I say quite bluntly on behalf of myself and my colleagues that we do not believe it was ever justified—but if there was ever a time when it could be said that this kind of measure was appropriate, the time has passed. The mood in the country is now quite different. The sense among those who are most affected is one of outrage. The belief of the majority of Canadian citizens that this is not the kind of legislative action that is necessary has become evident from every single statement by those who support both the Conservatives and Liberals, and it is now becoming a clear violation of what the majority of economists believe is necessary for this country.

I point out that not only did the Catholic Bishops quite justifiably say that a social conscience was desperately needed in dealing with the income capacities and purchasing power of those who were less advantaged than others, for example, seniors, those who are raising families, those who are on extremely low incomes. Not only did they say we needed to take a new look at this legislative program, but Ian Sinclair, the chairman of the six and five committee, has said—and he

is the Government's representative—that at this time, with current economic conditions, we need new direction. We need direction even if it means that there will be a higher deficit in the country. We have to re-focus our attention on income capability and job creation. We have to look at the economy. Six and five applied to Public Service pensioners, any other pensioners or to family incomes is not the answer to creating purchasing power in this country.

• (1125)

We said this at the beginning and we continue to say it: the legislation should be withdrawn. Bills C-133, C-132 and C-131 should be taken back to the drawing board, looked at and scrapped. A new program for stimulation should be brought forward by this Government, one that will increase employment and give people income capacity. That is what this Government should bring forward.

We say to the Government it is not too late. It does not have to go on with this ridiculous proposal it has placed before the House of Commons; there is no reason for it. It is outdated. If it ever had a time, that time has passed.

We ask the Government to reconsider this Bill seriously. If it is not yet satisfied that the program now before us does not have the support of the majority of Canadians, it should send these Bills back to committee. Let the committee travel across the country. Divide it into panels and let the committee hear the views of those most affected. Let it hear them in Vancouver, St. John's, Toronto, Montreal, Quebec City and every other community across the country. Let us find out and do what the public wants for a change. I say to the Government, take the Bills out of the Order Paper, put them back in the committee and send the committee out to the people. I am positive as I stand here that the committee would come back and recommend that these pieces of legislation not be proceeded with.

Equally important, there is a serious question about the legality of one of the pieces of legislation now being implemented. I ask the Government to make a reference to a Supreme Court judge and ask for a judgment on it. Let us find out who is right. The Government back room manipulators say it is legal; lawyers on the other side say it is not. Surely in those circumstances the Government ought to recognize its responsibility, take the right course of action and ask for a legal opinion.

Should the Government decide, in its misguided judgment, to proceed with the legislation, for heaven's sake do not make it retroactive. If the Government decides it has to go ahead, for God's sake do not impose it retroactively.

Finally, I say to the Government to make use of the time. To further harass and reduce the income capacity of those at the bottom end of the scale is outrageous. To push ahead with it now is ridiculous. It is inhuman; it will create great hardship. Let us address the real problems in this country. Come forward with some proposals for economic recovery, job creation and other proposals that will put this country back on the road to success.

Do not push ahead with the legislative program now before us. For heaven's sake, stop and think about it, those of you who are here on the Government benches. The Tories have come grudgingly to the view that what they once supported is no longer supportable. I say to the Liberals, for God's sake think of what you are doing. Consider the impact on those who have now retired, whether they be public service retirees or retirees who worked in other parts of the economy.

Consider this. These people are not being denied some income for a year or two; they are being asked to reduce their income for the rest of their lives. For heaven's sake, it is not necessary. It is wrong-headed, economically stupid and defies all logic. It flies in the face of the Government's own advisers' advice. It pays no recognition to what the spiritual leaders of this country are advising. It does not even recognize what the banks' senior administrative officers are now saying ought to be done. Those are your supporters, for heaven's sake. Listen to those senior corporate people, if you cannot listen to us. If the Government thinks that the Tories cannot be trusted because it does not know where they stand, although I agree, I say, listen to them on this occasion and for heaven's sake withdraw the legislation.

• (1130)

Mr. Neil Young (Beaches): Mr. Speaker, I rise to speak on Bill C-133 knowing full well, as others do, that the Government moved yesterday to close off debate on this very important piece of legislation. It did this knowing full well that many Hon. Members in this House still wish to address the provisions of Bill C-133. It knows there is growing opposition to the measures contained in this Bill across the country, not only from the trade union movement but from a growing number of concerned citizens. In fact, if the Government were to listen at all to the media attention which has been paid to this Bill, not only on the commentary pages but on the editorial pages right across this country, it would recognize that the support it believes it has for this piece of legislation is dissipating very quickly. I believe that is probably why the Government is moving to shut up debate in this House on this very important piece of legislation.

In the course of this debate, Mr. Speaker, Members in my Party have been extremely critical of the position which the Conservative Party took in supporting Bill C-124 at the beginning of August, as my colleague from Hamilton Mountain (Mr. Deans) just mentioned. I believe we have been absolutely right in levelling that criticism. I know that many Members of the Conservative Party do not like to hear us make that criticism; nonetheless, I believe it to be quite accurate and quite true. In fact, many Members of the Conservative Party have spoken to me since then and said if they had known what the Government was really doing under the six and five program, they would never have voted for that piece of legislation in the first place. And I am quite sure that many of them regret their support of the Government for the six and five program.

I have received numerous letters from constituents and from Canadians across the country who will be seriously affected if this piece of legislation is in fact enacted. One gentleman in my own riding, a Mr. Wilson, a retired public servant, has sat down with me on several occasions to express his concern about what is going to happen to his income once this legislation has been passed. I want to tell you, Mr. Speaker, that this gentleman is a rather bitter Canadian these days when he considers the kind of service he has given to this country through the Public Service and now the Government is turning around and saying to him: "Look, even though you bought inflation protection through deferred income, even though you bought that inflation protection specifically, we are now going to renege on that and not give you the full inflation protection you thought you had bought".

I have heard many Members of the Government stand up here and try to defend the indefensible which is contained in this piece of legislation. It is typical of this Government, and of that particular Party over there, that it is doing this kind of thing again, breaking the social contract, if not the legal contract that it has with Canadians. It was not so long ago, in 1977, for example, when the Prime Minister (Mr. Trudeau) himself said that pensioners were the victims and not the cause of inflation. In a letter to the Public Service Alliance in 1977 he in fact said, and I quote:

> Thank you for your telegram of September 27. I have noted your concern that the indexation of Government pensions be maintained.
>
> In our society, pensions provide a means of sharing risk so that we can retire in reasonable security and dignity, without fear of the future. Protecting pensions from inflation by indexing them to increases in the cost of living should be an integral part of our pension schemes. Indexing does not give pensioners an increasingly larger claim on our economy's production, that is, more money to buy things they could not earlier afford. Rather, indexing merely enables pensioners to maintain, roughly, their same standard of living.
>
> Even a modest rate of inflation destroys, at a devastating rate, the buying power of people on fixed incomes. Pensioners are out of the workforce and cannot bargain or strike for larger incomes. They are not the cause of inflation; they are its victim.

Many other Canadians, as well as myself, have become rather used to this kind of Liberal about-face where they make promises, give assurances, even go on national television to pontificate to Canadians about the need for trust between people in this country, and they then turn around in the most hypocritical fashion and stick it to people such as those on fixed incomes, and pensioners in particular. They would be of more service to Canadians if they were to address the real problems in this country today rather than attack those who are at least able to defend themselves.

In this country today, as the Leader of my Party indicated the other day, the real unemployment rate is in excess of two million people. Unemployment is without question the major problem which Canadians face today. The Episcopal Commission for Social Affairs, Canadian Conference of Catholic Bishops, made reference to this in a recent document which has received wide attention across the country. They said, in part, and I quote:

> —greater emphasis should be given to the goal of social responsibility in the current recession. This means that every effort must be made to curtail cutbacks in social services, maintain adequate health care and social security benefits, and above all, guarantee special assistance for the unemployed, welfare recipients, the working poor and one-industry towns suffering from plant shutdowns.

I totally agree, Mr. Speaker, that is the emphasis and direction this Government should go in. But rather than that, it has chosen to take a swipe at people who are at the low end of the income scale, who are least able to defend themselves, such as senior citizens, retired public servants, Family Allowance recipients, and all the rest.

The Conservative Party is standing up in this House also defending the position which they took last August in supporting the Government in this horrendous piece of legislation. They are standing up now and saying: "We are in favour of restraint, but not really restraint, especially when it could reflect on the electoral chances we may have in the next election". They now see the kind of opposition which has been generated in the country against this offensive piece of legislation. But although the Conservative Members may want to stand up here and make those attempts to convince Canadians that they were not serious when they did that kind of thing, I suggest it is an integral part of the philosophy of that Party to go along with the kinds of initiatives this Government has taken. In fact, at the Tory conference held early in 1981 the Party conducted a questionnaire among the delegates. Then they did something I thought they may have been reluctant to do; they actually issued the results of this questionnaire so that the public could see quite clearly exactly the position they would take if they were ever, unfortunately, elected to form the Government of this country.

• (1140)

For example, 62 per cent of the delegates said quite clearly that they favoured a reduction in Family Allowance outlays, compared with 30 per cent who would leave these unchanged. Asked how they would categorize their economic views, 66 per cent of the delegates described themselves as being either to the right of the average Canadian or much further to the right. As for their social views, 58 per cent put themselves to the far right of the average Canadian.

I hear one of the more right-wing Members of the Conservative Party. He was probably discouraged at the relatively low percentage who said they were as right-wing as he was. He complains about the statement I just made. But the fact is that it is not something I dreamt up, Mr. Speaker. The Tories have said it themselves. Certainly their actions when they were the Government would clearly show to all Canadians that if they were ever elected, they would be as bad as, if not worse than, that crowd over there.

I see my time has run out, Mr. Speaker, so therefore I will end on that happy note.

[*Translation*]

Hon. Roch La Salle (Joliette): Mr. Speaker, I should like to speak for a few minutes on behalf of Quebec and most emphatically against the bill now under consideration. I have every reason to believe that very few Quebec Members have

shown even the slightest sympathy for these pensioners, and in view of the correspondence I have received, especially during the holidays, and also considering the commitment made by the Right Hon. Prime Minister (Mr. Trudeau) a few years ago, I believe it is my duty to take the strongest possible stand against the proposal now before the House.

Mr. Speaker, people say that we supported the principle of 6 and 5 policy, and they would also have the public believe that the Progressive Conservative Party has changed its mind. We were aware of the difficult situation they had put the Government in, and we are also aware of the economic disaster for which the Government must take the responsibility. Some time ago, the Prime Minister of Canada made an appeal to the nation, to all organizations and even to the Members of the Opposition, asking them to help him get Canada out of the present recession for which he himself, I feel, is partially responsible. We did want to try once more, and we shall probably regret it, to trust the Prime Minister, and considering our responsibilities as Members of this House, we had a duty to help Canadians get out of this recession as painlessly as possible.

Mr. Speaker, to get back to the information and complaints I received from a number of public servants who live in Quebec, this morning, in the few minutes at my disposal, I want to let those 20,000 retired public servants in Quebec know, and on their behalf I want to say that our party will do everything it can to obstruct this bill, which we feel is entirely unfair and certainly does not live up to the very important promise made by the Prime Minister of Canada in 1968, when he told us that he was going to create a Just Society in this country. I also know that there are now 86,000 federal employees living in Quebec and an additional 45,000 who work for Crown corporations.

I feel that as the only Quebec Member of the Opposition in the House, I have a duty, on behalf of those thousands of Quebecers, to at least ask my Quebec colleagues to show the sympathy and compassion they have been unwilling to show until now.

Furthermore, I think it is very important that the people of Quebec should know about the commitment made by the Prime Minister of Canada (Mr. Trudeau) a few years ago to provide for and support a pension plan that would provide a decent living. In this connection, I would like to recall, as did one of my colleagues here in the House, a letter written by the Prime Minister of Canada to Mr. Power, letting him know what the Prime Minister of Canada's views were on the subject of pensioners. In our society, he said, pensions provide a means of sharing risk so that we can retire in reasonable security and dignity, without fear of the future. Protecting pensions from inflation by indexing them to increases in the cost of living should be an integral part of our pension schemes. Indexing, he said, does not give pensioners an increasingly larger claim on our economy's production, that is, more money to buy things they could not earlier afford. Rather, indexing merely enables pensioners to maintain, roughly, their same standard of living. Even a modest rate of inflation destroys, at a devastating rate, the buying power of people on fixed incomes. Pensioners are out of the work force and cannot bargain or strike for larger incomes. Indexing does not give pensioners an increasingly larger claim on our economy's production. Rather, indexing merely enables pensioners to maintain, roughly, their same standard of living. Pensioners are out of the work force and cannot bargain or strike for larger incomes. They are not the cause of inflation; they are its victim. We have an obligation to help protect them.

That, Mr. Speaker, was what the Prime Minister of Canada said, probably as part of that solemn promise he had made to create a Just Society. Today, the House is considering legislation that goes directly against the principles we have supported and intend to support once more. I think that in any case it is our duty, as Members of this House, to recall the commitment made by the Prime Minister of Canada, and if the attitude taken by the Government today cannot be called a fundamental betrayal of the Prime Minister's commitment, then I wonder what it can be called, Mr. Speaker. I understand that the Prime Minister is away on a trip at the present time, and he must be very glad not to have to face the speeches being made here in the House of Commons, and if we were obliged to vote before the Prime Minister gets back, he would probably be equally delighted not to have to betray his own commitment to these pensioners.

Mr. Gauthier: He came back yesterday!

Mr. La Salle: He came back yesterday. In the circumstances, he will have an opportunity to vote and explain how he can betray his commitment to these pensioners. Mr. Speaker, that is why I am launching a special appeal to the Members from Quebec, on behalf of 130,000 public servants, either retired or still working in the public service and living in Quebec. I believe it is my duty to remind those members from my own province that, at the very least, they must support the commitment made by the Prime Minister of Canada. It is not the first time that the Prime Minister ignores his commitments, but I do not want to go into that. I shall have other opportunities to show that the Prime Minister has not always kept his promises. How can we possibly hesitate and not be totally honest towards these people deserve all our respect and who have helped us build our society? It is solely on behalf of these thousands of people that I rise today in this House, Mr. Speaker, to ask my colleagues from Quebec to show first some honesty concerning the commitment made by the Prime Minister of Canada and then a minimum of sympathy for the needs of pensioners in view of the present economic conditions, and at the same time, of course, to keep the promises made by the government to public servants.

• (1150)

I believe that my time has already expired, Mr. Speaker, but I trust that Hon. Members from my province will take this opportunity to reject a bill which I find completely unacceptable for all those who will be personally affected. Of course, there will be other speeches and other pressures to be made concerning family allowances, old age security, and especially the piece of legislation known as Bill C-133. I believe that we cannot accept the position taken by the Government and its proposals. We were aware that the income of active workers might be restricted in view of the present economic situation, but we would never have thought that the Government would attack the pensioners. If we had been told about this at the start, the Government would never have received the support of my party for its 6 and 5 program. We were misled because this was kept from us, Mr. Speaker! We were not told about it! We are now aware of it and we believe that it is important and vital for us to object to such a measure, and that it is our duty to ask and urge one last time our colleagues from Quebec to do what I am now doing and to promise these public servants that we will fight and vote against this measure because it is discriminatory, unfair and goes against the promise of the Right Hon. Prime Minister of Canada (Mr. Trudeau) concerning what was once called a just society and what is now becoming increasingly unjust, as is evidenced once again today.

I thank you, Mr. Speaker, and I hope that my colleagues have understood my message correctly.

Mr. Gauthier: Mr. Speaker, I wonder if the Hon. Member for Joliette (Mr. La Salle) would allow a question?

The Acting Speaker (Mr. Blaker): I must tell the Hon. Member for Joliette (Mr. La Salle) that his time has already expired. A question can therefore be allowed only with the unanimous consent of the House. Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Gauthier: Mr. Speaker, my question is very simple. The Hon. Member for Joliette spoke for about 10 minutes and I listened very carefully. Is he aware that the motion of his colleague for Nepean-Carleton (Mr. Baker) has been grouped with that of the President of the Treasury Board (Mr. Gray) and does he support the amendment moved by the Hon. Member for Nepean-Carleton?

Mr. La Salle: Mr. Speaker, if the Government wants to make a change which could be of some help to the pensioners, we are quite willing to agree. However, I am still convinced that the bill as a whole is a breach of a commitment made by the Right Hon. Prime Minister of Canada on behalf of his party. We find this unfortunate and regrettable. Because of this, if some improvement can be made, we will vote in favour of it, but I am still convinced that this improvement is clearly inadequate.

Mr. Maltais: Would the Hon. Member agree to a question?

The Acting Speaker (Mr. Blaker): Once again, there has to be unanimous consent for the Hon. Member to ask his question. Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Maltais: Mr. Speaker, I would like to ask the Hon. Member for Joliette whether it would not be preferable to try capping at 6 and 5 per cent the old age security benefits of people who are entitled to them and use that money to create jobs for younger people about whom the elderly are so concerned. Moreover, I would like to know whether the funds thus saved are used to create jobs for young people. Would older people then not consider the six and five measure more interesting, and I wonder whether the Hon. Member for Joliette would be in favour of that kind of solution?

Mr. La Salle: Mr. Speaker, the way the legislation now stands, it seems to me that the Government could recoup $100 million. If the Government simply needs $100 million, Mr. Speaker, perhaps it might cut down by one third on its ministers' and members' junkets. This, I think, would be a way to find the $100 million. Another way of recuperating $100 million would be to sell back the 80,000 acres of farm land at Mirabel. There are other sectors where expenditures could be slashed instead of this money being taken out of the pockets of the elderly and retired people. That is what I deplore indeed. Expenditures ought to be cut down in fields where savings could be made without hurting anyone. I fully agree with the Hon. Member that we must direct our efforts towards the creation of jobs for younger people. They do experience an employment crisis, but the fact remains that when this Government came to office 15 years ago we only had 300,000 people out of work whereas their ranks have swollen to nearly 2 million today. I would suggest to my colleagues across the floor that directing questions to the Official Opposition and attempting to hold us responsible for the mess we are in now is not the way to solve the problem, in my opinion. The Government has flopped miserably in the economic sector, to say the least and it is now attacking the elderly and retired people and requiring them to make sacrifices. If the Government wants to help young people get jobs, it could find more appropriate ways to cut down its expenditures.

Mr. Maltais: Perhaps I should ask the Hon. Member for Joliette whether he is aware that the most needy senior citizens are still eligible for the income supplement. The question I want to ask him is this: does the Hon. Member for Joliette agree that those funds be set aside not only for the elderly but for other sectors where the 6 and 5 per cent limit applies,

provided that the money be used to help young people, does the Hon. Member agree with that principle?

Mr. La Salle: Mr. Speaker, I am all in favour of the Government doing its utmost to create jobs for young people. The current situation is that young people account for 40 per cent of the unemployed. They are deeply concerned and they have almost given up any hope for the future. The Government must accept responsibility for that, but it does not have the right to get on the backs of senior citizens and retired people in its attempt to correct a situation for which it is responsible in the first place. Under these circumstances, the six and five policy may be acceptable to those who earn a good income, but I am squarely against attacking needy people who do require essential services. These government policies will affect people who cannot afford any lowering of their standards of living. We should ask those who are better off to accept a wiser redistribution of funds, but I still maintain that the Government has made a wrong decision as a result of which it will be singled out as the main culprit for this untenable situation, and that is my answer to the Hon. Member for Manicouagan who does entertain lofty principles. Of course, I agree with him, but, indeed, the Prime Minister of Canada had advocated and defended a commendable principle with respect to retired people, but today he throws that principle overboard in the piece of legislation now being considered. That is why we blame the government.

The Acting Speaker (Mr. Blaker): It seems to me Hon. Members will have no difficulties with the Chair if they seek the floor to continue exchanging that kind of questions and answers.

[*English*]

Hon. Members have no difficulty with the Chair if the House wishes to persist in giving its unanimous consent to an exchange of questions and answers, but I have to seek unanimous consent every once in a while. Is there unanimous consent for an exchange of questions and answers?

Some Hon. Members: Agreed.

[*Translation*]

Mr. Maltais: My question is this, Mr. Speaker. I suggest the Hon. Member for Joliette is making a commendable attempt to support the 6 and 5 program which is designed to provide money for job creation, but when he talks about justice, is he aware that our senior citizens who are really destitute will be entitled to a fully indexed income supplement? This is not at all inconsistent with the concept of a just society. I wish all pensioners were entitled to a full indexation. In view of the manner in which the Government will apply the 6 and 5 program, however, our senior citizens who are really destitute will be entitled to a fully indexed income supplement. Is the Hon. Member for Joliette aware of that fact?

Mr. La Salle: Mr. Speaker, I want to say to the Hon. Member for Manicouagan that I am indeed quite aware of that fact. We are dealing today with Bill C-133; we will have the opportunity to deal with OAS some other time, but I am shocked to find today that the Prime Minister will not keep the promise he made to public servants and tomorrow, we will have comments to make about the bill to amend the Old Age Security Pension Act.

[*English*]

Mr. Baker (Nepean-Carleton): Mr. Speaker, will the Hon. Member for Manicouagan (Mr. Maltais) accept a question?

Mr. Maltais: Yes.

Mr. Baker (Nepean-Carleton): Could he tell me what aspect of Government policy has worked to create employment in Canada? Could he lay his seat on the line and tell me categorically any policies that he sees in the future which will work to create employment in the country? Why is it necessary for him to support some mythical Liberal policy with respect to employment which attacks the least defensible of society, namely, senior citizens and retired public servants who paid for their benefits? Why is the Hon. Member supporting such a breach of contract?

[*Translation*]

Mr. Maltais: In short, Mr. Speaker, I feel that the current crisis is worldwide and that it should be borne by all Canadians, both young and old. Moreover, early last fall, the Minister of Finance (Mr. Lalonde) announced that programs totalling over $1 billion would be implemented to create jobs and start the economy moving again. One cannot give what one does not have, and what really matters is that all Canadians assume their share of the burden in the best interests of Canada.

• (1200)

[*English*]

Mr. Baker (Nepean-Carleton): Mr. Speaker, is the Hon. Member not aware of the wasted squandering of public money on the purchases by Petro-Canada of something Petro-Canada did not need in a period of emergency? Is the Hon. Member not aware of that? Does the Hon. Member not have enough imagination to consider that there are other programs which the Government could look to which would provide the capital for the programs that he thinks would work, without attacking senior citizens and retired public servants?

Mr. Young: And little kids.

Mr. Baker (Nepean-Carleton): Is he satisfied with the morality of the Government from that point of view?

[*Translation*]

Mr. Maltais: Mr. Speaker, I can inform the Hon. Member that first of all, Petro-Canada holds a very bright future for Canadians. Through this Corporation, Canadians can invest in their own natural ressources, and being from a northern riding

myself, I can say that we are all very proud of the oil exploration being done in this country. I also wish to point out, for the information of the Opposition, that if research is carried out in co-operation with Petro-Canada, this will be a tremendous stimulus for technological development, especially since in my riding, we are facing the situation created by the Iron Ore Company, and lay-offs as well, and if research on iron ore could have been done with other companies, we might not be as badly off as we are now. In the proposals by Petro-Canada, it says that there will be research in the petro-chemical sector, and this means it will be possible to provide truly creative jobs for young people jobs with a future. I hope the opposition parties understand that the present Government and Canadians support job creation in the high technology sector. Whatever our political affiliations may be, Petro-Canada represents an asset for Canadians. The public may think Petro-Canada is expensive, but in fact, it is not costing Canadians a cent. The corporation is financed with revenues from oil, from the gas purchased by people who want to use their cars and from purchases of oil products. It is therefore entirely wrong to say that Petro-Canada is being paid for with the taxpayers' money. I would like to point out to all opposition parties and the government side as well that if private companies were to make the same effort to carry out research as Petro-Canada is doing and intends to do in the oil sector and oil products, I think Canada's future would be as rosy as that of Petro-Canada itself.

[*English*]

Mr. Baker (Nepean-Carleton): Mr. Speaker, may I ask the hon. gentleman another question. Has he run across any young persons who are prepared to agree with him that it is morally right to carry out the programs that he says the Government intends which will attack senior citizens?

Has the Hon. Member been lobbied by those people that it is imperative the Government cut old age pensions and pensions which have been bought and paid for? Has he run into anyone so heartless? Is that the reason the Hon. Member agrees with the Government Bill, or has the Hon. Member lost all sense of balance with respect to the matter itself?

[*Translation*]

The Acting Speaker (Mr. Blaker): Before recognizing the Hon. Member for Manicouagan—

[*English*]

—may I just remind Hon. Members that I have, I think, three times sought unanimous consent for an exchange of questions and replies. There is no difficulty in continuing if it is the mood and the will of the House. Therefore, until I hear some indication that Hon. Members wish to revert to Bill C-133, we will continue in the present direction.

[*Translation*]

Mr. Maltais: Very briefly, Mr. Speaker, I would like to point out to the House that in addition to the young people I met, for the information of the Hon. Member, I also met senior citizens who told me: We are prepared to do our share as Canadians in helping the Canadian economy to recover, so that young people, our grandchildren, will have jobs. I would go even further. Being young myself, I feel that the elderly, our senior citizens in Canada, deserve to get even more than 6, 12 or 30 per cent, because they are the people who built this country. However, there comes a time when there is a limit to what the budget can bear. We must act responsibly, and I certainly do not think that either the Government or the Opposition are out to restrict aid to senior citizens. As I said before, the aim of the Government is to have all Canadians contribute their fair share towards relieving the economic recession, and if anyone asks me whether I have met any young Canadians who were prepared to attack senior citizens, my answer is that I have not, and that the Hon. Member opposite is the one who brought up the word attack. We are merely concerned with distributing benefits fairly and allowing everyone to do his fair share. If we manage to bring down inflation, this will increase the purchasing power of senior citizens and improve their standard of living. That is what the present government is aiming at, and I think this is perfectly clear to Members on both sides of the House.

[*English*]

Mr. Riis: Mr. Speaker, with the unanimous consent of the House I would like to participate in this very lively debate and put a question to the Hon. Member.

I notice that the Government over the last number of months has put a great deal of stock in listening to the advice of the blue chip community of Canada, seeking the advice of business leaders and particularly the advisory group headed up recently by Mr. Ian Sinclair. We read this morning that Mr. Sinclair and his blue chip group has now looked at the six and five program and has deemed it no longer appropriate.

An Hon. Member: That is not true.

Mr. Riis: Mr. Sinclair has talked with the leaders of Canada's Government and said that it is now time to divert our attention away from six and five and into job creation.

If the Government has been listening to the blue chip business community up to this point and the blue chip community now advises the Government that it is time to move away from its preoccupation with six and five and into job creation, about which the Hon. Member obviously feels very strongly, is it not time now to show good faith on behalf of the Government, pull out this legislation which will not add a single job—and I am simply following the advice of the blue chip community—and strike another committee in an effort not to impose five and six, but to impose job creation programs in Canada?

[*Translation*]

Mr. Maltais: Mr. Speaker, I should like to emphasize a basic element of our economic system: if industries are to invest, we must first of all appreciate our currency, and the purpose of our anti-inflationary 6 and 5 program is to

strengthen the Canadian dollar so that industries can invest. I should like to emphasize also, for the information of Hon. members, that the Department of Industry, Trade and Commerce and the Minister, who is present today in the House, have set up task forces which, in consultation with representatives of the private sector and the various industries, are seeking very positive ways and means not to create jobs, but to encourage both Canadian and foreign interests to invest in Canada and thus create jobs.

Our meetings with these economic agents have led to the following conclusion: all these economic agents demand as a prerequisite that we wrestle inflation to the ground. Personally, I am eager to fight unemployment. But it is impossible to create jobs when our currency is worthless. It would be like asking a farmer to sow his fields with sterile seeds. Nobody will agree to work for money that is worthless. Money must retain its value, and that is why the government, at the request of economic agents and other groups, decided to fight inflation first and foremost. We are making progress already. The inflation rate is coming down, which shows that the policies of the Government of Canada are working. Then, after inflation has been brought under control, new investments will be made. And if the Hon. Member does not believe in Canada's future, let him consider what is happening in the United States. He should find comfort in the realization that investments have already started again there.

• (1210)

[*English*]

Mr. Riis: Mr. Speaker, I appreciate the Hon. Member's answer and I just have a follow-up question for him. If he is concerned about the attitude of the investment community about creating long-term jobs, if the blue chip committee which is in place to advise the Government was to recommend the abandonment of the six and five program at this point, if the bankers of Canada who obviously have a sensitivity toward investment in the country were also to advise abandonment of the program at this point, would the Hon. Member admit that it is perhaps time to withdraw the six and five program as it applies to senior citizens of Canada, mothers and children of Canada and to retired Armed Forces, RCMP and civil servants?

[*Translation*]

Mr. Maltais: Mr. Speaker, I would point out first of all that the 6 and 5 program is voluntary for Canada as a whole. It is compulsory for the Canadian Government because the salaries and benefits paid by the Government represent approximately 40 per cent of total Government expenditures. This is why the Canadian Government has made it compulsory for the federal Public Service and those who receive benefits under various programs. I believe that the private sector has already given encouraging support to the 6 and 5 program and would have agreed to much harsher measures to reduce the increases in welfare and old age security benefits as well as Public Service pensions.

We are already protecting our senior citizens and public servants with the 6 and 5 program. If we had listened to the private sector which favoured much more drastic action than the Government, we would perhaps now find ourselves with a situation somewhat similar to that which prevails in Quebec, with rollbacks of 20 per cent and so on. Members of Parliament were against such action and were in favour of the most basic of equity for Canadian citizens and recipients of Government benefits and this is why we have a 6 and 5 program. Moreover, I would like to remind Hon. Members that the 6 and 5 program was viewed as an unacceptable policy at the time of the meeting of federal and provincial Ministers of Finance in Halifax last year and that the 6 and 5 program is now accepted by nearly everyone and that even public servants in various provinces and the federal Government agree with this policy of restrictions because it is much better than the policy of minus 20 per cent applied by certain irresponsible people.

[*English*]

Mr. Taylor: Mr. Speaker, I have two or three questions for the Hon. Member as well. He mentioned that he supported Petro-Canada. Does he support the fact that they have spent thousands of dollars to construct an office building in Calgary and that scores of those offices have been empty for several weeks? Would it not have been better to spend that money on senior citizens, old age pensioners and retired civil servants who are unable to defend themselves?

[*Translation*]

Mr. Maltais: Mr. Speaker, I do not claim the Government is always one hundred percent right, but I would like to examine the case proposed by the Hon. Member before answering. Since I do not know all the details I would rather not reply, but I am prepared to examine them if they are given to me.

Mr. Gauthier: Mr. Speaker, I would like to point out to this House that both sides have now been asking questions back and forth for nearly twenty minutes. Granted, it is an important and very interesting debate, but we are now considering an amendment to Bill C-133 and I wish Hon. Members would debate it because the time allowed is limited. In my opinion, Mr. Speaker, the House could consider the Government legislation and proceed with the reading of the next motion. I do not see anyone rising, so I presume the House will pass on to motion No. 4.

[*English*]

Mr. Deans: Mr. Speaker, as a courtesy, I wonder if the Hon. Member for Ottawa-Vanier (Mr. Gauthier) might allow one more question.

I wonder if the Hon. Member for Manicouagan (Mr. Maltais) is at all concerned that those opinion-makers in the

country are now quite clearly questioning the value of proceeding with this general legislative framework, given the current economic conditions within the country? Has he considered whether there would be general agreement that conditions are quite different today from those which existed in August of 1982 when the Government first introduced its program and that it might be useful for the Government to postpone its headlong dash toward approval of this legislation in order to analyse the economic changes that have taken place, the social effects of those changes and to review the new opinions that are being expressed by many people, including the chairman of the six and five committee, the presidents of a number of the larger financial institutions and the spiritual leaders of the country?

In light of those fairly dramatic shifts, has he considered whether it might not be advisable to draw back and review the over-all situation to determine whether this kind of legislation is necessary and appropriate?

[*Translation*]

Mr. Maltais: Mr. Speaker, if you are putting the question to me, I would say that I think we must maintain the six and five policy until the rate of inflation is down to 1 or 2 per cent.

Mr. Veillette: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Blaker): The Chair is experiencing a minor difficulty.

[*English*]

There are several Hon. Members rising to continue this exchange. One Hon. Member has risen to indicate that he thinks we should perhaps revert to debate on Bill C-133. Nonetheless, the Chair is obliged to recognize Hon. Members who rise on a point of order and I will do so. However, the implication is that there may not be unanimous consent to continue this kind of exchange.

[*Translation*]

Mr. Veillette: Mr. Speaker, I simply want to point out to you that the thrust of the debate has shifted completely. The Hon. Member for Joliette (Mr. La Salle) had the floor a few minutes ago and we as Members of the Opposition were supposed to direct questions to him, but now it is our colleague the Hon. Member for Manicouagan (Mr. Maltais) who is fielding questions. Mr. Speaker, I can see that the Hon. Member for Joliette was afraid to face questions from the Quebec Member. He left his seat after the second one to avoid further questions from a Quebec Member. Being unable to answer, he left the House.

[*English*]

Mr. Baker (Nepean-Carleton): Mr. Speaker, I rise on a point of order. I think we are beginning to see the offshoot from the reforms that were instituted. Although the specific reform only calls for a question period of limited duration, ten minutes, after speeches on second and third reading, the thought has opened up that a debate with respect to posing questions at Report Stage is just as relevant sometimes as a debate in terms of set speeches. I am inclined to agree that this is the case.

I think that the give-and-take has been quite healthy so far, just as Statements by Members have indicated that, despite the labels that might be put on some Members of Parliament, some do have a sense of independence and are deeply concerned about issues that are raised by Ministers from time to time.

You will recall that a Liberal Member questioned the statement by the Minister of State responsible for the status of women (Mrs. Erola) on income tax deductions. I think that this is quite a healthy development. I would not want to see that abandoned merely because it has taken a new twist this morning.

On the other hand, I can understand that the Member for Ottawa-Vanier (Mr. Gauthier) is anxious because he has an amendment which he would like to see reached at some point. Incidentally, I support that amendment and I would like to have it reached at some point.

I would not want to be seen as opposing unanimous consent for the continuation of this healthy exercise. If I were asked for unanimous consent, I would say yes. However, I think we have embarked on a new means of debate in the House and I want to commend you, Mr. Speaker, for your understanding of the new feeling in the House in terms of debate in the House. I hope that this precedent is one that will not be forgotten because it extends to the report stage at least the spirit of the changes with respect to the second and third reading. I think it is a very healthy exchange indeed and it ought not to be forgotten by Members of the House.

Mr. Chrétien: Mr. Speaker, I rise on a point of order. I would point out a fact that is confusing at this time. As the Hon. Member for Champlain (Mr. Veillette) said, it was the Hon. Member for Joliette (Mr. La Salle) who was supposed to reply to questions. He made the speech. He was there to reply to a question and he ran away from the House. After that, the questions were asked of an Hon. Member on our side. I would like to point that out to the Hon. Member, as we would like to have the privilege of asking questions. Now we have the Hon. Member for Manicouagan (Mr. Maltais), who took questions from anyone, and he has done it in a superb way.

• (1220)

Some Hon. Members: Hear, hear!

Mr. Chrétien: But, on the other hand—

[*Translation*]

—the Member for Joliette (Mr. La Salle) got scared and left when we began asking questions which could have been embarrassing. I hope Members opposite will not rush out of the House every time Liberal Members will rise to put questions to them. It is a good example, and thanks to the Opposition this incident did prove—and I am very proud of that—that a young Member such as the Member for Manicouagan

(Mr. Maltais) can answer questions coming from anyone. I hope that one day the Members opposite will remain in their seat so that we on this side can show them how incompetent and vulnerable they are.

[*English*]

Mr. Taylor: Mr. Speaker, I do not think we can let the point raised by the Hon. Member for Champlain (Mr. Veillette) and the Minister (Mr. Chrétien) go unchallenged. The Hon. Member for Joliette (Mr. La Salle) did not run away. The Hon. Member for—

Mr. Deans: I saw him running.

Mr. Taylor: —Joliette answered all the questions that came to him. Then the questions switched to another Member. The only reason the Hon. Member for Joliette left is that he had an important appointment.

Some Hon. Members: Oh, oh!

Mr. Taylor: There was no precedent for questions after the ten-minute period. Had there been such a precedent, the Hon. Member would have made arrangements to be here. However, he stayed here and answered every question which was put to him. Let us get the record straight. Another point is that the Hon. Member for Joliette will never be afraid of any question coming to him from a Liberal, never.

Mr. Deans: I rise on a point of order. I am really enjoying this little family squabble.

Mr. Darling: Are you not part of the family?

Mr. Deans: However, I want to say, Mr. Speaker, that we would not have to ask questions of the Hon. Member for Champlain (Mr. Veillette) if the Minister were here.

Mr. Lang: Mr. Speaker, it appears that after 14 hours of debate in which 64 Hon. Members spoke, the House, on giving unanimous consent on a number of occasions to discuss other issues of importance beside Bill C-133, may be disposed to give unanimous consent to pass Bill C-133 so that we could then revert to asking these questions.

Mr. Deans: No, I can assure you that is not forthcoming.

Mr. Baker (Nepean-Carleton): Mr. Speaker, I do not know what the Parliamentary Secretary had in mind except, perhaps, mischief. However, I repeat I am sorry that what had been a reasonably sane atmosphere in the House of Commons with respect to a good Question Period had to be overcharged, should I put it that way, or tarnished by the efforts of the Minister of Energy, Mines and Resources (Mr. Chrétien). We were doing quite well without him. We were having a very intelligent discussion about a very important matter—

Mr. Deans: And then the Minister arrived.

Mr. Baker (Nepean-Carleton): —until he came along and, in his usual way, he managed to trivialize it and turn it into a partisan row, which it was not intended to be. It was intended to be a series of questions following a speech, and I repeat what I said earlier.

Mr. Chrétien: Who spoke last?

Mr. Baker (Nepean-Carleton): I will say that the Hon. Member for Manicouagan (Mr. Maltais) has done a good job; I will not argue with that.

Some Hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): He has done his very best to defend the indefensible, and that takes skill—

Mr. Chrétien: Who spoke last?

Mr. Baker (Nepean-Carleton): —because the Government's record is indefensible. He has done his very best with respect to it, but I repeat that no one wants this to go on forever, certainly. However, the precedent has now been established, and I think a very important one, that when issues are raised now, even on report stage, there are questions that come to Hon. Members' minds which, for the purpose of advancing debate, had better be answered, all of them, that the reservation on this precedent in terms of questioning is not, as it is on second and third reading, directed to the Hon. Member who sat down, but that Hon. Members who intervene can also be questioned. This does not take away at all the right of the Chair to deal with the question if it becomes irrelevant, if it does not deal with the proposition. I think the Chair always has that right.

However, the precedent has been established concerning unanimous consent being sought and given when the questions are relevant to the issue. Certainly the issue involving old age pensioners, retired Canadians, and particularly, in this case, public servants, in relation to unemployment and inflation, has been the great issue before committee concerning how they could cope with this situation.

Mr. Deans: This is another ten-minute speech.

Mr. Baker (Nepean-Carleton): That has been an issue and these questions were relevant.

I want to repeat what I said to Your Honour and to commend you, if I may do so, for seeing the importance of debate of a nature which can take place during Report Stage.

[*Translation*]

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

The Acting Speaker (Mr. Blaker): The Hon. Member for Ottawa-Vanier on a question of privilege.

[*English*]

Mr. Gauthier: Mr. Speaker, I rise on a question of privilege. I rose 15 minutes ago asking that we go back to discussing Bill C-133. I did not see anyone rising on the motion which was grouped, the motion by the Hon. Member for Nepean-Carleton (Mr. Baker), and that of the President of the Treasury

Board in the groupings which we were studying here or have been in the last two days. I think, having presented a motion, to amend this Bill, I want to come to that amendment soon. My privileges are being—

Mr. Deans: It is the Government that is cutting you off, not us.

Mr. Gauthier: —somewhat stretched right now. I think that with the concurrence of the House, and there is a certain amount of reasonableness concerning this matter, since we have carried on for 35 minutes, we could go on with a question period. However, we are stretching the rules a bit too far when we are starting to have a half hour question period after one Hon. Member has spoken. I would ask that either we revert back to the order of business, which concerns Bill C-133, or that we start Question Period right now and continue all afternoon, as far as I am concerned.

The Acting Speaker (Mr. Blaker): I must indicate to the Hon. Member that there may be some extension of logic which could result in the possibility that he has the basis for raising a point of privilege, but I think, on the face of it, that if Hon. Members seek, by unanimous consent, to have a discussion of the nature which has just been had, then I do not think the decision of the House reached unanimously constitutes a cause for a point of privilege by some Hon. Member. The Hon. Member for Ottawa-Vanier (Mr. Gauthier) has now indicated for the second time that he would like to see debate continue, for the very valid reason that he himself has an amendment.

Mr. Deans: Talk to the Government.

The Acting Speaker (Mr. Blaker): However, I much appreciated the comments made by the Hon. Member for Nepean-Carleton (Mr. Baker), particularly as to the new rules and their form. It may be that the mood is now changing toward reverting to Bill C-133. However, I must point out once more, as I did on the last occasion, that the Chair cannot refuse to recognize an Hon. Member who rises on a point of order. That would certainly be a withdrawal of privileges from some Hon. Member who seeks the floor on a point of order. If points of order continue to come, they will have to be recognized as they appear on the floor.

Mr. Gauthier: With all due respect, Mr. Speaker, I am not questioning your ruling. I am just saying to Your Honour that I have not heard any points of order. I have heard questions and exchanges. If someone has a point of order to raise at this time in debate, fine, I agree with Your Honour. However, I fail to see that there has been a valid point of order raised in the last half hour.

Mr. Deans: Not even yours.

The Acting Speaker (Mr. Blaker): I would like to indicate to the Hon. Member for Ottawa-Vanier that there were certain points of order raised which I thought were quite in order. However, aside from that fact, I do recognize that Hon. Members use the process of raising points of order to make some comments and enter into debate. What I must explain to the Hon. Member for Ottawa-Vanier is that I cannot tell whether a point of order is in fact valid until I have heard the Hon. Member first.

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I certainly welcome the fact that we actually have had a debate in this House, but I am sorry that it relapsed into the usual discussion about procedure. We almost reached the level of the xerox machine again in the last 15 minutes. However, I do want to return to discussion of the amendment and the Bill before us, Bill C-133.

• (1230)

I am opposing the amendment, as my Party is, because it is too little. To make an amendment in the six and five program, to say 6.5 per cent instead of 6 per cent, is simply not enough. Ten cents a day extra is what this would amount to and that is a ridiculous sum of money. It does not change the nature of the Bill. If Bill C-133 were not passed, retired civil servants would receive the full indexing of the Consumer Price Index, which is over 11 per cent. With Bill C-133, it is reduced 6 per cent. If the amendment is passed it only goes to 6.5 per cent. That is about 5 per cent the people are going to miss, and that is a significant sum. What is worse about it is that this means that the base is lowered, so this taking out of the pockets of retired civil servants will continue year after year. It is not merely a theft in 1983, it is an ongoing theft.

What is wrong with it? A contract is a contract. Civil servants contributed their money to the fund and it is splitting hairs to say that the fund in which, for bureaucratic reasons, indexing money goes is too low. There is another fund; transfers can be made. Those are purely administrative procedures. The point is that civil servants paid their money and were given to believe that they would get fully indexed pensions.

The Government takes very seriously its debt to corporations. It is going to continue the Petroleum Incentives Program grants. Military expenditure is increasing. It would not think of reducing interest on Canada Savings Bonds. The Government respects all kinds of debts it has with companies. It is shameful that the Government will not respect its obligations to its own former employees.

It is unconscionable to break a contract for any reason, but to break it for the six and five program is really pathetic. Six and five is not the answer to our economic problems. We need an industrial strategy which will put people back to work, which will get people working and making contributions. This will build up all kinds of funds for social purposes. Until we address the unemployment program we are not going to have a well-funded economy and we are not going to be able to afford the pensions or the social services we need.

The six and five program goes in the opposite direction. It is going to reduce demand, and that means companies will be laying people off or closing down instead of expanding. That is a popular theory with the lunatic right-wing fringe in the United States, but that is certainly no reason for us to adopt it

here. It has not been successful there, it is misguided, and even if it were a good theory it would still not be a good reason for breaking a contract with our retired civil servants.

Pensions are deferred wages. People have paid for them; they are entitled to get them and get them fully indexed. One of the justifications has been very adequately spelled out by the Prime Minister (Mr. Trudeau) in a letter, which I now quote:

> In our society, pensions provide a means of sharing risk so that we can retire in reasonable security and dignity, without fear of the future. Protecting pensions from inflation by indexing them to increases in the cost of living should be an integral part of our pension schemes. Indexing does not give pensioners an increasingly larger claim on our economy's production, that is, more money to buy things they could not earlier afford. Rather, indexing merely enables pensioners to maintain, roughly, their same standard of living.
>
> Even a modest rate of inflation destroys, at a devastating rate, the buying power of people on fixed incomes. Pensioners are out of the workforce and cannot bargain or strike for larger incomes. They are not the cause of inflation; they are its victims. We have an obligation to help protect them.

These are not mere pious words of the Prime Minister. They are in fact the law of the land, and a law which is passed saying that we will simply take it back, take away the money which has been promised to these people, is an immoral law.

The Bishops' statement is another good reason to have another look at this. Here we have spiritual leaders in the country pointing out the very great importance of giving the higher priority to the needs of working people over capital. Let me quote:

> The needs of the poor have priority over the wants of the rich. The rights of workers are more important than maximization of profits. The participation of marginalized groups takes precedence over the preservation of a system which excludes them.

That is a very fundamental point and is the kind of analysis which we in my party appreciate very much seeing.

I would like to say something about the hypocrisy of the Conservatives who are supporting us on the principles of Bill C-133, although not on the amendment. They seem to think the amendment is all right. It is rather late for them to be coming into the game and defending retired civil servants, just as it is rather late for them to come into the game on Family Allowances and on the old age pensions. The Tories supported Bill C-124 in the summer. That was the time when the Government could have been stopped. The Bills we have before us now on Family Allowances, old age pensions and retired civil service pensions are simply a logical working out of the programs which were prepared last summer. The Conservatives should not be surprised to see them now, and if they are surprised it is because they were incompetent last summer when the matter was being discussed and did not know what was in front of them.

I oppose the amendment, Mr. Speaker. The only way to improve Bill C-133 is for the Government to withdraw it.

Mr. Girve Fretz (Erie): Mr. Speaker, if ever there was a Bill which symbolized the philosophy of this Government, it is Bill C-133. I believe this Bill will go down in the annals of history as one of the most divisive pieces of short-sighted legislation ever to pass through this House. It represents the obstinate inflexibility of a Government dedicated to the philosophy of the end justifying the means, the goal being ostensibly reduction in inflation, and the means being the taking away of legitimate pension money from retired public servants. Surely the Government must be aware of the public's distaste for the insensitive way in which this and many other Bills have been shoved down our throats. Perhaps they know that this may be their last chance to dominate public affairs for a good long time and they wish to go out in style and be remembered for their foolhardiness, just as the Kamikaze pilots were in World War II.

Once the Government begins to commit breaches of faith, the public loses confidence in that Government, and believe me, this is happening. Bill C-133 represents the most flagrant breach of trust in recent times. If I were to send in my tax return based on a 10 per cent tax rate, there would be agents of the law at my door demanding the extra money. If a constituent of mine were to receive unemployment cheques to which he was not entitled, the Unemployment Insurance Commission would be on his back soon enough.

Why, then, would the Government turn the tables and hold back money which rightfully belongs to these retired people who contributed to a plan in full expectation that they would receive these funds? There is such a thing as making plans based on future income. These people are going to be more than disappointed; they may be wiped out financially.

The Minister defends himself here by making an amendment changing the indexation to 6.5 per cent in the first year and 5.5 per cent in the second year. He feels that the extra .5 per cent covers the cost of the contributions made by the public servants. This may be so, but even this amendment cannot camouflage the terrible wrong which is being done here. This Government has gone back on its word and is trying to patch an ugly wound with a band-aid.

What is the purpose of attempting to pass this Bill through Parliament? Is it to enhance the image of the Liberal Party and the present Government? It certainly is not doing that. Is it to cure inflation? Inflation is beginning to cure itself. It is happening without the capping of pensions and the limiting of Family Allowances.

Why not just accept the wisdom of public opinion and drop this ridiculous Bill from the books? It would restore some of the confidence lost in recent times.

It was mentioned by one of my colleagues on Monday of this week, and I quote:

• (1240)

> Government means sometimes taking hard and harsh measures where it is possible, and in this case the only way it is possible to take these measures is within federal jurisdiction.

I agree fully with taking hard and harsh measures to control inflation, but I disagree with the target of these measures. Spending continues unabated in the bureaucratic countinghouses of this Government while here in the House of Commons the President of the Treasury Board (Mr. Gray) is trying to extract the last possible nickel from the usual victims, the

middle-aged and the middle-class wage earner. The taxpayer is being taxed as never before, yet our deficit increases by leaps and bounds, by billions and billions of dollars.

This Government spends millions advertising the merits of the colossal, clumsy Canada Post Corporation and translating obscure documents from English to French and back again, yet it wants the pensioners of this country to tighten their belts and cheerily refuse badly needed funds to which they are entitled.

I hear the answer from time to time that we are going to save the Government money. The Parliamentary Secretary said that $18 million is not inconsequential. I agree that $18 million is a lot of money. Hon. Members opposite supported the Government which spent $650 million to buy service stations just two or three months ago. They supported the Government which has provided $1 billion in hidden subsidies to one Crown corporation called PetroCan. Where is the sense of fairness in supporting an expenditure of $1 billion on the one hand, and putting a special 5 per cent tax on retired people to get back $18 million or $80 milion on the other hand? Where is the sense of social justice?

It is with continuing amazement and almost sympathy that I listened to the defences put forth by some of my colleagues in the Liberal Party for this inexcusable piece of legislation. There are Members in that Party, as we are all aware, who squirm in their seats and battle with their consciences as they listen to their very own Party attempting to gloss over the ugly truth of this Bill. They gloss over the ugly truth of this Bill by stating that it is a noble plan of self-sacrifice and voluntary restraint on the part of Canadians. Such nonsense! Or, as my friend says, baloney.

This Bill is a well-planned deception with the simple aim of picking up some ready cash to keep afloat a badly leaking Government. The Liberal Member faced with voting for this Bill is confronted by an interesting dilemma. Voting for it may guarantee joining the UIC line-up next election, but voting against it could mean future political obscurity or permanent backbench warming.

It is interesting that such an important issue is bound to be distorted by political realities. Were the average Liberal Member of Parliament truly free to vote on this Bill, I contend that it would never have passed first reading and what headaches that would have saved.

There are many complex problems facing this House today. There is inflation which will not go away by itself. There is poverty and injustice. There is escalating crime throughout the nation. The citizens are overtaxed and unemployed. Little faith remains in the Government and linguistic and cultural disunity still dishearten us.

The passing of Bill C-133 will not solve these problems. The revenues generated by it are not significant in the big financial picture of this country. Can wasteful spending not be lessened? Can obsolete and high-paying Government jobs be streamlined or eliminated? We need to address these sources of income. Those are the sort of issues this Government should be looking at and this Parliament should be dealing with.

In conclusion, I feel that I have brought the attention of this House to some of the injustices found in this Bill. We are all aware of the fact that it is a mockery and a breach of faith. When public employees pay 7.5 per cent of their salary to support their pension plan, they should not be treated in this manner. As well, the benefits paid from the plan have been more heavily financed by employees than employers. Therefore, the employees are entitled to a return on their investment. Finally, there is a surplus of $15.5 billion in the Public Service Superannuation Account. Given the public outrage and the obvious unfairness of this legislation, the Government should drop Bill C-133.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, if one tries to find the principle and central idea behind this Bill, to limit the indexation of Public Service pensions, the Bill to put a cap on indexing of old age pensions and the Bill to put a cap of six and five on Family Allowances, one can see that the Government is following the kind of thinking which has been described in a shorthand form in the United States as Reaganomics. The Government's implementation is not quite as tough as Reagonomics, but it is the same kind of thinking which led the American government under President Reagan to bring forward the idea for the first time in 50 years that the role of Government should be drastically reduced as it affects the lives of people.

In the United States they have cut back on medicare, medicaid, hospital insurance, food stamp programs, job-training programs and a host of other programs developed in the United States since 1932 with the election of Franklin Delano Roosevelt. They succeeded in bringing inflation down very substantially in the U.S.A., but they also succeeded in bringing about the highest rate of unemployment which that country has had since the thirties. They have done this on the backs of the poor and elderly. As so often happens, we in this country have picked up their ideas, and were stupid enough to pick up their ideas even though they have by now proven wrong and not workable.

We have here a proposal of Government to put a limit on the wages and salaries of public servants of six and five at a time when inflation is running much higher than that. The Government is saying to the public servants, and urging those in the private sector to follow suit, so that they must accept a lower standard of living. As well as saying to employees who work for the Government that they must accept a reduction in their standard of living, they are saying to the old age pensioners that retired public servants and those receiving Family Allowance too must accept a decrease in their standard of living. It is a disgraceful situation.

This is just the beginning. I predict that in the next year or two we will see cutbacks in federal and provincial assistance to medicare, hospital care, unemployment insurance and welfare. Those who need help the most will have to bear the brunt of the mistaken economic policies of this Government. The Minister of National Health and Welfare (Miss Bégin) and

the Minister responsible for the status of women have again and again made speeches about how pensioners, women in particular, in large numbers if not a majority, are actually living in poverty. Yet these are precisely the people who as a result of this Bill will have their standard of living lowered even further.

• (1250)

These proposals, Mr. Speaker, these Bills, when passed, will have an adverse and immediate effect, of course, on all the people who are directly affected. But to the extent they reduce the real standard of living of the people I mentioned, the old age pensioners, retired civil servants, Family Allowance recipients, to the extent these programs are implemented, they reduce the purchasing power of millions of Canadians. How stupid can we be? Canadian factories are now working at less than 70 per cent capacity. According to official statistics, we now have over a million and a half people unemployed, if one adds the discouraged people who are not looking for work, and I do not really know what good it would do for somebody unemployed in Sudbury, Ontario, Thompson, Manitoba, Kamloops, British Columbia, or the Gaspé region of Quebec to look for work when there are no jobs available, and to the extent that we reduce the purchasing power of Canadians we guarantee more and more unemployment.

There is not an economic research institution in this country which does not say that unemployment in 1983 is going to be even higher than it was in 1982, whether that institution is to the left of centre like the Canadian policy alternatives, or the C.D. Howe Institute or the Conference Board. I except from the list the Fraser Institute, of course, for obvious reasons. And I am sure that if the Government would permit the people of Canada to know what studies have been done in the Finance Department, the Employment Department or by the Bank of Canada, they would see the estimates on unemployment made by the organizations I have already mentioned confirmed. So what the Government is guaranteeing, Mr. Speaker, is that we will have even more unemployment in 1983, more misery than we have had up to now.

It is typical of Liberal thinking and of the Liberal idea of a "just society" that at the same time as they are asking those in the lower income brackets, the poor and the people in the lower middle class to make the kind of sacrifices which are involved in this kind of legislation, they are increasing the tax concessions and the "goodies" which have always been given to those in the upper income brackets by Liberal and Conservative Governments. There was the spectacle in the last Budget proposed by the former Minister of Finance when he reduced the tax rate for those in the upper income bracket from about 60 per cent to 50 per cent. That example was followed by the present Minister of Finance (Mr. Lalonde). What did he do? In his last Budget he extended a series of tax loopholes which will benefit only the rich and the professionals, less tax on investors' stock profits, rejection of any limit on investment interest expense and deduction, rejection of the need to tighten rules on capital gains and corporate reorganization, and the maintenance of a loophole which enables professionals to defer the taxability of large chunks of their already sizeable incomes. That is the kind of idea about justice which we have come to expect from Liberal Government—"Stick it to the poor and give more to the rich".

We in the New Democratic Party oppose the six and five program and have done so from the beginning. We pointed out that it would not work, would not really bring down inflation and that it would mean more unemployment. We were alone at that time, but since then we have been joined by many other groups. I am not going to put on the record in any detail the criticism made of Government policies by the Roman Catholic Bishops, but they have said far more eloquently than I can that this kind of thinking, and the kinds of programs the Government has adopted, will hurt the people who need help the most. They have been joined now by that arch-defender of the free enterprise system, Mr. Sinclair, the head of the CPR, a supporter of six and five, who has pointed out that what we need now is not more restraint but a program to put people back to work.

We oppose this Bill, Mr. Speaker. We are going to vote against it as we have from the beginning, unlike our Conservative friends who, having voted for the six and five, are now going to play it both ends against the middle by opposing these Bills, which are a logical extension of what was proposed in the six and five program which they supported.

Mr. Al MacBain (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, the debate on Bill C-133, which we have been considering this week, and which the Miscellaneous Estimates Committee studied at length prior to the Christmas recess, has highlighted the importance which Members of all Parties place on retirement benefits. The debate also has brought out the security which retired members of the Public Service, the Armed Forces, the Royal Canadian Mounted Police and others, have felt towards the nature of the retirement benefits which they receive.

We have heard much about the relatively low level of benefits now received by these people, and from messages sent to me by my constituents and others, I share the concern that this is the case. Contrary to claims made over the years by certain groups who have depicted retired public servants as citizens living high at the expense of everyone else, the average pension being paid to retired public servants and their survivors, taking into account all of the post-retirement indexing adjustments, is not at a very high level at all. As indicated by a number of Hon. Members, the average pension was $6,900 in December, 1982. The question, therefore, is how much that $6,900 will increase in 1983. I am certain most of the recipients are pleased to know that as of the end of this month, January, 1983, the rate will increase.

As I said earlier, much has been made in recent years by some critics of the Public Service pension arrangements claiming undue generosity, which is certainly not the case, but very little has been said about the amount of contributions which retired public servants have paid. There are few pension plans in the country which require an employee to pay 7½ per cent of his wages towards his retirement pension. Most have

contribution rates either lower than that or do not require contributions to be paid at all. Furthermore, although most large companies in Canada have paid ad hoc inflationary adjustments to their retired personnel, few, if any, require employees to make additional contributions to pay for these adjustments. These introductory remarks are made to try to put into perspective the present situation for Public Service pensioners in relation to Bill C-133.

The President of the Treasury Board (Mr. Gray) has moved a motion that recognition of the contributions made by retired public servants for the indexing of their pensions be given. He has said that only the portion of indexation benefits which is payable from the Consolidated Revenue Fund will be subject to the six and five restraint program.

The Acting Speaker (Mr. Blaker): I am sorry to interrupt the Hon. Member but I believe we have reached the hour of one o'clock, and it being that time I do now leave the chair until two o'clock this afternoon.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

AIR TRANSPORT

AMALGAMATION OF QUEBECAIR AND AIR CANADA—CONSEQUENCES FOR EASTERN QUEBEC

Mr. André Maltais (Manicouagan): Madam Speaker, I would like to mention an important debate now going on in eastern Quebec concerning the merger of Quebecair and Air Canada. I want to ask the Minister of Transport (Mr. Pepin) to take into account, within the context of these negotiations, the matter of rates and the organization of facilities in the area between Sept-Îles and Blanc-Sablon, including the—

[*English*]

Mr. Ellis: Madam Speaker, there is no translation and I understand enough French to know that my colleague is speaking about a subject in which I am particularly interested. I would like to hear his remarks, but there is no translation coming through.

Madam Speaker: Well, I guess we will have to wait.

[*Translation*]

Should the Hon. Member not continue? We shall see whether the interpretation system is working or not.

Mr. Maltais: I want to call the attention of the House to an issue which has great significance for my region and eastern Quebec, namely the merger of Quebecair and Air Canada. I wish to emphasize the importance of this debate because air transport has always been linked with route equivalence, especially on the North Shore, in the Magdalen Islands and the Gaspé Peninsula. I believe that in the context of the negotiations now under way we should be careful not to negotiate only for routes or administrative matters and be only concerned with routes such as Montreal-Toronto and Montreal-Florida. I would like to ask the Minister of Transport to pay particular attention to the rates which apply on the Montreal-Sept-Iles routes. Moreover, I would like to point out that a return trip from Blanc-Sablon to Sept-Iles costs $640. I would therefore like the minister to ask Air Canada to be very cautious during the negotiations. On the North Shore, we want Air Canada to have administrative control, the employees of Quebecair to keep their jobs and transport administration to take into account the facilities at the airports of Havre-Saint-Pierre, Chèverie, Natashquan and Blanc-Sablon and we also want something to be done about the local airports. Runways should be built in Baie-Johan-Beetz, Kegaska, Tête-à-la-Baleine and La Romaine. I think that the region of Canada designated as the middle and lower North Shore should be included in the negotiations and if I make these comments, madam Speaker, it is to remind the House that it costs $800 to fly from Montreal to Paris and $400 to go from Montreal to Vancouver. It is therefore abnormal for one region of the country to pay excessive rates and for the residents of such an area to be deprived of transportation. To conclude, I repeat that we want Air Canada to be in control and the minister to take his responsibilities.

* * *

[*English*]

COMMUNICATIONS

PROPOSED PORNOGRAPHIC PROGRAMMING ON PAY TV

Mr. Girve Fretz (Erie): Madam Speaker, up until now, thankfully, the medium of television has been relatively free of pornographic material due to stringent regulation of public television. Now, however, with the advent of Pay TV, the possibility looms large that our air waves will soon be filled with "Playboy" as well as assorted explicit movies. At a time such as this one would expect the Minister of Communications (Mr. Fox) to stand up and defend the right of Canadians to clean and decent television programming. Instead, as mentioned in *The Citizen* of January 18, he will not take special action to stop First-Choice Pay TV from producing and showing soft core pornography to national audiences. However, he also states that he hopes many groups will apply pressure on the service by protesting its plans to program and produce skin-flicks.

When questioned in the House on Tuesday and Wednesday of this week on this very subject, the Minister was evasive and

non-committal. This attitude is intolerable. He refuses to act in his capacity as Minister and take action, yet he hopes other people will protest. What hope do any protest groups have, if the man with the power to do something about the situation does not care? Unless he takes a stand on this matter, the voices of decency in this country are going to be drowned out and the "sexploiters" will be laughing all the way to the bank.

* * *

TRADE

IMPORTANCE OF ASIAN MARKETS—SUGGESTED FOLLOW-UP TO PRIME MINISTER'S TRIP

Miss Aideen Nicholson (Trinity): Madam Speaker, the Prime Minister (Mr. Trudeau), accompanied by a delegation of senior Canadian businessmen, just completed a visit to the Asian Pacific region, the world's fastest growing region and one which is now planning major capital projects worth billions of dollars in areas such as transportation, energy and communications where Canadian expertise is second to none. Asian markets want North American technology and want to diversify their trade. Canadian success in winning some of these contracts means jobs for Canadians now and in the future.

The prime Minister undertook this visit in response to many requests from Canadian business interests. It is important that the momentum not be lost and that every effort now be made to remind Canadians of the importance of Asian markets, as well as keeping Canadian trade information before our Asian friends.

* * *

INCOME TAX

TAXATION OF NORTHERN BENEFITS—CALL FOR RETENTION OF REMISSION ORDER

Mr. Dave Nickerson (Western Arctic): Madam Speaker, because of the higher cost of living in the north and because of the progressive nature of the Canadian income tax system, northerners are effectively taxed at higher rates than southern Canadians. In Australia, Denmark, and the U.S.S.R. a tax zoning system is in effect, designed to encourage people to live in remote areas, but this is not the case in Canada.

In 1980, because of the public outcry over the taxation of certain necessary benefits, the then Minister of Finance was forced to issue a remission order which partially solved the problem, although it was still unfair to many. The announcement by the present Minister of Finance (Mr. Lalonde) on December 2 that the remission order will expire and benefits will be taxed under a complex bureaucratic formula, has rekindled public outrage. The tax grab from the pockets of northern employees and industry at a time of acute recession is senseless and bad public policy, and the proposed system will promote the fly in fly out situations instead of building up a steadfast northern community. We therefore call upon the Minister of Finance to abandon his ill-considered scheme and retain the present remission order until it can be replaced by permanent amendments to the Income Tax Act, resulting in fair and equitable taxation for all northerners.

* * *

LABOUR RELATIONS

IMPACT OF TECHNOLOGICAL CHANGE

Mr. Neil Young (Beaches): Madam Speaker, yesterday was the last day of the National Occupational Outlook Conference which was studying the job implications of technological change as well as the over-all outlook for jobs in coming decades. Yet despite the fact these issues have profound implications for the labour movement, only two labour representatives were asked to participate. The Deputy Minister of Labour has acknowledged that the human side of technological change has received little attention at policy levels in Ottawa.

Since the human implications of economic planning are precisely the concerns the labour movement wants to address, and since the Canadian population strongly supports the call of the Bishops to put people first in economic planning, I would ask the Minister responsible for labour and the Minister responsible for employment to take immediate steps to improve the climate of labour and Government relations in Canada, and to call on their cabinet colleagues to withdraw the six and five program as a first step towards creating real growth in employment in our country.

* * *

PARLIAMENTARY REFORM

SUPPORT FOR HOLDING OF FREE VOTES

Mr. Roland de Corneille (Eglinton-Lawrence): Madam Speaker, the steps being taken toward parliamentary reform have been excellent, but we urgently need to realize the full extent of the frustration and misgivings of the Canadian people. They are correct when they conclude that the way we operate our parliamentary system demands an almost slavish subservience to party lines and provides little or no opportunity for a genuine open dialogue and co-operation in a time of crisis such as the world is presently experiencing. I suggest that, in order to provide Canadians with new evidence of our integrity, we badly and urgently need to have more free votes in this House.

Some Hon. Members: Hear, hear!

Mr. de Corneille: If more Bills could be presented to the House of Commons on a free-vote basis, Members could represent their views and those of their constituents forthrightly. They could listen with more sympathy to the opinions of Members of opposing parties as well as to those of their own. A quality of respect, dialogue, and co-operation might have a

chance to take root, and the public would begin to believe that their affairs were being managed on the basis of reason and discussion, rather than on one of reflex and polemics.

Of course there are many issues which involve the basic differences of the three parties, and on such Bills, and on all money Bills, votes of confidence must continue to be employed. But even a few free votes, in my opinion, would do wonders to make the system more responsible to the needs and views of our constituents, and would do wonders to restore faith in the integrity of the democratic process.

* * *

• (1410)

CANADA POST CORPORATION

SURCHARGE ON SPECIFIC LETTERS—EFFECT ON TOURISM AND SMALL BUSINESS

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, I want to record my objections and those of tourist operators and small-businessmen in my riding of Parry Sound-Muskoka, as well as in most parts of Canada, to the fact that in so many ways they seem to be the chosen targets of the Government. The specific weapon being used this time is the new postal regulations of our postal corporation. Under these regulations, from April 1 onward a surcharge of 5 cents will be charged on all small-business letters which are non-standard in size or do not use the postal code.

Big business is catered to by providing an incentive rate of 24 cents for mailings of 20,000 or more standard identical pieces, and an even lower rate of 21 cents is charged for 1,000 or more items which are presorted to carrier routes. Perhaps Canada Post would also consider a new rate of, say, 17 cents, providing the customer delivers the mail himself.

Some Hon. Members: Oh, oh!

Mr. Darling: It was explained to us that these new rates are to allow a discount to large mailers who do some of the post offices' work for them, and for enabling their new automatic sorting machinery to be used. Presumably this results in significant cuts in labour costs. This is all very logical, except that it is a bit hard to reconcile with the fact that, according to the best figures I have been able to come up with, since the end of fiscal year 1981 the cost of first-class postage has—

Madam Speaker: Order, please.

* * *

[*Translation*]

EMPLOYMENT

NATIONAL DEFENCE TRAINING PROGRAMS

Mr. Michel Veillette (Champlain): Madam Speaker, the situation of the young Canadians who are unemployed and untrained is a major concern of all Hon. Members.

Unable to find jobs, many young Canadians have asked to join our Armed Forces, which have the necessary facilities to train them. In fact, their number is so large that it exceeds the Department of National Defence's current requirements. The Canadian Armed Forces would have to accept additional applications by the thousands if they were to provide them all with jobs as well as the professional training they require to find jobs on the labour market today.

For quite some time, Hon. Members on the government side have requested that the programs and facilities of the Armed Forces be made available to a greater number of young unemployed Canadians who are in need of training. We know that the Government is giving serious consideration to their request, and we hope that its decision is forthcoming.

* * *

[*English*]

INCOME TAX

PREPAYMENT OF TAX ON INCOME FROM GOVERNMENT BONDS

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, every Member of the House must be aware that many Canadian pensioners hold Canadian Government Bonds on which interest payments are made, sometimes twice but just as often only once during the year. Also they must be aware that these pensioners are nonetheless required to submit quarterly income tax returns and, in consequence, have to pay tax on revenue before that revenue is actually received. This is an iniquitous injustice and an intolerable burden which many pensioners find difficult to bear.

The principle ought to be established once and for all that no taxes can be collected from individual Canadians until the revenue on which those taxes are levied has been received by those individual Canadians. I suggest that the income tax Bill, Bill C-139, which will soon be before us again, should be amended to embody this principle.

* * *

ABORIGINAL RIGHTS

PREPARATION FOR DISCUSSION AT FIRST MINISTERS' MEETING

Mr. Rod Murphy (Churchill): Madam Speaker, I should like to express my deep concern about the strategies which are currently being developed by the federal Government and some provincial Governments prior to the upcoming First Ministers' Conference on aboriginal rights. We have learned about a leaked Government document which indicates that the Liberal administration intends to "reduce native expectations" and "embroil provincial Governments in the process of discussion".

Such an approach implies that the Government's commitment to an equitable settlement of the aboriginal rights issue is not sincere. This will only strengthen the suspicion of native peoples that the federal Government cannot be trusted.

Constitutional negotiations in the past have led to a feeling of betrayal. If this betrayal of native people by the Liberal Government continues, the willingness of these peoples to work within the system will disappear altogether. Surely the Government would prefer to encourage and not to destroy the faith and trust of the native population.

Some Provinces, including the Province of British Columbia, have hidden agendas to include other items in the March Conference. While it cannot be denied that there are other important issues, in particular the position of the Province of Quebec, these should be made the subject of a separate First Ministers' meeting. To attempt to deal with a variety of issues at this time will result in a treatment that will not solve any issues for Canadians—

Madam Speaker: Order, please.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

REQUEST FOR ACTION TO CREATE JOBS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, my question is directed to the Prime Minister who will know that the OECD study of 24 member nations revealed in terms of real growth last year that Canada ranked twenty-fourth out of 24; we ranked dead last. That means our problems are caused right here in Canada. Also the Prime Minister will know that the people who suffer most from those problems are the Canadian unemployed who now number nearly two million, and according to the Conference Board there will be at least another 141,000 Canadians who will lose their jobs this year.

The Government, three or four months ago, introduced the NEED Program which was supposed to create 60,000 jobs. So far, according to the Department of Employment and Immigration, it has created about 4,000 jobs. That is a shamefully inadequate response to a major Canadian crisis.

Will the Prime Minister indicate whether the Government intends to bring in immediately new action to create jobs for Canadians, when that action will be taken, and what form that action will take?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the NEED program which I announced in October and which is being implemented by the Minister of Employment and Immigration involves not just a $500 million grant but also an additional amount of at least $200 million to be provided by the provinces. My colleague has concluded agreements with all of the provinces and that program is now under way. Indeed, each week and each day new projects are being undertaken. I am positive that we will exceed the 60,000 jobs referred to thanks to the co-operation of the provinces. In addition, Madam Speaker, I remind the Leader of the Official Opposition that several bills are now before this House, especially one dealing with the Income Tax Act which is being delayed. Passing this Bill would encourage Canadian businesses as well as Canadians into giving the economic impetus which we all need. Those bills are before Parliament and I hope that they will be considered as quickly as possible to help the unemployed and all those who would like to stimulate the Canadian economy.

[*English*]

Mr. Clark: Madam Speaker, let me express my apologies to the House. I could have sworn I saw the Prime Minister over there; I could have sworn that he had returned from vacation. I did not know that he was still goofing off and letting the Minister of Finance reply for him.

Some Hon. Members: Hear, hear!

LOSS OF JOBS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, let me ask whichever Minister is responding for the Government on economic policy—

Some Hon. Members: Oh, oh!

Mr. Clark: Let me try the Deputy Prime Minister; are you here?

Some Hon. Members: Hear, hear!

Madam Speaker: Order, please. The Right Hon. Leader of the Opposition should proceed to his question.

• (1420)

Mr. Clark: Madam Speaker, I wonder if the Acting Prime Minister or any transient seat mate he might have, can call to mind that in October the Prime Minister indicated there would be bold new measures brought in by this Government to generate economic growth in the country, and that the House Leader indicated that the Throne Speech was already prepared with these bold new measures in it. Three months have passed since those declarations and thousands of Canadians have lost their jobs. Will the Acting Prime Minister tell us what the Government is waiting for? Why will the Government not act now to bring jobs and hope to Canadians who are losing their jobs by the thousands as this Government sits back and waits?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I am surprised that the Right Hon. Leader of the Opposition treats the question of unemployment in this country with such levity.

Some Hon. Members: Oh, oh!

Mr. Jarvis: Don't blush.

Mr. Lalonde: The question of unemployment has been addressed by this Government through the addition of over $1 billion of further expenditures in the last few months to the Government's expenditure plans in order to compensate for some of the difficulties being faced by hundreds of thousands of Canadians. The provincial Governments have agreed to co-operate with the federal Government in that regard. What we have seen in the meantime has been systematic dragging of feet and filibustering on the part of the Opposition on numerous Bills that have been before this House to deal with the crisis the country is facing.

Mr. Mitges: What Bills?

Miss MacDonald: Name one.

Mr. Lalonde: I would urge the Leader of the Opposition to examine the actions of his own Party and the lack of action by his own Party before he starts to throw any rocks.

INQUIRY RESPECTING DATE OF BUDGET PRESENTATION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, let me direct this question also to the only Minister who is awake over there and who has just come back, by the way, from the OECD meeting where he had to defend Canada's performance of being twenty-fourth out of 24 in economic growth; where he had to defend the policies of this Government which alone have dragged this country below the standards of other comparable countries.

Some Hon. Members: Hear, hear!

Mr. Clark: The Minister has talked about delay in debate. He knows there is a 300-page tax bill which the Government has introduced for one day's debate only. If he wants to bring it forward, let him bring it forward. We will debate it. If he wants to have a deal on it, delete 15 or 20 of the provisions which will restrict expansion in this country and we will give it very quick passage. Let him do that.

Some Hon. Members: Hear, hear!

Madam Speaker: Order, please. I am really sorry, by I have to remind the Right Hon. Leader of the Opposition that he should not be making a speech but rather asking a question.

Mr. Nielsen: Remind the Cabinet, too.

Mr. Clark: Madam Speaker, in the absence of the Government, the Opposition has to take more time.

Some Hon. Members: Hear, hear!

Mr. Clark: Madam Speaker, may I ask the Minister of Finance on what date he intends to bring in a budget?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I have indicated that I was hoping to bring in a budget early in the new year. I indicated also that to me this meant preferably before the beginning of the new fiscal year, that is, before April 1. However, I also indicated that it was very important that the House deal with all the legislation resulting from budgets and budgetary measures that go back two years on which the Opposition has been dragging its feet and filibustering.

Some Hon. Members: Oh, oh!

Mr. Lalonde: The reason the Income Tax Bill has not been considered further, Madam Speaker, is because the Opposition has refused to deal with other urgent Bills having to do with six and five. That is why that Bill has not yet been brought before this House for debate more frequently. We are waiting for the Opposition to deal with the most urgent Bills also—

Mr. Nielsen: We didn't see them for two years.

Mr. Lalonde: —and the Income Tax Bill will then be brought forward for debate.

* * *

TRADE

REQUEST THAT PRIME MINISTER REPORT ON TRIP TO SOUTHEAST ASIA

Miss Pat Carney (Vancouver Centre): Madam Speaker, my question is addressed to the Prime Minister. The public perception of the Prime Minister's trip to the Pacific Rim is that it enhanced his reputation as an international globe trotter and fun kind of guy, to quote one news report. Since the trip was advertised as a diplomatic trade mission to the fastest growing economic area of the world, what sales report can the Prime Minister make to the nation? What contracts did he sign? What new trade agreements did he negotiate? And what specific commitments did he win abroad that will create jobs here at home?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker—

Some Hon. Members: Hear, hear!

Mr. Nielsen: He is awake. Does that mean you are going to speak?

Mr. Shields: Let's hear from the violins now.

Mr. Munro (Hamilton East): Wouldn't you like to have an ovation like that, Joe?

Madam Speaker: Order, please.

Mr. Trudeau: Madam Speaker, first I want to thank the House for making me so welcome on my return. I want to inform the Hon. Member that I did not sign any trade agreements. It was not my intention to do so. I think that the tour was mainly conceived to make Canadians and members of the Association of Southeast Asian Nations aware of the vast trading possibilities potential between us. In that sense, I think

it will be up to the House and the public to judge whether the trip will have been worth while.

Mr. Baker (Nepean-Carleton): They already have.

Mr. Trudeau: They will see that, I suppose, if the private sector and Government relations do improve in the months to come.

DISCUSSIONS WITH JAPANESE OFFICIALS

Miss Pat Carney (Vancouver Centre): Madam Speaker, my supplementary question is also for the Prime Minister. I would point out that any private sector salesman who returned from an 18-day trip abroad with a blank order book would probably lose his job.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Miss Carney: In Tokyo the Prime Minister promised to sell unlimited quantities of Canadian natural resources to Japan which, in fact, is what Canada is already doing. In return he asked Japan to invest more in Canadian manufacturing in order to create jobs here. Since the former Japanese Ambassador to Canada says that the major obstacles to expanded Japanese investment in Canada are the Government's own policies, specifically, the National Energy Program and the Foreign Investment Review Agency, did the Prime Minister agree to alter these policies in his discussions with Japanese officials?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the hon. lady shows that she does not understand much about trade if she suggests that after 18 days anybody in the private sector would come back with a filled order book.

Mr. Clark: Just one entry, Pierre.

Mr. Trudeau: The message which the businessmen whom I met in each one of these countries were conveying to each other, and to myself, was that to break into the market in those countries where the competition is very high from the Economic Community, from the U.S., and from Australia, as a businessman one had to go many times and stay there for years—

Mr. Kempling: Are you going back next month?

Mr. Trudeau: —it was not just one trip by businessmen which could be expected to yield a great deal of business. A great deal more persistence and less levity on the part of the Opposition would perhaps lead to deeper trade.

Mr. McDermid: You must have jet lag.

Mr. Trudeau: Yes, I do.

THE ECONOMY

STATEMENT BY CATHOLIC BISHOPS—GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Prime Minister as well. During the Christmas break the Canadian Catholic Bishops produced a cogent analysis of the Canadian economy which the Prime Minister dismissed out of hand. Canadians have received from the Prime Minister since the 1980 election one disaster after another, ranging from the megaproject fiasco up to the two-month flirtation with an industrial strategy, all of which have produced, as the Leader of the Opposition has correctly pointed out, about two million unemployed. In the light of this totally disastrous record, where does the Prime Minister get the nerve to dismiss so readily the Bishops' very fine analysis of the Canadian economy?

• (1430)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Leader of the NDP must have been misinformed. I did not dismiss, as he says, the Bishops' analysis out of hand—that very fine analysis, as he puts it. I was asked a question in one of the countries where I was travelling about the Bishops, and I felt it was not the right time to discuss in any detail that particular important comment by the Bishops. My comment, which concerned their reflection on the fight against inflation, was that their economics was not all that steady, but I added that that was not the forum in which to discuss this matter.

The Bishops were discussing it amongst themselves. I would be happy to answer any substantive questions about this report that the Hon. Member wants to put because I feel it is more appropriate to do it here in Canada than in some foreign country.

Mr. Broadbent: I too feel it is appropriate to ask questions in a serious nature about that report.

MORAL APPROACH

Hon. Edward Broadbent (Oshawa): Madam Speaker, one of the serious concerns of the Bishops was that we should have a moral approach to the problems of the Canadian economy, one that is fair. They used, with care, the phrase "moral disorder" to characterize the Government's program, and specifically said that the Government of Canada was cutting back on pensions and family allowances, putting wage controls on Canadian workers, but at the same time leaving upper Canadian incomes untouched. Such a combination, in their analysis, leads appropriately to the description of a moral disorder.

Will the Prime Minister, for once in this context, act morally and bring forward a program of economic recovery that puts an equal burden on all Canadians?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member is misinformed in his second question too. He knows that the Government is not cutting

back on pensions. The Government is simply reducing the rate of escalation of those pensions to 6 per cent and 5 per cent. If we do succeed in bringing inflation down to 6 per cent this year, it will mean that pensioners will be compensated for the rate of inflation.

This is why I think that the Bishops were misinformed when they attacked the six and five program in itself as a misguided attack on the economic evils. We have to bring inflation down. We are succeeding in bringing inflation down, and that will create jobs. This is the point that I was making. This is the only quarrel I have with the economics of the Bishops, and that was my point.

In so far as applying six and five in a rigid fashion across all levels of income receivers is concerned, I want to point out to the Hon. Member that my first proposal in February of last year was indeed to have caps on income which would be graduated according to the size of that income. I did not receive any support, either from the Provinces, from the NDP, or from the Bishops on that.

ELECTION CAMPAIGN PROMISE

Hon. Edward Broadbent (Oshawa): Madam Speaker, as everyone who has paid any attention to the Bill being debated before the House now, and during the past few days, knows, the Government has in fact broken a contract which it had with its own employees concerning pensions. I repeat that the Government is cutting back on something to which these pensioners were legally entitled.

The Prime Minister has virtually made a political career out of promising Canadians one thing and delivering another. In the 1980 election campaign the Prime Minister promised that he would not fight inflation on the backs of working Canadians. As the Bishops have pointed out, once again he has broken this promise. In light of the very serious moral concern expressed all across Canada about the issue of unemployment in terms of his remarks in the 1980 election about not fighting inflation on the backs of workers, in comparison with what he delivered, was he at that time simply lying to the people of Canada, or has his action since indicated that he simply does not care?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I think the Hon. Member, in his rhetoric, is perhaps being a bit immoral himself. He is quoting the Bishops as having pointed out that I broke an election promise. The Bishops have pointed out no such thing, and the Hon. Member is using—

Mr. Broadbent: I did not say that.

Mr. Trudeau: The Hon. Member did say that, and if he would stop chewing his gum he would realize it.

Some Hon. Members: Oh, oh!

MINES AND MINING

LAY-OFFS IN WESTERN COAL INDUSTRY—DISCUSSION OF SALES TO JAPAN

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, my question is also directed to the Prime Minister. During his sojourn to the Far East, the Canadian mining industry continued to deteriorate as a result of more cut-backs and shutdowns being announced in great numbers. Thousands have been laid off in the western Canadian coal industry, including an additional 1,900 workers at B.C. Coal's Balmer Mine, which was announced last week because of a declining demand for coal exports to Japan and other Pacific Rim countries.

What steps did the Prime Minister take in Japan to address this problem? Did he encourage the Japanese to speed the conversion of their electric power utility and cement plants to coal from oil-fired generators? Did he discuss the possibility of a joint Japanese-Canadian coal liquefaction plant in Canada similar to the commercial scale project planned for Australia under a joint agreement between that country and Japan? Just how much new coal did the Prime Minister sell while he was globe-trotting?

Right Hon. P. E. Trudeau (Prime Minister): A great deal, Madam Speaker.

Mr. Siddon: From the Prime Minister's evasive reply, it seems that the only aspects of his Japanese trip which were carefully planned were his secretive sojourns for sightseeing and sunning by the seashore with his son, Sacha.

Some Hon. Members: Shame!

FUTURE OF YUKON MINE

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, the lead and zinc industries of northern Canada and the iron ore industries of Labrador and Quebec supply much of their production to the Japanese and Pacific Rim countries. The continuing shutdown of the Cyprus-Anvil Mine in Faro, for example, has compelled the mine's former Japanese customers to seek new suppliers in other countries. No doubt their concern, as it is for all Yukoners, is that the Cyprus Mine will remain closed.

Madam Speaker: Order. That is two long questions. At least the second question should be short. We cannot complain about the length of the answer.

Mr. Siddon: I hope the answer will be at least half as long as the question. When the Prime Minister pledged Canada's "limitless" natural resources to Japan last week, did that include the assurance that the Dome Mine in Faro, Yukon, will be reopened immediately so that hundreds of anxious northerners can be put back to work?

Right Hon. P. E. Trudeau (Prime Minister): No, Madam Speaker.

Oral Questions

FISHERIES

REQUEST THAT KIRBY TASK FORCE REPORT BE TABLED

Hon. John A. Fraser (Vancouver South): Madam Speaker, my question is directed to the Minister of Fisheries and Oceans. As the Minister knows, the Kirby Report was forecast last January with the establishment of the Kirby Task Force. The Report was supposed to come down in July, then in September, then November and, most recently, January 17, which has now passed.

In the meantime newspaper reports are quoting parts of the Report, and CBC Radio, last night and this morning, carried more reports on what they say is a leaked document. This is creating great confusion and uncertainty in the Atlantic fishery. Will the Minister immediately table the Kirby Report as originally submitted to the Cabinet Committee which we, of course, know is split? Will he table the Report so Members of Parliament can see it, the fishermen can see it and the industry can see it, in order to stop the confusion because they cannot do any planning at the moment?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Madam Speaker, I think that what the fishermen of the Atlantic want is not only reports but action. I think it would be futile and a complete misunderstanding of the aspirations of the fishermen to limit ourselves to tabling reports. What they want are policies. I hope that in the very near future I will be able to table the fundamental principles and the major actions that we will take.

I hasten to add that this will be done and the implementation of those policies will be undertaken with close consultation and co-operation of all participants.

LEAKING OF REPORT

Hon. John A. Fraser (Vancouver South): Madam Speaker, I say to the Minister of Fisheries and Oceans that everyone knows that the Cabinet Committee has not been able to decide on the Kirby Report because it is split over it. There is widespread belief, if not conviction, that the Kirby Report is being deliberately leaked by one faction or another in that Cabinet Committee, either to destroy the credibility of the report or to enhance its arguments in Cabinet. Will the Minister tell us which faction is leaking the Report?

• (1440)

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Madam Speaker, of course our policy is well known on that matter. We do not deny, we do not confirm, we do not comment on any document which is presented as a leaked document.

Mr. Clark: You do not do anything; you do not show up.

Mr. De Bané: For me, the leak is non-existent.

* * *

HUMAN RIGHTS

VIOLATIONS IN THE PHILIPPINES—REQUEST THAT GOVERNMENT MAKE PROTEST

Mr. Bob Ogle (Saskatoon East): Madam Speaker, my question is also directed to the Right Hon. Prime Minister and concerns his recent trip to the Far East, particularly to the Philippines. Amnesty International and other human rights groups continue to condemn the practices of illegal detentions, torture, and other violations of human rights by the Marcos regime in the Philippines. Since the Prime Minister has been quoted as saying that he did not feel that it was proper to protest against such violations while recently visiting the Philippines, I ask him today, when, in his opinion, is the proper time to protest such violations, and will the Canadian Government make such a protest?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I would probably find it more productive to protest privately by form of letter to the President or to the Prime Minister—

An Hon. Member: Did you?

Mr. Trudeau: —raising particular cases. If the Hon. Member wants to suggest particular cases that are worthy of being raised, I would be happy to hear from him.

Mr. Ogle: I will be able to give the Prime Minister particular cases, Madam Speaker.

OFFICIAL'S STATEMENT

Mr. Bob Ogle (Saskatoon East): Madam Speaker, a Canadian Government official on the tour was quoted as saying that Canada "is not prepared to cause unemployment in Sudbury to free a nun in the Philippines". I trust that this is not the Government's position. If not, I ask the Prime Minister what is the Government's position on the relationship between trade and human rights?

Right Hon. P. E. Trudeau (Prime Minister): I have made it clear to all of the Press Conference, Madam Speaker, that policy in this regard was not established by officials, but, rather, by the Government itself. I would point out to the Hon. Member that the two matters of trade and human rights are not in the same category. They should not be traded off, one against the other. One should be able to pursue trade for its own merit in the ways one can best do it. Insofar as the promotion of human rights is concerned, it should also be done in ways which would be most effective.

NUCLEAR ARMAMENTS

PROPOSED DEPLOYMENT OF PERSHING II MISSILES IN WEST GERMANY

Mr. Paul E. McRae (Thunder Bay-Atikokan): Madam Speaker, my question is directed to the Secretary of State for External Affairs or the Prime Minister, whichever would like to answer it. This year NATO Forces will be deploying 108 Pershing II missiles in West Germany. This missile is one which can deliver on a target 1,000 kilometres away in six minutes. There is no defence except launch on warning, and the Russians have indicated that that will be their defence.

I would ask the Minister what efforts we are making to persuade the Reagan Government to get down to serious bargaining before deployment, as part of the two-track proposal, in view of the fact that in the last week Eugene Rostow, a hawk, was fired and replaced by a super hawk named Kenneth Adelman, whom many Hon. Members here know. It looks as though there will be no serious effort to sit down and make a deal involving deployment unless that is done.

Mr. Shields: All the doves are in Russia!

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, the Hon. Member began his question by saying that NATO intended to or would deploy Pershing II in western Europe this year. It would be my deepest wish that that deployment would not take place. That is why the NATO Alliance has offered to enter into negotiations with the Soviet Union, in order to ensure that the Pershing II would not be deployed and in order to remove the SS-20. It is therefore the view of the NATO Alliance that, if concrete results are obtained in the all-important negotiations, it would not be necessary to go ahead with the deployment of either the Cruise or the Pershing II. Therefore, as the Hon. Member knows, the two-track NATO decision which was taken in December, 1979, involves not only the possibility of deployment of new weapon systems, but also the necessity of serious negotiations.

In so far as the Government of Canada is concerned, we will do everything possible to ensure that the negotiations take place in good faith and that every serious proposal will be seriously examined. I can simply assure the Hon. Member—

Some Hon. Members: Time.

Mr. MacEachen: —that that is the attitude of the Government of Canada, and it is the one which was taken by the NATO Alliance in its last meeting in December.

* * *

VOLUNTARY ORGANIZATIONS

FINANCIAL IMPLICATIONS OF REMOVAL OF SPOUSAL TAX EXEMPTION

Mr. Walter McLean (Waterloo): Madam Speaker, my question is directed to the Secretary of State of Canada who, in his role as Minister advocate for the voluntary sector, will be aware of the long-delayed release last week of Statistics Canada's selected financial statistics on charitable organizations based on a 1980 survey, which shows that the total economic activity of the voluntary sector amounted to $11 billion in 1982, excluding universities and hospitals, or roughly 3 per cent of the country's gross national product. The Minister will also know that the recent proposals of his colleague, the Minister responsible for the status of women, have had a destabilizing effect on the voluntary sector. Will the Secretary of State tell the House what will be the financial implications of the proposed removal of the spousal tax exemption for the voluntary sector and its caring work?

[*Translation*]

Hon. Serge Joyal (Secretary of State): Madam Speaker, I am perfectly aware of the report made public by Statistics Canada. Here in Ottawa yesterday I met with the national representatives of the coalition of voluntary organizations in Canada. We reassessed the economic impact of the voluntary sector in Canada and agreed on a work schedule which, in the coming months, would enable us to review the legislation and the context within which the Canadian Government co-operates with the voluntary sector.

[*English*]

NECESSITY FOR TASK FORCE

Mr. Walter McLean (Waterloo): Madam Speaker, the question concerning the stability of the voluntary sector and its important input, as the Minister will know, is vitally important, given the situation in the country today.

On November 10 the Secretary of State told the National Conference on Philanthropy that he would seek Cabinet approval for the creation of a task force to study the financial and legal situation of the voluntary sector. He confirmed that announcement in committee on November 23. In light of the inaction of his two predecessors, the studies which have been ongoing, and the frustration of leaders of the voluntary organizations, will he now indicate to Canada's over three million volunteers what progress he is making in convincing his Cabinet colleagues, particularly the Minister of Finance, of the urgent need for such a task force in order to draw together the reports which are available, including the last report of Statistics Canada?

[*Translation*]

Hon. Serge Joyal (Secretary of State): Madam Speaker, we have made much progress and I would urge the Hon. Member to support my efforts to convince Members opposite to expedite the passage of legislation stemming from the budget so that we might at last have the Speech from the Throne and I would then keep the commitment I made before the Parliamentary Committee.

Oral Questions

[*English*]

AUTOMOTIVE INDUSTRY

POSSIBLE USE OF BRAMPTON PLANT BY CHRYSLER CORPORATION

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce. He recently had some very extensive discussions with Chrysler of Canada. I would like to ask him if he directly dealt with the subject involving the 1,400 employees at American Motors in Brampton who will be laid off in April, and whether he appealed on their behalf that the Chrysler work be carried out in the Brampton plant.

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Yes, Madam Speaker, Chrysler indicated there was a possibility that the Brampton plant could be used for the continuation of the production of rear-wheel drive cars such as the New Yorker. I am advised that the Brampton operation has a maximum capacity of about 80,000 units a year. Chrysler expects to produce 125,000 units a year and will therefore also be considering a St. Louis operation, a vacant plant, which could produce up to 150,000 units a year. They indicated a final decision would be made this week or next week.

• (1450)

ROLE OF MINISTER

Mr. John McDermid (Brampton-Georgetown): Madam Speaker, the Minister did not exactly answer my question. Did he make an appeal on behalf of the 1,400 workers who are being laid off in April in Brampton from that plant to get the work there or did he just take their word and say, 'That is fine' and just let the jobs go to the Americans?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, it goes without saying that we want to retain every single automobile job that we can in this country. We were hoping that we could retain the rear-wheel drive production in Canada, whether it is in Brampton or any other facility. That decision has still not been taken by the Chrysler Corporation.

* * *

NUCLEAR ARMAMENTS

CANADA-UNITED STATES WEAPONS TESTING AGREEMENT—EFFECT OF ORDER IN COUNCIL

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, my question is directed to the Secretary of State for External Affairs. Both he and his colleague, the Minister of National Defence, have said that the Canadian public, in voting by a majority against Cruise missile testing, was ignorant of all the complexities involved.

If the Minister and his colleague really believe that the Canadian public is ignorant, why did the Minister authorize an Order in Council the day after Parliament rose for the Christmas recess, authorizing the Canadian ambassador to sign a framework weapons testing agreement in Washington? Why did he not bring this agreement forward to the Canadian public and Parliament? Why has the Order in Council not even been made public or gazetted? Why did the Minister decide, if he is so anxious for the Canadian public to be knowledgeable on this matter, that it should know nothing about it, and that the agreement would be signed in Washington and not in Ottawa?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Madam Speaker, I want to assure the Hon. Member that at no point have I ever stated that the Canadian public was ignorant on the question of the Cruise missile. I do not have that view at all, and I have never expressed that view. What I have said was with respect to a specific question that was put in the Gallup Poll, namely, that it was an incomplete question and did not include all the factors that had to be taken into account in reaching a judgment on the Cruise missile. There was no reflection on the knowledge or lack of it on the part of the Canadian public. I hasten to assure the Hon. Member that when the umbrella agreement is signed it will be tabled in the House and all its contents will be made known to the Canadian public, to the Canadian Parliament, and I will be prepared to answer all questions, inside the House or outside the House, with respect to the details of that umbrella agreement.

SITE OF SIGNING OF AGREEMENT

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, looking at the public opinion poll questions, they are generally what one would call soft. If they had been tougher, if they had said more about the Cruise missile testing than they did, the vote would probably have been 80 per cent opposed rather than 52 per cent.

The Minister still has not answered my question. Why are we signing this agreement in Washington? Why was the Order in Council authorizing that agreement to be signed never gazetted? Why is he persisting in this secrecy? Is he frightened of parliamentary and public scrutiny? Is that the problem?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): No, Madam Speaker. The Hon. Member is, I think, profoundly misinformed about the gazetting. I understand the fact that an Order in Council had been passed authorizing the signing of the agreement was published in *The Canada Gazette*, and the fact that the Order in Council had been passed was listed in *The Canada Gazette*. If I am mistaken I will obviously correct myself, but I think probably the Hon. Member will have to do the correcting rather than I.

IMMIGRATION

VICTIMIZATION OF CHINESE STUDENTS

Mr. W. Kenneth Robinson (Etobicoke-Lakeshore): Madam Speaker, my question is directed to the Minister of Employment and Immigration. In view of the fact that some Chinese students living in Canada on student visas are being victimized by so-called secret criminal societies, and in view of the fact that extortion cases are quite common in Toronto's Chinatown, according to information from the Metropolitan Toronto Police Intelligence Squad, will the Minister state what action, if any, his Department will take to advise people in Canada on student visas and who may be potential victims? Will he also advise what action will be taken against landed immigrants or potential landed immigrants who engage in this criminal practice of extortion?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I know the case the Hon. Member refers to is one that has caused some very serious concern in the city of Toronto and other parts of Canada. When we allow people to enter with student visas they are usually advised of their rights during that period of time, and we certainly accept no interference with those rights. They have the full protection that those visas provide to them. However, it is not the direct responsibility of the Canadian Immigration Department to pursue cases where there may be threats of extortion, or other criminal activities. It is really the responsibility of the police forces to look into that. We, of course, co-operate with them in any way we can, but it is not our job to prosecute cases. That really has to be left up to the police.

* * *

FISHERIES

REQUEST THAT CRUIKSHANK REPORT BE TABLED

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, my question is supplemental to that asked by the Hon. Member for Vancouver South addressed to the Minister of Fisheries and Oceans. I am going to the other ocean—from coast to coast and sea to sea.

The Minister will be aware that there are two reports on West Coast fisheries, one prepared by Dr. Pearse and the second prepared by a committee appointed by his predecessor, which I will call the Cruikshank report and for the lack of a better title, "The Rationalization of the Fleet Report". I wonder if the Minister is prepared to table the second report, the Cruikshank report, and to provide a reference to the Standing Committee on Fisheries and Oceans so that it and the Pearse Report might be studied side by side?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Madam Speaker, I would gladly transmit that report to the Hon. Member, but of course it is up to each committee to study whatever it would like to study. I think that as my consultations are going on at the moment with all the participants on the Pacific Coast, the most useful thing would be to study the implementation of the policies which will be announced after due consultation with the different participants.

REQUEST FOR REFERRAL OF REPORTS TO COMMITTEE

Mr. Donald W. Munro (Esquimalt-Saanich): The Minister's answer suggests that the committees are capable of deciding what they should be studying. That is not my experience with committees in the past, nor is it my understanding of the committee reforms. There must be a reference from this House to a committee, and the Kirby Report must also be referred to the Committee on Fisheries and Forestry.

I wonder if the Minister is prepared to make sure that all three of these reports are referred to the committee, with the appropriate reference. He always talks about the action. He is going to be acting from coast to coast, from ocean to ocean. His hands are going to be full. The fishermen still want to have their views expressed in Parliament, and I hope he will provide that reference. Will he do so?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Madam Speaker, I will certainly take under consideration the recommendation put to me, but I would like the Hon. Member to remember that, if we follow his suggestion, it could be a never-ending process. Those reports are the fruit of extensive consultations with the participants. Now that the reports have been tabled, if we have to invite those participants again to appear at committee hearings, when will that end?

I think we have carried out enough consultation. Now is the time to hold final meetings with the different participants. I will be doing that on the Pacific Coast, through my deputy, next week. I will be going there the week after that and afterward I think we will have to make some decisions. Then the Committee could study the implementation of those policies.

* * *

• (1500)

INDUSTRY

POSSIBLE ESTABLISHMENT OF HELICOPTER INDUSTRY IN MANITOBA

Mr. Jack Murta (Lisgar): Madam Speaker, I have a question for the Minister of Industry, Trade and Commerce. Federal officials, either in the Minister's Department or some other Department, have indicated that a priority of the Government is to attempt to establish a domestic helicopter industry in Canada. This is because of the need for it from the point of view of jobs and the fact that sales, not only in Canada but in other countries, would be substantial in the coming years.

The Province of Manitoba has already made a submission to a federal departmental committee which is looking at this whole question. It wants the Government to look very seriously

at the question of establishing a helicopter industry in the Province of Manitoba. Will the Minister advise whether this is being taken seriously at this time and whether Manitoba will be a front runner for any industry such as a helicopter industry that may be developed in Canada in the very near future?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, over a year ago our officials did a study and discovered that Canada is the second largest user of commercial helicopters in the world. Consequently we have been very active in trying to encourage various helicopter companies from around the world to have a manufacturing plant in this country. Several weeks ago I sent a letter to, if I recall, seven manufacturers around the world, giving them a date for a proposal with respect to building a facility in Canada. There have already been a couple of applications by different companies to have a helicopter facility located in more than one province. Finally, Madam Speaker, yes, we do take this project seriously and we hope that we will be able to finalize a very important manufacturing industry some place in Canada during the coming year.

RATIO OF AEROSPACE INDUSTRY IN MANITOBA

Mr. Jack Murta (Lisgar): Madam Speaker, I remind the Minister that Manitoba has traditionally had 8 to 9 per cent of the aerospace industry in terms of production in Canada. That percentage has dropped to approximately 2 to 2.5 per cent at the present time because of the shift to central Canada. In view of what the Minister has just stated, I ask him to keep this in mind. Also, does he anticipate further meetings with Government representatives of the Manitoba Department of Trade and Commerce?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, if I am not mistaken, at least six Provinces have made representations to the Government of Canada to have that potential facility located in them. By and large that decision will be taken by whichever company if one, or maybe more than one, decides to locate in Canada, and not by the Government of Canada.

* * *

[*Translation*]

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid on the Table the reports of the Clerk of Petitions stating that he has examined the petitions presented by the Hon. Members on Wednesday, January 19, 1983, and finds that they meet the requirements of the Standing Orders as to form.

[*English*]

BUSINESS OF THE HOUSE

Mr. Deans: Madam Speaker, I would like to ask a question of the Government House Leader. Is it the intention of the Government to proceed today under the appropriate Standing Order with the time allocation motion given notice of yesterday?

[*Translation*]

Mr. Pinard: Madam Speaker, the Hon. Member is extremely well informed.

[*English*]

Mr. Deans: Madam Speaker, is the House Leader aware that there is a growing and mounting opposition to the moves that the Government is proposing, not only in the House of Commons but outside from many, many sectors of the economy? Is the Government House Leader prepared to consider holding off the closing off of debate on Bill C-133 in order to allow the legitimate opposition that is growing to be heard?

[*Translation*]

Mr. Pinard: Madam Speaker, Bill C-133 which my hon. colleague is referring was discussed as part of the debate on the June 28 budget. It was considered at the second reading stage and received the approval in principle of this House. The bill was then referred to a Standing Committee of the House, where after clause-by-clause consideration, it was approved and reported back to the House. We are now at the report stage, on which already more than two days have been spent. That is an extraordinarily long time, considering the circumstances I just mentioned. Pursuant to the provisions governing procedure in the House, I suggested that the Hon. Member negotiate with the Government on a reasonable time frame for completing debate on this legislation. Since his party turned down my proposal, today, the President of the Treasury Board (Mr. Gray) has no alternative but to move a motion to limit debate to two additional days, which is again quite considerable, in view of all the other obligations Parliament must meet at this time.

[*English*]

Mr. Deans: Madam Speaker, I hope that the Conservative Party is as concerned about this as I am. In light of the Minister's statement, I move, seconded by the Hon. Member for Beaches (Mr. Young):

That this House do now adjourn.

Madam Speaker: The House has heard the terms of the motion. All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

Madam Speaker: All those opposed to the motion please say nay.

Some Hon. Members: Nay.

Madam Speaker: In my opinion the nays have it.

And more than five Members having risen:

Madam Speaker: Call in the Members.

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

(*Division No. 278*)

YEAS

Messrs.

Andre
Baker (Nepean-Carleton)
Beatty
Blenkarn
Bosley
Bradley
Cardiff
Carney (Miss)
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Coates
Cook
Corbett
Cossitt (Mrs.)
Crombie
Crosby (Halifax West)
Dantzer
Darling
Ellis
Epp
Fraser
Fretz
Gamble
Gurbin
Gustafson
Halliday
Hamilton (Swift Current-Maple Creek)
Hargrave
Hees
Howie
Jarvis
Jelinek
Kempling
Kilgour
Korchinski
La Salle
Lawrence
Lewis
MacDonald (Miss) (Kingston and the Islands)
MacDougall
Malone
Mazankowski
McCuish
McDermid
McKenzie
McLean
McMillan
Mitges
Munro (Esquimalt-Saanich)
Murta
Neil
Nickerson
Nielsen
Patterson
Reid (St. Catharines)
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Stevens
Taylor
Thacker
Thomson
Wilson
Wise
Wright—66.

NAYS

Messrs.

Appolloni (Mrs.)
Axworthy
Bachand
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chrétien
Comtois
Corbin
Corriveau
Cosgrove
Cousineau
Cyr
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dubois
Duclos
Dupras
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Frith
Garant
Gauthier
Gendron
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Harquail
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Ittinuar
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lajoie
Lalonde
Lamontagne
Lang
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Loiselle
Lumley
MacBain
MacEachen
MacGuigan
MacLaren
MacLellan
Malépart
Maltais
Massé
Masters
McCauley
McRae
Munro (Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rossi
Roy
Savard
Schroder
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—118.

● (1530)

[*Translation*]

Madam Speaker: I declare the motion lost.

Motion (Mr. Deans) negatived.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

MR. SHIELDS—RESTRICTION ON JAPANESE AUTOMOBILE IMPORTS

Mr. Jack Shields (Athabasca): Madam Speaker, I have the honour and duty to present a petition on behalf of a number of my constituents in the riding of Athabasca. The purpose of the petition, signed by 33 residents of Fort McMurray, is to register their protest against the restriction on Japanese auto imports. The nature of the petition is to request that the Government immediately withdraw this restriction which is unfair to Canadian auto dealers who sell Japanese vehicles, their employees and dependants. This restriction will inevitably force these auto dealers to lay off up to 2,000 employees, while studies show that only a very small number of Canadian auto workers' jobs will be restored.

The petitioners hope that in Madam Speaker's examination of the petition she will find it in order, sense the urgency of their plea, and use the discretionary powers vested in her office to allow discussion and referral of the petition to the Standing Committee on Finance, Trade and Economic Affairs at the earliest possible moment.

MR. SIDDON—PLANNED LAY-OFFS OF AIR CANADA MACHINISTS

Mr. Thomas Siddon (Richmond-South Delta): Madam Speaker, it is my duty and honour to present to the House a petition on behalf of the International Association of Machinists and Aerospace Workers, District Lodge 148 and local lodges in the greater Vancouver area. The petition is presented by these employees in light of Air Canada's plan to lay off some 585 machinists without any form of severance benefit and at the same time to extend an early retirement program to senior management employees, some 500 employees, costing $21 million.

The petitioners, as Air Canada workers, indicate in the petition that as their wages are being controlled under the six and five program and that that is for the good of the country, they are told, nonetheless Air Canada is threatening to lay them off and indeed started to do so on January 1. They call that job blackmail. At the same time the machinists claim that the company is offering a $21 million "golden handshake" deal

to its management personnel and allege that this is downright discrimination.

These machinists ask for the support of all Members of Parliament to ensure that the Government of Canada insists that Air Canada offer to all its employees the same benefits provided for in the Air Canada voluntary separation plan for management.

In presenting this petition, I urge the Minister of Transport (Mr. Pepin), on behalf of these 150 employees, to treat all employees of Air Canada with equity and fairness.

* * *

ACT RESPECTING THE EXECUTION OF CLIFFORD ROBERT OLSON

MEASURE TO ESTABLISH

Mr. Gordon Taylor (Bow River) moved for leave to introduce Bill C-671, an Act respecting the execution of Clifford Robert Olson.

Some Hon. Members: Explain.

Mr. Taylor: Madam Speaker, when the laws of Canada provided for the death penalty for murderers, exceptions were made after the court ordered their execution. Now the laws of Canada do not provide for the death penalty. This Bill will provide an exception to the law and Clifford Robert Olson will be hanged within 90 days after its passage.

The Bill shall operate notwithstanding Section 2 or Sections 7 to 15 of the Canadian Charter of Rights and Freedoms as contained in Part I of the Constitution Act, 1982 and the Canadian Bill of Rights.

Clifford Robert Olson is guilty beyond the shadow of a doubt of murdering 11 young people and, in committing these hideous, cowardly murders, he has forfeited his right to live.

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

* * *

● (1540)

BUSINESS OF THE HOUSE

ALLOCATION OF TIME TO CONSIDER REPORT AND THIRD READING STAGES OF BILL C-133

Hon. Herb Gray (President of Treasury Board) moved:

That, in relation to Bill C-133, an Act to amend the Supplementary Retirement Benefits Act (No. 2), one sitting day shall be allotted to the consideration of each of the report stage and the third reading stage of the Bill; and

That 15 minutes before the expiry of the time provided for government business on those days, any proceedings before the House shall be interrupted, if required, for the purpose of this Order and, in turn, every question then necessary in order to dispose of the stage of the Bill then under consideration shall be put forthwith and successively, without further debate or amendment.

He said: In opening debate in support of this motion, I want to submit that Members of the Opposition Parties and all Members have had a broad opportunity to consider the provisions of this Bill and to present views to Parliament. In fact, members of the public have also had a broad opportunity to let their views be heard. The debate on second reading took up three days of the time of this House, and a review of *Hansard* indicates that during this stage a total of more than seven hours were spent on debate. Of that time some four hours were used by 12 Members of the Opposition Parties. After the House approved this Bill in principle it was referred to the Standing Committee on Miscellaneous Estimates on December 9, 1982. Over 23 hours were spent by the Committee questioning witnesses and in detailed study of the Bill. This took 14 sittings of the Committee over a period of nine sitting days. Thirty one witnesses appeared before the Committee and 12 briefs were presented.

The report of the committee which we have been debating this week arises from 520 pages of Minutes of Proceedings and Evidence of the Standing Committee, not counting the actual briefs which were presented. The Committee voted to refer the Bill to this House with its approval.

As Hon. Members know, for three days this week this House has been engaged in debate on the Report of the Standing Committee on Miscellaneous Estimates on Bill C-133. I do not want to overburden Members of this House with statistical data. However, I would simply like to point out in support of my arguments that there has been ample opportunity for the views of Members of Parliament and the public to be heard on Bill C-133 up to this point in time. On January 17 and 18 alone, in the course of over seven hours of debate, a total of 45 Members were heard, 41 of them would rank themselves with the Opposition Parties, and eight more Opposition Members were heard on this Bill this morning. Thus in debate in this House alone on the provisions of Bill C-133 some 61 Members of the Opposition have spoken. Many more have spoken in committee.

There has been, Mr. Speaker, a full opportunity to study, reflect and to express views on the provisions of what is in reality a very straightforward piece of legislation. Let us remember that the proposal was first announced last June and it has been available for study and comment by Members of Parliament and members of the public all through that time since this proposal was made in last June's budget of last June. As I have said, Bill C-133 is a straightforward Bill. It contains only two short clauses. The explanatory note in the Bill runs to four sentences only. The reason for the Bill can be put into one sentence. The Bill applies the Government six and five restraint program to the indexation of Public Service pensions for a two-ear period.

Mr. Kilgour: Unfairly.

Mr. Gray: I am arguing that further debate on this Bill is not required to enable a decision on it to be made by this House.

The questions surrounding the funding and financing of Public Service pensions are complex indeed, but these funding and financing issues are not the subject of Bill C-133. I have

made the point repeatedly that the Bill does not have its origin in fundamental pension policy but rather in the Government's over-all economic stabilization program announced in the budget of June, 1982.

Mr. Kilgour: That is absolute nonsense.

Mr. Gray: This program began last summer with the application of the six and five limits to the wage increases of employees in the federal public sector for a two-year period. The second step of this program involves the application of the six and five limits to the indexation features of Family Allowances, Old Age Security pensions, personal income tax exemptions and Public Service pensions, again for a two-year period. The effect of the Bill is to limit the increase in indexing of Public Service pensions to 6.5 per cent in the first year and 5.5 per cent in the next year according to the terms of the amendment I have offered. Nothing that is presently being paid is being reduced. Nothing that is presently being paid is taken away.

Mr. Kilgour: That is absolute nonsense.

Mr. Gray: Hon. Members know that this Bill is a part of a program which has as its objective altering inflationary expectations and to provide a basis for economic recovery for reducing inflation and interest rates, and maintaining and creating jobs. The facts are very clear. This program has already had a useful effect if we look at the substantial reductions in inflation and interest rates over recent months.

Mr. Baker (Nepean-Carleton): Even before it is enacted?

Mr. Gray: Members of the Opposition continue to point to amounts of money in the superannuation accounts, and the fact that public servants have made contributions toward the cost of their indexing, which is something that we recognized in our amendment. There is also the fact that support has been given in the past to the concept of indexing of pensions to keep pace with the cost of living. We are also aware of facts like these and others, but I would like to say that the references made to huge surpluses are not accurate, and that the sufficiency of employee contributions has been questioned by many and is under review. Also, the Government remains committed to the principle of indexing, and this Bill provides for a return to the present system of indexing after the restraint period.

I suggest that everything possible has been said on this Bill. It is apparent from the debate so far, particularly from the remarks of Opposition speakers in the most recent stage of debate, that Members opposite have run out of new or cogent arguments and points to be made and they have begun resorting to all manner of irrelevancies simply to prolong report stage and the Bill's ultimate passage.

Let me cite some of the matters that we have heard discussed in recent hours on this debate. We have heard, for example, how the Hon. Member for Prince Edward-Hastings (Mr. Ellis) had dinner with the Hon. Grant Devine. I suppose if he speaks again he will tell us exactly what was on the menu. But that certainly is not the point of this Bill. We have had a rather questionable review from the Hon. Member for Simcoe South (Mr. Stewart) of the federal Government's loan transactions. There was a quote offered by the Hon. Member for Vegreville (Mr. Mazankowski) from Ultramar Canada's assessment of PetroCan's competitive potential related to its low-cost capital structure.

Mr. Munro (Esquimalt-Saanich): Now read the Prime Minister's (Mr. Trudeau) letter.

Mr. Gray: I could go on citing other examples, Mr. Speaker, but the ones I have given, I think, do show why the motion on allocation of one final day to report stage and one day to third reading is a reasonable measure at this time.

Opposition Members may say that we are doing something contrary to parliamentary tradition. Aside from the fact that the steps we are taking are found in the rules adopted by this Parliament and are there to be used in support of its work. I want to remind the House that the British Parliament, the Mother of Parliaments, has had provisions of this type for many years which it uses on just about every Bill, including the most important. Time allocation is automatic in the British House with respect to almost every Bill that goes there, and there is not more than one or two days allotted to any stage of debate. What we are doing is certainly consistent with parliamentary tradition, especially that found in the British House, the Mother of Parliaments.

It is unfortunate that it has not been possible to negotiate an agreement for ending debate on Bill C-133, but in fact we believe time allotted to date for this Bill has been sufficient to enable a full range of opinions to be expressed about the capping of indexing of Public Service pensions as part of the six and five program.

In moving this motion, I am mindful that in the past pension cheques for superannuates have been sent out from and after the twenty-fifth of the month. In my view, the motion will assist in ensuring that pension cheques for superannuates are sent out in the traditional time period for superannuates.

To conclude, I submit, there has been a reasonable opportunity to debate this Bill and for the views of the public to be heard. A full range of opinion has been expressed on it. We are proposing that, in spite of the time already taken to debate this Bill, two more days be set by the House for debate and that we then go on to make a decision on this Bill so that we may get to other important business awaiting our attention.

• (1550)

Parliament is a place of debate but, even more important, it is a place of decision. It is time for a decision on Bill C-133. I urge the adoption of this motion.

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, the question is not whether it is time for decision. The question is whether a decision ought to have been made long ago by the Government of Canada to deny an undertaking and agreement with respect to its own public servants. I must consider this motion in those terms.

Before doing so, I wish to welcome back the New Democratic Party to the House of Commons who moved a motion to adjourn the House. They somehow wanted to convince everyone that they were really fighting this legislation. That was their intention.

Mr. Waddell: You were fighting for the oil companies.

Mr. Baker (Nepean-Carleton): What they forgot is that the ditches and the trenches that they should occupy in terms of this debate are in the House of Commons and not outside boycotting their own motion.

Mr. Deans: Now the hypocricy comes out.

Mr. Baker (Nepean-Carleton): That is why the New Democratic Party has become known across this country as the prairie chickens.

Mr. Waddell: Mr. Speaker, I rise on a point of order. That Party fought for 15 days for the oil companies but they are not prepared to fight 15 minutes for pensioners and civil servants.

Mr. Baker (Nepean-Carleton): Mr. Speaker, that is not a point of order and they know it. They should not further boycott and limit the work of this Parliament when we are dealing with a motion that they themselves say ought not to have been brought.

Mr. Deans: That is right and we refuse to help them. Tell the senior citizens what you really think of them.

Mr. Baker (Nepean-Carleton): There have been approximately 30 speakers at the report stage over two days under the new rules of this House. These are rules which the Government House Leader (Mr. Pinard) said would shorten speeches. These speeches have been shortened at report stage by being reduced from 20 minutes to 10 minutes.

Why were they shortened? It was to allow Members of all Parties, whether Liberals, New Democrats or Conservatives, to speak on this matter. There still remain issues to be discussed, despite what the Minister says. Imagine, Mr. Speaker, in the face of shortening the period of time in which to speak, the Government has moved to allocate time.

I would be prepared to argue that when a Bill is absolutely necessary to implement a beneficial Government program there is perhaps a place for time allocation. However, can it be argued, with respect to a Bill which is designed to remove a benefit which has been contracted, paid for and relied upon by a large number of retired public servants, Armed Service members and retired members of the RCMP, as well as their widows and children, that it is honest and moral for the Government to move time allocation? That is the issue in this debate.

Let me say what the effect of this Bill is. Without any consultation, without a word to the Public Service, the Government has effectively increased taxation on those retired public servants and the broad public sector which I have mentioned by 5 per cent. That is the difference between the 11.5 per cent which public servants were entitled to under their agreement and understanding over the years and the 6.5 per cent in the first year as set out in this Bill. It is an increase in taxation on a particular segment of society. It will be seen as that; it is that and it is unforgiveable to introduce such a Bill. It is equally and perhaps more unforgiveable to cut back on the right of Members to speak about it.

I want to say to the President of the Treasury Board (Mr. Gray) and Members of the House that this is not the first time that the Government will use this measure during the course of debate on its famous six and five program.

Mr. Deans: I could have told you that in August.

Mr. Baker (Nepean-Carleton): We will be dealing with Old Age Security. I do not want the NDP to boycott the House during discussion on Old Age Security. I want Members of Parliament and the public to know that the Government will do exactly the same thing with respect to Old Age Security. This will be an additional tax on the senior citizens in the country.

During the period for Members' Statements today, the Hon. Member for Eglinton-Lawrence (Mr. de Corneille) made a good statement when he said that Members should have an opportunity to be more independent. This is an opportunity for all Members of the Liberal Party to be more independent because the vote to close off debate in the House is not a vote of confidence. I say to the Liberal Members that they should stand up and vote against this motion. Your Government will not fall at 5.30 p.m. when this vote is taken. The Hon. Member for Eglinton-Lawrence should return to the House. I would ask him and every Member to have a conscience and vote against this motion.

Mr. Nystrom: Mr. Speaker, I wonder if the Hon. Member would answer the question as to why the Conservative Party would keep the bells ringing for the oil companies but not for the senior citizens, if they are concerned about this legislation. Can he answer that question?

The Acting Speaker (Mr. Blaker): I think I should remind Hon. Members, particularly since I know that points of order were used earlier today as a mechanism to encourage debate, that it may be appropriate in the circumstances to remind Hon. Members to consider perhaps whether or not they are properly speaking on a point of order before they interrupt another Hon. Member. Of course, the Chair will recognize Hon. Members on a point of order.

Mr. Nystrom: Mr. Speaker, as you noticed, the Hon. Member for Nepean-Carleton (Mr. Baker) was taking his seat. I was rising on a point of order to determine if he was willing to respond to a question as to why the Conservative Party was willing to let the bells ring in the House for the oil companies but not for the senior citizens of this land.

Mr. Baker (Nepean-Carleton): Mr. Speaker, I said I could answer the question if I have your permission and the permission of the House to do so.

The Acting Speaker (Mr. Blaker): I apologize to the Hon. Member for Yorkton-Melville (Mr. Nystrom). I did not realize that the Hon. Member for Nepean-Carleton (Mr. Baker) had decided to take his seat or to answer a question.

Mr. Baker (Nepean-Carleton): Mr. Speaker, the issue during the bell-ringing episode was with respect to this very institution. That is the difference.

Mr. Waddell: You supported the oil companies.

Mr. Baker (Nepean-Carleton): The issue on which the NDP supported us, in their good sense, incidentally, concerned the survival of this institution with regard to legislation being brought forward.

Mr. Waddell: Mr. Speaker, I rise on a point of order. Would the Hon. Member for Nepean-Carleton permit another short question? I want to ask, in a very non-partisan way, why the Conservative Party and he himself in particular—

The Acting Speaker (Mr. Blaker): Order, please. A point of privilege is being raised by the Hon. Member for Ottawa-Vanier (Mr. Gauthier). I have no choice but to interrupt the Hon. Member for Vancouver-Kingsway who is speaking on a point of order.

Mr. Gauthier: Mr. Speaker, I want to draw your attention to the fact that we are into the same quagmire in which we were this morning. We are now getting questions from the NDP, who just came back into the House, addressed to the Member for Nepean-Carleton (Mr. Baker) when he, indeed, had the floor. You did not ask me or anyone else for unanimous consent for questions to be put to the Member for Nepean-Carleton. I refuse to have an ongoing debate on this motion.

Mr. Deans: How long can we speak with the Conservatives alongside of you?

• (1600)

Mr. Gauthier: Get up and take the floor, Deans, if you want to speak. Wait until I am finished.

I object to this kind of procedure, which is completely wrong, completely frustrates the whole spirit of our new rules, and which will just make the NDP look sillier than it did before.

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I want to say on behalf of my colleagues that we in the New Democratic Party will not abuse the rules. We are using these rules to protect the pensioners of Canada. That is what we are doing.

Some Hon. Members: Hear, hear!

Mr. Broadbent: I want to spend about one minute discussing the Bill because, as the Minister has indicated, much has already been said about the Bill, but I want to make two quick points. At this point in our history, when so many Canadians, particularly pensioners, are in a state of misery, it is wrong for any Government in this land with a sense of decency to take a whack at the pensioners, to reduce their benefits by whatever amount. However, I say that it is doubly wrong, the immorality is compounded, when a Gouvernement takes a group of pensioners who in fact have negotiated a contract, creates a fund to give them special benefits to which they contribute, and then denies that benefit to those pensioners. I repeat, it is compounding the imorality, and that is what the Government is doing.

Some Hon. Members: Shame!

Mr. Broadbent: In this context, I want to say that the hypocrisy of the Conservative Party could hardly be exceeded in terms of what it is doing today. We have said in this debate that last spring, in June, when the budget came down, the then Minister of Finance made it very clear that anyone supporting the six and five program would also support a reduction in pensions, a whack away at recipients of Family Allowances, and curtail in general incomes of public servants. By moral admonition, the Government hoped, with Conservative support, there would be a curtailment of wage and salary increases of ordinary workers throughout this land. I say to the Conservatives that the Government made it clear last June that the pensioners would be affected. The Conservatives rose in this House in August and voted for the six and five program.

Mr. Baker (Nepean-Carleton): We voted against that budget.

Mr. Broadbent: Now, hypocritically, they oppose its clear implication.

Some Hon. Members: Shame.

Mr. Broadbent: Mr. Speaker, I want to address the immediate issue which is before the House this afternoon. Our House leader rose because he knows that on Tuesday cheques will be sent out in good faith to men and women who have contributed to pension funds and who are now entitled to an escalation in their pension increase fully equivalent to the increase in the cost of living, to which they are morally and legally entitled at this minute, throughout Canada. Our House leader rose because he is aware that even if we in this House could hold the measure up this afternoon until 6 o'clock or beyond 6 p.m. so that the required two hours of closure debate would not take place, at least the pensions which would go out on Tuesday would reflect some sense of morality and justice because they would be fully indexed. I say with all seriousness that because today the Liberals were supported by the Conservatives, the pensioners will be cheated on Tuesday night. That is the reality.

Some Hon. Members: Shame.

Mr. Broadbent: In this context, I want to say that all that it would take—

Mr. Munro (Esquimalt-Saanich): You were not here!

Mr. Baker (Nepean-Carleton): You were not even here to vote for your own motion.

Mr. Broadbent: Oh, note the crocodile tears and the astute, well-informed, cogently equipped argumentation of the Hon. Member who has just said that if we had been here and voted with them, if we had come back sooner, then somehow that would have helped the pensioners!

Mr. Nielsen: We did your job.

Mr. Broadbent: I say to the Conservative Member that even his Party, for once, got all its Members out—

Mr. Nielsen: Where were yours?

Mr. Broadbent: —to the vote, and we had ours and had voted with them, he knows very well that the majority on that side of the House would have carried the day, the debate would have been finished by six o'clock, and the pensioners would have been cheated. That is what he knows.

Mr. Baker (Nepean-Carleton): Changed your tune, now, Ed. The old 20 per centers.

Mr. Broadbent: I say to the Conservatives that if they had really been interested, just as a small percentage in terms of their concern, to the same degree as they were with regard to the oil industry at the time they held the House up for days, not hours, then the pensioners would have had some justice on Tuesday night. If they had just stayed, literally, until one minute after 4 o'clock, and come back in for the vote, then the pensioners' cheques would have been at the just level which they had negotiated.

Our Party opposed the six and five program because we said at the outset that that was a bit of cosmetic window-dressing brought forward by the Government of Canada because it knew that all the economic indicators pointed to the fact that wage and salary increases would be going down, anyway. However, it brought it in to try to claim some credit. We saw it for what it was, an unfair slap at ordinary working people, doing nothing about inflation and, most important, doing nothing about the basic necessity at this point in our history of creating more jobs. We said it last August. We have consistently said it in terms of every Bill which has been related to it. The Conservative Party which, I regret to say, voted for that Bill last August, has now hypocritically stood up in the House and pretended to oppose the natural outflow from that course of action. The Government was wrong in its economic analysis and in its morality, and has been joined in this injustice by the Conservative Party. We oppose both of them.

Mr. Douglas Fisher (Parliamentary Secretary to Minister of Finance): Mr. Speaker, in the June budget, the then Minister of Finance proposed that a national partnership be undertaken between the Government and the people of this country to begin a serious effort to fight inflation. On page 4 of his budget speech, the Minister made two important statements which I would like to quote so that everyone can be reminded of the importance of this issue. First, the Minister said:

> It is within our power, through deliberate and concerted action, to bring down price inflation much more quickly. We can do this by accepting, for the time being, income increases that are lower than the current rate of inflation. A reduction of income demands will lower cost and price increases. In this way we can stop feeding the spiral of inflation.

Then a little further on in his budget speech the Minister said:

> The private sector and the Provinces could not be expected to accept income restraint unless the Government of Canada showed leadership in the conduct of its own affairs. The government has therefore decided to lead the way by implementing the proposed strategy in the federal public sector for a period of two years.

That is the purpose, the whole direction, of this debate. The Government has proposed a national partnership, and we have further proposed that the public be able to judge its behaviour against our own. The public has accepted that partnership and the public approves the six and five program and the efforts that we are making with our own behaviour.

Mr. McDermid: They are asking for a second opinion.

Mr. Fisher: Your Honour will recall that in June we introduced three stages. We said, first, that political people, the governing people, the M.P.s, Senators and their staffs, would have their salaries rolled back from an 11 per cent increase to the 6 per cent level for 1982, and that after that we would go through the normal six and five cycle in 1983-84. Then Deputy Ministers and the heads of Crown corporations were limited to 6 per cent and 5 per cent increases from July 1, 1982.

Mr. Lewis: How about Campagnolo?

• (1610)

Mr. Fisher: After that, in an easier fashion, in a phased-in fashion, ordinary public servants were asked to enter the six and five program. That included not only their salaries but their pensions. Then, having set that out, we turned to the public and asked them to accept six and five limitations on pensions, on Family Allowances and on income tax indexing. I do not know how I could possibly go to my own parents and say to them that their pensions must be limited to six and five but that the pensions of civil servants need not be limited. We had to have that partnership, we had to have that agreement, before going to the general public. We need to remember, as well, that these six and five increases have brought to us lower prices in the form of administered prices, lower prices through the indirect pressures the Government has applied to industry, and lower wages, through the leadership we have given to ordinary companies and ordinary people.

We need to remember that this program has been brought in by Province after Province, as part of a partnership, right across this country. So we are not talking here only about civil servants. We are talking about a partnership involving all Canadians, and the goal of that partnership is to bring stability and health back to our economy. We are not talking about parliamentary gains. We are not talking about fights between politicians. We are talking about the economic health and price stability for this country, and there has been widespread public acceptance of that.

I remind everyone of the fact that when that budget speech was given, inflation was over 11.5 per cent. On a year to year basis, in November it was 9.8 per cent. The bank rate was 16.5 per cent on June 28 and today it is under 10 per cent. The dollar was under 77 cents on June 28, and today it is over 81.5 cents. That is good news at a time when good news is needed. It is as a result of this national partnership and as a result of the efforts of all Canadians who agree that fighting inflation is the key to our future health. The results of this effort show up in the lives of ordinary people. A typical mortgage, a one-year mortgage of $50,000, on June 28 was earning interest of 19.25 per cent. The same mortgage negotiated today is 12 per cent. That is god news and it is the result of the partnership and determination that is building around the six and five program.

Predictably, there are some people who are opposed, and predictably those people would like us to show favours to a special group or to pick out one group of people who need not be included. We cannot affort that in this kind of program. We cannot abandon our half of the partnership. We cannot go to the Canadian people and say that six and five is an acceptable rule for them but not for our employees. We cannot delcare the partnership void once we have asked everybody else to get on board.

That is what the Opposition is asking us to do, to abandon our commitment to the six and five program and to abandon the fight against inflation. In that kind of sentimentality they are urging us to get back from feeding what the Minister calls the inflationary spiral. We cannot do that any longer.

I would finally like to remind Hon. Members, Mr. Speaker, that coming from the six and five program there have been savings which have been applied to other Government programs, and those programs today, six months after that budget, are demonstrated successes. We have seen $400 million applied to transportation. We have seen $500 million in the NEED program. We have seen the $3,000 mortgage renewal program and the $3,000 homeowner grant program and we have seen renewals in all these industries because of this kind of stimulation.

When people talk, as the Opposition does, about abandoning the six and five program, they are also talking about abandoning the commitment to those jobs, the stimulants and the renewed investments. I do not think today we should let the debate end without putting into perspective the implications of their attack. They want special status given to special people, after asking every other Canadian to join in. They want, furthermore, an abandonment of the stimulants and spending that has been earned from the six and five program. Those commitments that were set out in the June budget, that were renewed in the October financial statement, stand, and the determination of this Government stands to renew the health of the economy of this country.

The Acting Speaker (Mr. Blaker): Before recognizing the Hon. Member for Esquimalt-Saanich, may I proceed with announcing the questions in the "late show" for this evening?

Time Allocation

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Blaker): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie)—Canadian National Railways—Committee recommendation on pension fund inquiry—(b) Pension fund in investment; the Hon. Member for Trinity (Miss Nicholson)—Communications—Production of pornographic shows for Pay TV; the Hon. Member for Broadview-Greenwood (Ms. McDonald)—Communications—Pornographic programming advertized by First Choice Pay TV. (b) Provisions of Broadcasting Act. (c) Request that Broadcasting Act be amended.

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

ALLOCATION OF TIME TO CONSIDER REPORT AND THIRD READING STAGES OF BILL C-133

The House resumed consideration of the motion of Mr. Gray:

That, in relation to Bill C-133, an Act to amend the Supplementary Retirement Benefits Act (No. 2), one sitting day shall be allotted to the consideration of each of the report stage and the third reading stage of the Bill; and

That 15 minutes before the expiry of the time provided for Government business on those days, any proceedings before the House shall be interrupted, if required, for the purpose of this Order and, in turn, every question then necessary in order to dispose of the stage of the Bill then under consideration shall be put forthwith and successively, without further debate or amendment.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, this is the most puzzling debate in which I have ever participated. It is an extraordinary debate. I hear a complete fabrication from Hon. Members opposite. I hear a Goebbelesque sort of defining of the word "partnership" without identifying any more partnership than the six and five, but let me first deal with Hon. Members to my extreme left. I was taken by complete suprise when the Leader of the New Democratic Party said, if I recall—and I just could not believe my ears—that if the Progressive Conservative Party had not supported the Government on the motion to adjourn—

An Hon. Member: You supported the Government.

Mr. Munro (Esquimalt-Saanich): Were they looking through the TV backwards, out there in the lobby? I just do not understand. We did not support the Government on that. We supported their motion which they were not here to support, and they say that we supported the Government on this motion. I do not understand that sort of reasoning.

The reasoning of the Liberal Party is just as flawed. They talk about partnership. Partnership with whom, the six and five? Is six a partner of five? By the imposition of six and five, which they are seeking in certain areas, are they suggesting that, because of the future application of six and five, they have managed to bring the inflation rate down? They were blaming the United States for causing the inflation rate to rise, and interest rates too, and now they are taking credit for the collapse of the interest rates and the inflation rate. I just do not understand. Goebbelesque is the only way I can describe it—if you repeat something often enough in enough places, to enough people, somebody is bound to believe it. But I suggest in the House there is no one who will believe what we heard from the Parliamentary Secretary just a few minutes ago. It is just incredible. What do they mean by partnership? The Hon. Member talked about those savings which have been accumulated by the imposition of six and five. How can we have savings when we are already $23.9 billion in debt, maybe more than that, maybe $30 billion? Where does one get savings, when one is already in debt, that one does not apply to reduce that debt? The logic that comes from that side of the House and from the other end of the House is fallacious—I guess they learned it at the same school. It is fallacious, it is misleading, it is Geobbelesque and it is dangerous.

• (1620)

I want to read into the record now the text of a telegram which was sent today by the Professional Institute of the Public Service of Canada to the President of the Treasury Board (Mr. Gray). It puts in a very succinct form the matter now before us. It reads:

> Am deeply disappointed that you have resorted through sheer political expedience to measures that would negate the democratic process in order to implement administrative procedures. Following our meetings last December and earlier this month I had hoped that you would have exerted your influence to honour the Government's commitment as employer and not deny pensioners the full indexation to inflation that they have paid for and which present public servants continue to support with their contributions.

Got the message? It goes on:

> —the full indexation to inflation that they have paid for and which present public servants continue to support with their contributions. Bill C-133 is a political measure which the Government mistakenly believes will have popular support because it adversely affects public servants, but by forcing pensioners—

This is the point.

> —by forcing pensioners to bear the brunt of this evil law, the Government's strategy will eventually backfire. It is still not too late for you to redress the situation. Withdraw Bill C-133 and restore some of your credibility.

I doubt the Minister could ever restore any of his credibility. We have talked about the number of people being injured by the legislation. I was able to get the number of pensioners in the Public Service and in the Armed Service. I asked for the number in the RCMP. It was not easy to get this information because of the three categories. The RCMP were not able, in the time available, to supply me with the figures I was seeking, but they can be pro rated. It is important to know how many widows are going to be hit by this legislation. In the Public Service and in the Armed Service there are approximately 150,000 pensioners. Of those, approximately 40,000 are widows. Is the President of the Treasury Board aware that his measure is going to have an impact on widows who rely on this pension for their livelihood?

This is an iniquitous Bill. Commitments were made by the Prime Minister (Mr. Trudeau) in 1977 and by the then President of the Treasury Board, now Minister of State for Economic Development (Mr. Johnston), as late as June 1981 indicating that the Government confirms the concept that pension is part of pay and—

[*Translation*]

> —a viewpoint well supported by the compensation policies which give its full value to the pension plan . . . we, the government, have attempted to formalize a policy of matching the total salary compensation of our public servants with that of other Canadian employees. An important aspect of these comparisons consists in giving a value to the pension benefits of federal employees.

[*English*]

That is an extract from a letter written by the then President of the Treasury Board to the National Association of Federal Annuitants. They are deeply distressed.

There is another aspect to this matter that has not been fully underlined but deserves to be underlined. This imposition of a lower index is to be applied to current pensions, despite the 11 per cent inflation. A catch-up will not be made. This brief, which I believe was presented to the Committee on Miscellaneous Estimates in December of last year, suggests what ought to be done if, as seems likely because of the predominance of the heavy weighting on the Government side. The Government is going to have its way. Once the six and five formula is implemented, appropriate increments should be added so that the base from which the 1985 or 1986 pensions are paid will be restored and there will not be a backtracking from the current expectation. That is a legitimate request. With time running as short as it is, I will reserve any further comments until third reading.

Mr. Norman Kelly (Scarborough Centre): Mr. Speaker, I am pleased to have the opportunity to participate in this debate because, quite frankly, I take issue with the arguments raised by Members of the Opposition Parties. In debates like this, it is not unusual for Opposition Members to rant and rave about this Government's predilection for using closure in the House. They like to create the image of the Government strangling democracy, having its fingers and thumbs firmly around the neck of this House, squeezing as tightly as it can, and perhaps even cackling with enjoyment.

I know, Mr. Speaker, that you are an astute student of politics. Like everyone else in this House who does any reading on the state or character of legislative politics today in the western world, you know that many Houses of Commons like this are rapidly becoming anachronistic simply because they cannot get the business of the country done quickly enough in a world that is changing with enormous speed.

The Mother of Parliaments in Great Britain recognized this fact long ago. There is not a Bill introduced in the British House of Commons that does not automatically carry closure with it. If you look at the rules of some of the other Houses in

the British parliamentary system, you find that they too have gone to some form or another of automatic closure.

I would argue that the failure of this House for a number of reasons to introduce automatic closure is the major reason why this institution is rapidly becoming less relevant in the important debates that we have today and will face in the future. The irony of that situation is that the people who, publicly or rhetorically, express their love and respect for this House are the very people who object to closure, the one instrument that will save this House from the doom that I and many other people see ahead of us in the near future. I cannot understand that. How can we have a gentleman like the Hon. Member for Nepean-Carleton (Mr. Baker)—

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I rise on a point or oder. I am trying to digest an extraordinary comment made by the speaker who was just now on his feet.

• (1630)

The Acting Speaker (Mr. Kilgour): I do not consider that a point of order. I recognize the Hon. Member for Scarborough Centre (Mr. Kelly).

Mr. Kelly: Mr. Speaker, with respect to the Hon. gentleman's inability to digest the facts—I am not appealing to his stomach, I am trying to appeal to his head—the point I was making is that I listen very carefully and I respect very much the views of the esteemed Hon. Members of this House such as the Hon. Member for Nepean-Carleton, and it strikes me as being highly ironic that that Hon. Member, and people like him, who love this institution and want to do the very best for it, would be among the very first to stand up in this House to object to the only procedure which, frankly, is going to rescue this institution from the oblivion to which it is so resolutely headed. I do not understand the contradiction between the conviction of his heart and what I hear him say from time to time in the debates in this House.

There are some Members of this House who might say, "Well, I can accept the need for closure, time allocation of one sort or another in the deliberations of this House, but the real question is, should there be closure on time allocation placed on this Bill today?" I would respond, Mr. Speaker, by saying, yes, I think there should be closure today. I know there are Members of the Opposition Parties who say there should not be closure because the argument is not over, and they want to continue the argument through this week or next week or next month, or whatever, until the issue is resolved. I would like to make an important distinction which I think should be understood in the debates in this House. You do not debate issues until the argument is over. You do not debate an issue in this House until all the facts are in.

Mr. Munro (Esquimalt-Saanich): Who decides that?

Mr. Kelly: I know, as everyone knows, that arguments of this sort produced by Bills as sensitive and as important as this one will never end. You will never get anyone in this House to believe that the argument is over, and because that will never happen I think there has to be a point in the life of a debate where the question can be raised and reasonably answered, "Are the facts in?" I believe the answer to that is, yes, the facts are in.

Although I have not participated in this debate until now, I have been following it through *Hansard*, and I find nothing new in the debate over the last few weeks from what I saw in the debate over the first few weeks. I believe that is as good a test as any to see if the facts are in. Is there anyone on the Opposition side, or on this side for that matter, who is raising any new points or introducing any new facts or looking at the issue from a fresh perspective? The answer is, no, there is not.

The Hon. Members opposite are not without imagination. They are not without research staff. I think, frankly, from what I have read in *Hansard* in the last few days, they have exhausted both. Because of that, I think it is legitimate for this Government to ask for a vote on time allocation today.

The third point I would like to make, Mr. Speaker, centres on the whole controversy over income limitations. Should there be income limitations in today's economy? My answer to that is, yes. Several months ago, in a debate in the House, I argued that income limitations should be of the strictest kind. I suggested a wage freeze, that no one should get any increases of any sort. That fell on deaf ears in this House and in Cabinet, but I do not think it was without merit. Notwithstanding, whether it is zero per cent, 2 per cent or 6 per cent, the real issue is, should there be income limitation? I believe the answer to that, Mr. Speaker, is, there should be.

Mr. Munro (Esquimalt-Saanich): Start with the Prime Minister (Mr. Trudeau).

Mr. Kelly: A study published a number of years ago, quickly forgotten and immediately buried, indicated that about 60 per cent of the price increases in Canada was generated domestically, that is, 40 per cent of the price increases was generated abroad. Given those conditions, and given an inflation rate of 10 per cent, I feel it is legitimate for this Government, in those areas of jurisdiction under its control, to place an income ceiling or capping of 6 per cent, because that 6 per cent ceiling reflects the domestic rate of inflation. Frankly, I do not believe anyone in this country, senior citizen, Member of Parliament, or anyone else, should expect an income increase to compensate totally for the increase in inflation. For all of us to expect that is to keep the inflationary spiral going, and the irony of that is that all of us want two things at the same time: we want to break the inflationary spiral and we want to keep up with the price increases. We cannot do both, Mr. Speaker. We can do one or the other, but we cannot do both. If it is important for our short-term and long-term interests to control inflation, then I feel we have to accept the argument and accept the reality that no one in this society should be receiving an income increase in any one year higher than 60 per cent of the inflation rate of that particular year. That is why I do not believe that the 6 per cent increase which we have placed on the pensions of civil servants is either arbitrary or unfair.

Mr. Orlikow: Would the Hon. Member permit a question?

Time Allocation

Mr. Kelly: I will permit a question at the end. There may be some people in this House, Mr. Speaker, who would accept that argument and their response might be, "Well, I can buy that, but I don't like the way you imposed it. You ran rough-shod over the rights of civil service pensioners. Why didn't you in some way try to negotiate?" Well, when I was the Parliamentary Secretary I met with many of the people who were negotiating on behalf of the Public Service. And I will tell you right now, they were not interested in negotiating this. They told us point blank that they would not negotiate a surrender of—

Mr. Munro (Esquimalt-Saanich): Sincerely promised.

Mr. Kelly: —benefits for which they worked so hard in years past. What we were told in essence was there were no options. There was no option the Government could follow, no option to explore, no willingness on the other side to sit down and negotiate. They told us beforehand this was an issue which was non-negotiable.

When you get into a situation like that, what do you do? What do you do if you sincerely believe that inflation must be fought, and it must be fought through some kind of income limitation? I do not think there is anyone in this House who can answer the question. Finally, Mr. Speaker—

The Acting Speaker (Mr. Blaker): Order, please. I am sorry to interrupt the Hon. Member for Scarborough Centre (Mr. Kelly), but his time has expired. He may continue with the unanimous consent of the House. Is there unanimous consent?

Some Hon. Members: No.

The Acting Speaker (Mr. Blaker): There is not. The Hon. Member for Lethbridge-Foothills (Mr. Thacker).

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, it is with real sadness that I rise to speak to closure motion or time allocation on Bill C-133 because I think it really is a tragedy.

I would like to speak first of all to the comments of the Hon. Member for Scarborough Centre (Mr. Kelly) because I think he simply missed the point on most of the issue. He argues that closure will save Parliament, and I take issue with that because I believe closure and time allocation destroy this place. The purpose of a Parliament is for debate, and the reason we have debate is so that the media can spread that debate across the country, and ordinary Canadians can interrupt their lives in terms of reading newspapers and articles so as to get some feel for the issue, then give input back to us as Members of Parliament. If we were a small postage-stamp country, perhaps closure after two or three days would be appropriate but certainly it is not in a country as large as Canada when it takes weeks for the news to get across the country in terms of the weekly newspapers, which is basically the newspaper which most people read. We have to keep these debates going. It takes people time to go to their church meetings or their women's institute meetings where these issues are discussed. Then they have to formulate in their minds whether the Government is acting fairly or unfairly, then get back to us so we can start to reflect their views in the House.

• (1640)

The Hon. Member for Scarborough Centre (Mr. Kelly) is simply wrong when he says we have to close this thing off quickly. I say to him that the prime reason the Government is into closure is that it is now beginning to get input from Canadians that they genuinely do see the issue. The issue is not whether we have restraint. We all agree there has to be restraint, and that is why we voted for Bill C-124. But we certainly did not agree to the Government breaking contracts. For years civil servants have paid in 7.5 per cent to their pension, whereas most of the payments in private industry were less than 5 per cent. They actually had earmarked an extra 1 per cent, pursuant to an agreement, which would guarantee them indexation. We also know that in the superannuation account there is over $15 billion built up, but now the Government is unilaterally, by closure, taking away the benefits they have paid for. Any decent Government would have at least said, well, we took your money under false pretences; we will give your money back and then you are under six and five. So I say to the Government, give the retired civil servants their money back. They will be glad to take it because there is lots of money in the account.

If the Government would accept, Mr. Speaker, in the parliamentary process, more amendments from the Opposition and even from its own backbenchers, we would not be in this jam today. I know that in all the legislation that I have been involved in in the last three years, not once has the Government accepted amendments from the Opposition, even though Government backbenchers agree that on this issue, this would be a good amendment. What the Government would sometimes do is reject the Opposition amendment and have one of its own Members bring it in with a separate motion, and then accept that. But the Government sees Parliament as just an in-and-out operation. If you go over to the Privy Council Office, Mr. Speaker, and watch how legislation, the budget and everything, is prepared, you will find they have enormous flow charts there. They show how an idea starts, goes through various Departments and officials, and then you will notice up in the far right-hand corner a tiny, tiny little box. That is Parliament. It is just a simple in-and-out operation. The Hon. Member for Calgary Centre (Mr. Andre) gives a beautiful speech on this because he has looked into it in great detail. Parliament is irrelevant to the bureaucracy. The reason for that is that Government backbenchers have failed to stand up to Cabinet. They do not seem to understand that it is an issue of executive power versus Parliament. Now, on this Bill we know several Government Members have stood up against it, and that is to their credit. I am looking at the Hon. Member for Ottawa-Vanier (Mr. Gauthier) right now.

Some Hon. Members: Hear, hear!

Mr. Thacker: Mr. Speaker, I want to deal with the points made by the Leader of the NDP. Recently we have seen them make an enormous attempt to get on the morality bandwagon,

backing the Bishops and their fine paper. The implication they are trying to leave with the Canadian people is that "We, the NDP, back the Bishops", therefore everyone else, including the Government, should. But the Bishops are against abortion. What is the NDP stand on abortion? They want abortion on demand.

Mr. Deans: What position does the Tory Party take on abortion?

Mr. Thacker: I am talking about the NDP.

Mr. Deans: I know you are. What position does the Tory Party take on abortion?

Mr. Thacker: Mr. Speaker, they get riled when they get to these points they cannot handle.

Mr. Deans: Answer the question. What position does the Tory Party take?

Mr. Taylor: Why did you kick Borowski out, then?

The Acting Speaker (Mr. Corbin): Order. The Hon. Member for Lethbridge-Foothills (Mr. Thacker) has the floor.

Mr. Deans: Well, why doesn't he stick to the Bill?

Mr. Thacker: They are really annoyed about that because they want the Government to accept the Bishops' position on nationalizing industry but not on abortion.

Mr. Deans: What about the Conservatives?

Mr. Thacker: Let me tell them what their policy is: save the seals and kill the babies. That is the NDP policy.

Mr. Deans: You cannot find out where the Tories are because they do not know.

Mr. Thacker: Mr. Speaker, the Leader of the NDP stood up today and sanctimonously, with heartfelt words, said: "Why don't you listen to ordinary Canadians? Let us follow them." I agree. What is their position on capital punishment? More than 80 per cent of ordinary Canadians want justice on capital punishment.

Mr. Deans: What is Joe Clark's position on capital punishment?

Mr. Thacker: We are talking about Party positions. Our Party agrees that individuals can take their own position, but the NDP does not.

Mr. Deans: There are 101 positions in the Tory Party, all of them at the feet of the Liberals.

Mr. Thacker: We all have the right to have our own positions. The NDP really see themselves as social engineers; they want to remake mankind in the image of NDP policy. They do not permit dissent.

Mr. Beatty: They purged Svend Robinson for speaking out. If you have a mind of your own, you get purged.

Mr. Deans: You want to get into that one, too?

Mr. Thacker: The great NDP Party, Mr. Speaker, and more so now the Liberal Party because Liberal backbenchers have failed to honour their commitment to their constituents, are letting the Cabinet get away with murder. So we see in this social engineering type of Government the remaking of mankind. We have a law passed in Parliament, a commitment to go metric, but it will be voluntary. Then the executive Cabinet, because it has to remake mankind, has to impose that law, just as with this Bill before us. My time has expired, Mr. Speaker, thank you.

The Acting Speaker (Mr. Corbin): The Hon. Member for Etobicoke North (Mr. MacLaren).

Mr. Beatty: We want Deans.

Mr. Roy MacLaren (Etobicoke North): Mr. Speaker, the motion before us is to place a limit on the length of this debate. Since the House has already spent a large amount of time debating Bill C-133. Members are aware of the extensive debate on this Bill. It has stretched over a prolonged period from well before the Christmas recess until today. We have spent, on the various stages of this Bill, a total of some 45 days. More than 70 speakers have now participated in its discussion. In addition, we have had, of course, extensive discussion in committee. There were some 14 meetings of the committee which heard briefs and submissions from a total of 31 witnesses, who contributed to over 500 pages of testimony. In those circumstances I should submit that for what is indeed a fairly simple and straightforward Bill, one with only two readily understandable clauses, we might conclude that ample time has been provided for debate.

If one needed any additional evidence to reach that conclusion, I should suggest that the course of our discussion today would lead anyone to the conclusion that every aspect of this matter has been fully discussed. For example, earlier today we spent some time on Petro-Canada. We heard a number of Members from the other side of the House discuss aspects of PetroCan's capital spending program. It was largely an erroneous discussion but, be that as it may, we also had the matter of abortion introduced. In those circumstances we can conclude that just about everything there is to be said about Bill C-133 has already been said. Therefore, I urge Members to support the orderly termination of this discussion and to get on with the other pressing matters on our agenda.

• (1650)

However, there are two points which I should like to make in passing regarding the substance of the Bill. The Minister introduced a motion which has the effect of raising the pension increase in 1983 to 6.5 per cent from 6 per cent and in 1984 to 5.5 per cent from the earlier 5 per cent. That motion takes into account the underlying circumstances of the Public Service pension scheme. The President of the Treasury Board (Mr.

Gray) noted that it was because employees contributed toward their indexation since 1970 that he wanted to ensure that none of the amounts set aside by them would fall under the six and five program. In so stating he was indicating that if people had paid for something then it should be delivered. That was the reason for his amendment, to bring into practice the principle he described, that is, to cap only that part of indexing which has not been paid for in advance and in fact is being paid for by the same taxpayers who are being asked to moderate their expectations for a short time. That seems to be an entirely reasonable proposition. I cannot think any fair-minded person could object to it.

The other consideration that I wanted to note during the brief time available is that there has been some discussion by Hon. Members opposite about a contractual obligation. I do not wish to enter into a legal discussion. I would say, however, that there have been changes in the Act in the past on at least two occasions when the fact that it was not really a contract operated to the advantage of public servants. The argument now is that any changes are operating to the disadvantage of retired public servants and public servants generally. The changes in the past have benefited public servants, and on those occasions we did not hear any arguments about contractual obligation.

I have in mind the situation in 1970 when 2 per cent indexing of the Public Service pension plan was introduced. It applied to all those already receiving pensions and had in fact completed their side of the pension agreement by being employees or contributors and who were then, as beneficiaries, receiving the agreed-upon benefits promised while they were employees. The Parliament of that day did not say to these people, "You are not going to be contributors to the index plan, so you will never get the benefits". The Government decided that those pensioners should not be excluded from such an important benefit. On that occasion we certainly did not hear anything about so-called contractual obligations. On the contrary, the changes were welcomed.

The only other point I would make is to recall that, prior to the 1979 election, in the Standing Committee for Miscellaneous Estimates, I believe that there was all-Party agreement for the capping of Public Service indexing over a certain amount. I do not have the details, but I believe that that all-Party agreement fell victim, as it were, to the 1979 election and was not proceeded with.

Mr. Baker (Nepean-Carleton): It was quite a different concept.

Mr. MacLaren: It may have been in many respects a different concept, but the basic principle which that agreement embodied was not, in essence, different from that which we have before us today. Capping of indexing in certain circumstances may well be appropriate. Certainly in my view it is appropriate in our present economic condition which requires a degree of commitment and restraint on the part of all Canadians. I am sure that those who are receiving Public Service pensions will recognize the reasonableness of that proposition.

I recall the Hon. Member for Vancouver-Kingsway (Mr. Waddell) saying the other evening that, "in other words, the war against inflation will be fought in part by the retired public servants of Canada". That is true. I certainly would be the last to suggest that they would think of playing any other role.

Mr. John Bosley (Don Valley West): Mr. Speaker, it is never a pleasure to participate in a closure debate or a motion to close debate, so the traditional introduction to a Parliamentary speech I will not make, with great respect.

I wish to respond directly to some of the comments of the Hon. Member for Etobicoke North (Mr. MacLaren), whose arguments as always sound good but contain within them most remarkable assertions. The Hon. Member's argument was that because a Bill only has two clauses, it does not need as much debate as a Bill with more clauses. The logical conclusion of that argument would be that it would be reasonable for the House to deal with a Bill that has one clause, a clause to abolish Parliament, in one day because it only had one clause. It is a most remarkable assertion that the necessity of debate and the quality and length of debate should be determined by the number of clauses in a Bill. We might refer to that as a typical quantitative argument from people who quantify things rather than deal with the ethics of things.

It is true that this Bill has had a substantial number of speakers. Surely any Bill with the purpose and intent to take away a right, when there is not agreement by both parties, should deserve to have every Member of the House speak on the matter. That seems to be self-evident. As long as I have breath I will refute, every time I hear it, the argument that someone in the House has the capacity to rise and invoke closure on this basis because "somebody else has the capacity to decide that everything there is to say has now been said". That is the most fundamental muzzling of free speech that I have ever heard. I am absolutely shocked that the Hon. Member opposite would support it, because I know his track record on these issues.

Let me deal briefly with the contractual obligations which were so gleefully and happily thrown out by the previous Member as existing in this case. His argument was that obviously no contractual obligation exists because in a previous case the contract was amended and they did not object. If I can paraphrase the Hon. Member correctly, in a previous case the benefit was increased and there was no objection; it was therefore not a contract. In fact, what happened in that case is that the two parties to the agreement agreed. What we have here is a clear case where one party to the agreement with the ability to invoke closure in the House of Commons chooses unilaterally to change a contractual agreement without consultation, without agreement. Perhaps the lunacy of the argument of the Government is best indicated by the fact that the Government felt it was necessary, having lauded six and five all across the country, to bring in a motion to amend the 6 per cent and 5 per cent in this case to 6.5 per cent and 5.5 per cent because, said the Minister as correctly quoted by the

previous Member, "Retired public servants are entitled to receive something they have paid for".

One of two things is true. Either there is contractual obligation to pay to retired public servants full indexation because it has in fact been paid for, in which case the Minister should honour his own word, or it has not been paid for. If it has not been paid for, then surely it is the plan itself which should be amended on its own merits, not as part of some nonsense about fighting inflation. The amendment makes that clear. If people have paid for something, then they are entitled to get it.

• (1700)

What the Government is proposing to do to civil servants and to retiring employees of the Canadian public is wrong. It is clearly the reason the Government is using closure. I sense that there is a growing recognition that what it is proposing to do is wrong. It is much easier for the Government to close debate now than to allow time for others to find out about it. But if those retired public servants have paid for something, as the Government and everyone around Ottawa has claimed for years they have, then they are entitled to it. Surely that is a principle of justice that every Canadian understands.

To put the matter in context for those who are not civil servants, if the Government of Canada had sold Canada Savings Bonds, as it did this year with interest at roughly 12.5 per cent and last year as it did with interest at roughly 19.5 per cent, and it felt that it needed to obtain some revenue with which to fight inflation, which is a peculiar concept in itself, it would now say to all Canada Savings Bond holders, notwithstanding the fact that the Government had a contract with them and it agreed to pay a rate of interest, it now deems it in the public interest, to break the contract unilaterally, through closure, in Parliament and to change the rate of interest. That is exactly as I understand what the Government of Canada is doing to its pensioners, Mr. Speaker.

Mr. Baker (Nepean-Carleton): Precisely.

Mr. Bosley: That, I think, every Canadian would find immoral. That is precisely why Members on this side of the House find the Bill so odious. Equally, when what is being done is odious, it must be even more odious to do it through the most reprehensible parliamentary means available to the Government, that is, allocation of time in order to close off debate on such a matter.

I want to say just one other thing. As I sat in this House today, I was absolutely stunned to discover Members of the New Democratic Party, having moved a motion to adjourn, which is their legitimate parliamentary right, refuse to come in and vote on the matter.

Mr. Beatty: They boycotted their own vote.

Mr. Bosley: That in itself is an unbelievable procedure. As far as I know, Mr. Speaker, it is unprecedented. It may even have been out of order to vote on a motion when the mover and the seconder were not here. The defence being used by the NDP of that decision is itself odious. The argument is being made that it is somehow the same as the ringing of the bells on the energy omnibus bill.

Mr. Deans: This is much more important. This is not the protection of oil company profits.

Mr. Bosley: Members of the NDP have spent the day trying to tell others that they are defending the rights of Parliament. What I found with NDP Members on city council in Toronto is that any end justifies any means, including obviating their obligation to vote in the House of Commons. I find that offensive to the House. To try to link that with the defence of Mother Parliament, which was involved in preventing the House of Commons from dealing with the energy omnibus bill, an offence to the House, I find even more odious.

Some Hon. Members: Hear, hear!

Mr. Bosley: I know, and I think Members of this House know, why many Canadians believed in the beginning that there might have been some logic to the original Bill, that is because many Canadians believed that some civil servants have an unfair pension arrangement. I do not know whether they do. I continue to hope that there will, at some time, be a full evaluation on an actuarial basis of the civil servants' plan so that Members of the House will be able to deal with that matter on its merits. On its merits, Mr. Speaker.

What is offensive in this proposal on which closure is being applied is that a principle of ancient justice is being violated. I am not a lawyer, but I had to come to learn the principle in my days on city council. Other Members, including the Hon. Member from Scarborough, will remember, in terms of the municipal plan, that you may not do indirectly what you cannot do directly. That is an ancient principle of justice in law. Some sectors of the public support that argument because they believe the civil service pension plan is unfair. But the Government is not doing it for that reason. The Government is bringing in a Bill which it hopes will be politically popular and, as a consequence, expedient. The Government is riding this Bill over the backs of the civil servants. One can only hope that the civil servants of this nation and the pensioners understand finally that they would be wise to take away from the Government the right to manage their pension funds and get them back under their own control so that they will never have to face this odious treatment again.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I am taking part in this debate in an attempt to clarify a few points which have been raised more or less haphazardly in the House today. First of all, I would like to point out that the question regarding Standing Order 82 which is being applied at this stage of the debate has no connection with closure nor with the provisions of Standing Order 37. For the information of my hon. colleagues, I would like to point out that when we refer to closure, notice, and time limit on speeches, these are points covered by Standing Order 37. The present debate is

being held pursuant to Standing Order 82, which provides for a procedure to limit debate, and only that.

As far as limiting debate is concerned, during the past few days I have been following the debate in the House quite assiduously, and I was disappointed in not being able to speak to Amendment No. 4 which I myself proposed. It is supposed to come up for debate and will be debated eventually at least I hope so.

In any case, Mr. Speaker, I shall be fairly brief. I must say that by limiting debate, the Government may be perfectly right from a management point of view, since I suspect that after hearing fifty-three Members at the report stage and eight or nine Members today, the Government's patience may be wearing a bit thin. As far as I am concerned, I find it regrettable that it should be necessary to intervene in this way in a debate that I consider very important and which for many of us is also a very difficult one. As for me, I see it as my duty to vote against closure on this bill. I think there are report stage amendments that should be considered. I am thinking more specifically of the debate that should be held on the proposal by the Member for Nepean-Carleton (M. Baker). This motion was regrouped with the one put by the President of the Treasury Board (Mr. Gray) and reads as follows, and I quote:

That Bill C-133, an Act to amend the Supplementary Retirement Benefits Act (No. 2), be amended in Clause 2, by striking out at page 2 the year 1984 and the figure 275.69 opposite the year 1984.

I would have liked to hear what the Members of the Progressive Conservative Party and the New Democratic Party would have to say on the effects of this amendment. As far as I know, none of the members has spoken to the amendment proposed by the Member for Nepean-Carleton, which I imagine has the support of the Progressive Conservative Party. I would have liked to hear those comments because I must admit I am a little confused. Upon reading this amendment, I get the impression that it is somewhat of a fence-sitter, and I would have liked to hear some good arguments that would perhaps make me change my mind. Somehow, the motion favours living in sin for one year but not for two years, and I fail to see how the bill's concept can be said to be valid for one year, namely, 1983, but not for the two years provided for in the bill. Mr. Speaker, I realize that there was no time to debate this question and that limiting the debate will probably prevent us from getting an answer. However, perhaps the Member for Nepean-Carleton or other Members in his party will be able to answer these questions—what the amendment exactly means—and perhaps they will be able to give us further clarification in the course of the debate.

Mr. Speaker, the debate on indexation deals with the risks incurred by workers who expect to spend their retirement years in relative comfort. Of course, there are risks involved in indexation, and the major difficulty which remains unsolved is that society cannot agree on the sharing of these risks. Alternatively, Mr. Speaker, after an understanding is reached on risk sharing, there are sometimes in our society human considerations which make a program hard to implement. Inflation is eroding the revenue of people on fixed income, and we all agree on the need to protect our retired citizens against that thief, inflation. We should reconsider the options related to those much talked about actuarial deficits, look into the rate of contributions made by both the employer and the employees, and seek ways to change the current investment methods of the pension funds. Finally, Mr. Speaker, we should settle once and for all, as the previous speaker has said, the problem of financing and indexing the basic pensions by consolidating, if possible, the Public Service Superannuation Account and the Supplementary Retirement Benefits Account.

Before resuming my seat, Mr. Speaker, I should like to deal with the argument put forward by many Hon. Members to the effect that Bill C-124 was consequential to Bill C-133. I, for one, strongly reject this argument, for Bill C-133 have absolutely nothing in common with Bill C-124.

• (1710)

[*English*]

Actively employed public servants, through Bill C-124, which restricts increases to their salaries to 6 per cent and 5 per cent, were asked to accept a limitation of 6 per cent and 5 per cent on their 1983 and 1984 standard of living. Conversely, retired public servants are asked to take a cutback on their pensions which were established on the best six consecutive years of their working years. We all know that the average public servant retired some eight years ago and that he is 70 years old. Limiting indexation to 6.5 per cent and 5.5 per cent in the two coming years will result in a continuing permanent loss of pension income to retired public servants, because the future base on which their indexation will resume, should it happen, will be reduced. God knows that it does not say on the Bill it will happen. I have tried to present an amendment which will make it happen but it was not acceptable to the Chair and had to be withdrawn.

Mr. Baker (Nepean-Carleton): Mine too.

Mr. Gauthier: The Hon. Member tried the same thing and it was also withdrawn. I would like to see some confirmation in the Bill that it will die on December 31 of 1984. I hope to get to amendment No. 4 which proposes to do that and nothing else, to make the Bill die on December 31, 1984, so that public servants will know that the program will end in 1984. There is nothing in the Bill that says it will.

As I have mentioned, limiting indexation at 6.5 per cent and 5.5 per cent in the two coming years will result in a continuing permanent loss of pension income. Conforming to the Government restraint program should not entail a permanent loss of income due to the erosion of the base. One method of maintaining that base would have been the method proposed by the Hon. Member for Nepean-Carleton (Mr. Baker) and myself. Public Service pensioners who are on fixed incomes have told the public of Canada that it is unfair, and I believe it is.

When this program terminates, actively employed public servants will have the opportunity to negotiate and catch up on their salaries, while this is not so for those public servants who

are 70 years old and have been living on pensions for the last eight years that are based on the standard of living during the best six years of their working lives. One of my relatives retired in 1969 after 33 years of public service to this country. He retired on a pension which was based on a 1969 standard of living. He is being asked to take a permanent cutback today which is based on his standard of living in 1966.

Public servants who are actively working for us can continue to negotiate for increases in their standard of living in the future. I regret to have taken so much time, Mr. Speaker. I thank you for listening.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I am not happy to be speaking this afternoon. I had hoped that the Conservatives would have shown some courage and joined with us to stop the Government from passing this legislation. I cannot believe that a political Party, vying for Government as it claims to be doing, would be in a position to put oil company profits ahead of the affairs of pensioners who already have inadequate incomes. I thought back to those bells ringing day after day on behalf of the profits of oil companies, those who make the donations to the Tory Party. They know who is fighting for them.

Mr. Taylor: We were fighting on behalf of the people who were losing their jobs.

Mr. Deans: It was 15 days of bell-ringing in support of oil company profits. We could not even get 15 minutes out of them in support of the pensioners of Canada. I say to you, Mr. Speaker, if that does not put this into perspective, nothing will.

Here we were with an opportunity to stop this Government dead in its tracks. Here we were with an opportunity to demand that this Government reconsider its legislative program which is normally called six and five. Here we were with a chance to demand that this Government take into account the most recent economic statements being offered by a variety of groups and individuals in the country, many of whom surprised me. We were in a position to demand from the Government that it not proceed with this legislation and that it take into account the views of Ian Sinclair, the views of the Bishops and the bank chairmen and presidents. We were in a position to stop this Government from proceeding with these Bills. Where were the Tories?

Mr. Taylor: In here voting.

Mr. Deans: They were lying at the feet of the Liberal Cabinet, as always. They were lying at their feet asking "Can we help you?" They are saying to the Liberals, "Can we come in quickly and help you get the legislation through?"

I say to anyone watching on television that it does not take a genius to see the hypocricy. For days they bled all over their desks. There they were, the champions of the oppressed, fighting to maintain decent income levels for senior citizens.

Mr. Kristiansen: Was that them?

Mr. Deans: The Tories. Time after time they were standing in their place in righteous indignation demanding the Government withdraw the legislation, demanding the Liberal backbenchers, poor souls that they are, join with them to defeat the legislation. Then we say to them, "Here is the way. We will stop this Government today. We will say to the Government, 'No, according to the rules, Parliament may not sit until the Government is prepared to consider the alternatives that are available to it' ". We say to the Conservatives, if they are sincere about their position and truly stand for the oppressed, let them join us. I say to Your Honour, I was outside the House. They literally ran into the House of Commons to vote with the Government—

• (1720)

Mr. Taylor: You were supposed to be here too.

Mr. Deans: —to get the vote over with so the Government could go ahead with Bill C-133 and get it passed.

Mr. Taylor: More baloney!

Mr. Deans: It is interesting that the Hon. Member for Bow River (Mr. Taylor), who is constantly chattering away, says that this is baloney. As an astute observer, Your Honour would recognize the fact that every single word that I have uttered is absolutely true.

Mr. Taylor: Absolutely wrong.

Mr. Deans: Every word.

Mr. Taylor: Wrong.

Mr. Deans: I see the Hon. Member for Bow River. This is the same Hon. Member who, together with his Leader, his House leader and all the other Tories, was so eager to pass Bill C-124: "By God, yes, we will squeeze these civil servants".

Mr. Taylor: But you would not take it.

Mr. Deans: The Conservatives said that it would not affect the pensioners.

Mr. Taylor: You would not take a cut in your salary.

Mr. Deans: We said to them at the time that it would affect Family Allowances. They did not care. They said, "Oh, no, get it passed passed right away".

Mr. Taylor: You wanted every dollar you could get. You would not take—

The Acting Speaker (Mr. Corbin): Order, please. The Hon. Member for Hamilton Mountain (Mr. Deans) has the floor. I suggest that we listen to him.

Some Hon. Members: Hear, hear!

Mr. Deans: I appreciate that intervention, Mr. Speaker. I need your protection from these people.

Mr. Taylor: You sure do. From the people.

Mr. Deans: These are not to be trusted.

Mr. Taylor: Oh yeah?

Mr. Deans: Your Honour remembers their dashing up and threatening the Speaker not so many months ago. I tremble in my shoes when they rise and castigate me. I will tell Your Honour the one thing I do not do, Mr. Speaker. I do not believe them.

Mr. Taylor: Where were you when property rights were discussed?

Mr. Deans: I do not believe them.

Mr. Taylor: Ask the people.

Mr. Deans: The Tories now ask where I was when property rights were discussed.

Mr. Taylor: That is right. You were right with the Liberals.

Mr. Deans: It is interesting, is it not? When oil profits are at stake, there are the Tories.

Mr. Taylor: The people's word, not the oil rights.

Mr. Deans: When people's property rights are at stake, there are the Tories.

Mr. Taylor: For the people that work.

Mr. Deans: But when people's incomes through pension and Family Allowances are at stake, where are the Tories?

Mr. Taylor: They are in here voting. Where were the NDP?

Mr. Deans: They are running in to help the Liberals get this legislation through the House of Commons.

Mr. Taylor: We were in here voting. Where were you?

Mr. Deans: I want to make some further remarks but I will not take a long time. It is not necessary.

Mr. Taylor: You have not said anything yet.

Mr. Deans: The case was made before. The Conservative Party is now a spent force. We understand that. When the public of Canada views its most recent action, they will see it plummet in the Gallup Poll.

Mr. Taylor: Oh?

Mr. Deans: We will see the Conservatives plummet in the Gallup Poll.

Mr. Taylor: You are not going up fast.

Mr. Deans: Their days are numbered, not by anything we have done, but because of their own actions, and quite justifiably so. One cannot always be on the side of big business and against the common man and expect to get support from the people to whom one is opposed.

Mr. Taylor: We are on the side of the people!

Mr. Deans: All I can say is that the Tories have historically, and continue to have, that mentality of absolute opposition to people who are impoverished, to people who are in need.

Mr. Taylor: We are on the side of the people!

Mr. Deans: That has been shown again today. Your Honour knows that had they stayed out until one minute past four o'clock—

An Hon. Member: Not 16 days.

Mr. Deans: —this would not have been voted on today.

Mr. Munro (Esquimalt-Saanich): Chicanery.

Mr. Deans: The vote would not have been held until Monday. The legislation could not have passed in time for the cheques to go out on Tuesday night.

Mr. Taylor: It could so.

Mr. Nielsen: It will not, anyway.

Mr. Deans: The senior citizens of this country who receive those benefits would have received full indexing this month. The Tories did not understand, as usual, that but for the sake of a minute or two, they could have stood up on behalf of the people whom they pretended for months they were supporting.

Mr. Taylor: We were in here voting, at least. Where were you?

Mr. Deans: We were not here. Does the Hon. Member know why we were not voting?

Mr. Taylor: Yes, I know.

Mr. Deans: Do you want to know the real reason? It is because we understood that if we came into the House, the motion would be moved, the vote would be taken, and the Bill would have proceeded, and we did not want that Bill to proceed because we are opposed to it.

Mr. Taylor: And you have accomplished nothing.

Mr. Deans: We believed we should do all in our power to hold the Bill up, unlike the Tories who dashed in and helped the Liberals. Now they are back together again. My suggestion to the Liberal House leader is: why does he not extend the bench, make room for them, put them over there beside him, for God's sake?

Some Hon. Members: Hear, hear!

Mr. Deans: They are no Opposition!

Mr. Gray: You first.

Mr. Deans: That is a pitiful group of hypocrites. They are no Opposition. Sit them on the other side where they belong.

Mr. Taylor: Look who is calling the kettle black.

Mr. Deans: They are constantly on the side of the Government. As I said to Your Honour, I appreciate the chance to set the record straight. I say to the Conservatives: repent, repent.

Mr. Taylor: You are crooked enough.

Mr. Deans: You have problems ahead.

Mr. Taylor: So have you, brother, so have you.

[*Translation*]

The Acting Speaker (Mr. Corbin): The Hon. President of the Privy Council (Mr. Pinard), on a point of order.

Mr. Pinard: No, Mr. Speaker, I am rising to take part in the debate. But first, I do have a short point of order. I would like to designate tomorrow as an opposition day, provided we vote before the end of this day on the motion now being debated. It seems that will be the case, so I wish to confirm to my colleagues that tomorrow will be an opposition day.

Now, I would like to take part in the debate on the motion. I had not intended to until I heard—

[*English*]

Mr. Nielsen: Forgive me for interrupting. Would the Government House Leader simply extend this point of order so that we will not have to entertain the process after the vote tonight and tell us what the business of the House will be for next week?

WEEKLY STATEMENT

Mr. Pinard: With regard to the same point of order, Mr. Speaker, I want to confirm that, provided we vote tonight on this motion, it looks as though tomorrow will most likely be an Opposition day. On Monday we will be dealing with the report stage of Bill C-133.

Mr. Deans: Shame.

Mr. Pinard: On Tuesday we will be dealing with the third reading stage of Bill C-133. Wednesday has been reserved for Private Members' Business and Thursday next will most likely be another Opposition day. All of this is subject to change with reasonable notice to my colleagues, but that will most likely be the business from now until next Thursday.

I have received a request from my hon. colleague, and I think he wants me to address it, not to sit on Friday next for obvious reasons. His caucus must go to Winnipeg. Certainly, we on the Government side are willing to extend the usual courtesy of allowing a political Party to attend a democratic convention. Therefore, we are willing not to sit on Friday, January 28, and we will support any House order to that effect.

The Acting Speaker (Mr. Corbin): Is the Hon. Member for Hamilton Mountain (Mr. Deans) rising on the same point of order?

Business of the House

Mr. Deans: Mr. Speaker, I understand that it will require unanimous consent not to sit on Friday next, and I would like to reserve decision overnight in order to discuss the problem which confronts us with my colleagues, concerning whether it is better to have the Tories here or away.

Some Hon. Members: Oh, oh!

Mr. Deans: I would be happy to seek advice on the matter and report to the House tomorrow.

Mr. Nielsen: Mr. Speaker, I am sure that this intervention is not eating into the time of the Government House leader in the debate, but I can assure the Acting House leader for the New Democratic Party that the Government House leader is acting purely within tradition when he accedes to the request I have made of him. May I say to him that should his Party wish, at any time in the future, to proceed to a place outside of Ottawa for the same purposes we are proceeding to Winnipeg, we would be more than pleased to give that Party our consent to its absence for five days or whatever number of days its Members might wish to have.

Some Hon. Members: Hear, hear!

Mr. Deans: We, of course, are not likely to want to deprive the Hon. Member for Yukon of our presence here since the Conservatives seem to flounder so when we are not here. However, I do want to remind him that the last convention for the NDP was in Vancouver, and the House sat. We asked, I might point out, that it not sit, but it did. It was pointed out to us that it is not a tradition for the House to adjourn for political conventions. In fact I was curious about it when the Liberal convention was held in Ottawa, and they pointed out that the House sat. I can assure the Hon. Member for Yukon that in our normal generous way, and in our normal co-operative way, we will give grave consideration to this matter overnight. I can assure him that whatever decision we come to we will relay it to him as early as we possibly can.

• (1730)

Mr. Kilgour: On the same point of order, Mr. Speaker, I understood the Acting House leader for the New Democratic Party to say in effect that this House sat on the July 1 weekend two summers ago when his Party was having its biennial meeting. Did I understand him correctly, or did he just tell the House now that the House was sitting on one of the days his Party was meeting? It is my understanding that if it was a Friday that was involved, the House was not sitting on that day, and I think he would wish to clarify his statement to the House on that basis.

The Acting Speaker (Mr. Corbin): Is the Hon. Member for Hamilton Mountain rising on the same point of order?

Time Allocation

Mr. Deans: Yes, Mr. Speaker. I would not want the Hon. Member to be labouring under any misapprehension or under any misunderstanding. I was here, together with the Hon. Member for Winnipeg North Centre (Mr. Knowles), during the time the New Democratic Party convention was under way, so I say to him that though he may have a good memory on this, he is lacking somewhat.

ALLOCATION OF TIME TO CONSIDER REPORT AND THIRD READING STAGES OF BILL C-133

The House resumed consideration of the motion of Mr. Gray:

That, in relation to Bill C-133, an act to amend the Supplementary Retirement Benefits Act (No. 2), one sitting day shall be allotted to the consideration of each of the report stage and the third reading stage of the Bill; and

That 15 minutes before the expiry of the time provided for government business on those days, any proceedings before the House shall be interrupted, if required, for the purpose of this Order and, in turn, every question then necessary in order to dispose of the stage of the Bill then under consideration shall be put forthwith and successively, without further debate or amendment.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): So, Mr. Speaker, I have a few comments to make on the motion now before the House. I was going to say just now that I had not intended to take part in the debate at this time, but after I heard the comments made by my colleague for Hamilton Mountain (Mr. Deans), I could hardly refrain from rising in the House, because I found his remarks rather discouraging. In my opinion, they do not augur well for future developments in the work of the House. I also think some criticism is in order, if we believe that Parliament should be a place of debate and not a place where we only hear the ringing of bells. In my opinion, the Hon. Member's appeal to all parties to let the bells ring longer in order to waste a day's work of the House and force the Government to delay the effective date of a bill by one day, is an opposition tactic that fails to respect our free and democratic system that is the envy of so many countries throughout the world. I take a dim view of all this because once again, we are just starting an experiment in parliamentary reform, and to be successful, the experiment requires good faith and a minimum of co-operation.

The Hon. Member should realize that as a result of the economic problems facing this country and so many others throughout the world, we have fair-sized amount of legislation to deal with, and the Government's time in the House has become extremely precious. Moreover, with our new parliamentary reform, between now and the end of June the Government will have only three days a week to spend on consideration of legislation. I hope the Hon. Member realizes this, and I am sure the Member for Yukon (Mr. Nielsen) is also aware of the implications. Practically speaking, between now and the end of June, the Government will have only three days a week in the House, since Wednesdays are for private members' business, and we also have to give the Opposition an average of one day a week for supply, which means seven between now and March 26, and thirteen between March 26 and June 30, while there will also be an eleven-day Easter recess. There will therefore be on the average one opposition day a week and another day, Wednesday, for private members' business. For all practical purposes, only three days every week will be left to the Government to take care of its legislative program and to meet the pressing needs of the economy.

We are coming to the end of a session which has been extremely full, extremely important, and extremely long and during which many records have been set, but the end of one session implies the beginning of a new session soon after, and consequently a Speech from the Throne and a debate on the Address in reply. During the oral question period today, the Minister of Finance (Mr. Lalonde) stated that a budget would probably be presented during the coming weeks or months. This means a budget speech and a budget debate, as well as other financial bills and budgetary measures in addition to those now before the House. It would therefore be child's play for the Opposition to hinder the Government, and Parliament, from carrying on its business. It is very simple, especially when the Government only has three days a week as a result of a parliamentary reform which we want to benefit the entire population, this institution and particularly every member of Parliament. However, what the Hon. Member for Hamilton Mountain (Mr. Deans) is now doing in asking the Official Opposition to let the bells ring and waste one day opposing a bill is not the proper attitude to take under the circumstances or one which can serve as a valid test of this parliamentary reform. It is not very reassuring as to the possibility of making a full use of the parliamentary calendar and then adjourning for Easter and next summer because, in the eyes of the people, the Government will have no other choice but to sit in order to pass those measures which are absolutely essential in view of the datelines provided in our rules and in the budget measures to be announced in the near future. The Hon. Member must be aware of one fact, and I do not want to defend the Progressive Conservative Party, but while it did not play the game as the New Democratic Party wanted it today, it still did not support the bill for which we now want to limit the debate. As a matter of fact, the Progressive Conservatives came to the House and voted in favour of the adjournment motion introduced by the NDP. They therefore wanted the House to adjourn so that we could not proceed, but this was in accordance with the rules since they had to vote on a specific issue. They were free to vote one way or the other, but they came to the House to do so. If it had been their wish, they could also have made a separate agreement with me on the length of the debate under Standing Order 81, formerly Standing Order 75B. I indeed invited the House leader of the Progressive Conservative Party to agree on a limited debate at this stage since the NDP were not willing to come to such an agreement. If the Progressive Conservatives had been willing to do so, they could have agreed to this proposal. Now I am not certain they

do not have second thoughts about it in view of what the NDP Members are trying to do to them.

Perhaps I am giving the impression that I defend the position of the Progressive Conservative Members because they showed up in strength for the vote on the motion to adjourn the House and because of their attitude with respect to Standing Order 81 when they refused to agree with us, but I am not always in agreement with their tactics. God knows that more often than not I do not see eye to eye with them, but I do believe that it is a step in the right direction and in keeping with democracy. Parliament is a place where Members speak out against a measure, where they debate, argue and discuss, not a place where they prevent other Members from speaking by keeping the bells ringing or by blocking passage of legislation by delaying tactics which prevent Members on both sides of the House from taking part in the debates. In our democratic system, in a free society such as ours, we have the right to disagree on certain measures, but the way to voice our opposition under our rules and our practices, and in keeping with our traditions and our culture is not to prevent others from speaking by calling for recorded votes. It is simply by expressing our views in the House, conducting debates in accordance with the rules and accepting the point of view of a government which does hold the majority.

The Acting Speaker (Mr. Corbin): Order, please. It being 5.40 p.m., the two hours provided for the debate on the motion now before the House pursuant to the provisions of Standing Order 82 have now expired.

● (1740)

[*English*]

Accordingly, under the terms of the Standing Order, it is my duty to interrupt the proceedings and put every question necessary to dispose of the motion. The question is on the motion of Mr. Gray.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

The Acting Speaker (Mr. Corbin): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Corbin): In my opinion the yeas have it.

And more than five Members having risen:

The Acting Speaker (Mr. Corbin): Call in the Members.

Time Allocation

The House divided on the motion which was agreed to on the following division:

(*Division No. 279*)

YEAS

Messrs.

Appolloni (Mrs.)
Axworthy
Bachand
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chrétien
Comtois
Corbin
Corriveau
Cosgrove
Cousineau
Cyr
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dubois
Duclos
Dupras
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Frith
Garant
Gendron
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Harquail
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Ittinuar
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lajoie
Lalonde
Lamontagne
Landers
Lang
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Loiselle
Lumley
MacBain
MacEachen
MacGuigan
MacLaren
MacLellan
Malépart
Maltais
Massé
Masters
McCauley
McRae
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rossi
Roy
Savard
Schroder
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—118.

NAYS

Messrs.

Althouse
Andre
Baker (Nepean-Carleton)
Beatty
Benjamin
Blackburn
Blenkarn
Bosley
Bradley
Broadbent
Cardiff
Carney (Miss)
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Coates
Cook
Corbett
Cossitt (Mrs.)
Crombie
Crosby (Halifax West)
Dantzer
Darling
Deans
de Jong
Ellis
Elzinga
Epp
Fennell
Fraser
Fretz
Gamble
Gurbin
Gustafson
Halliday
Hargrave
Hawkes
Heap
Hees
Hovdebo
Howie
Jarvis
Jelinek
Jewett (Miss)
Keeper
Kempling
Kilgour
Knowles
Korchinski
Kristiansen
Kushner
La Salle
Lawrence
Lewis
Lewycky
MacDonald (Miss) (Kingston and the Islands)
MacDougall
Malone
Mazankowski
McDermid
McDonald (Ms.) (Broadview-Greenwood)
McKenzie
McLean
McMillan
Miller
Mitchell (Mrs.)
Mitges
Munro (Esquimalt-Saanich)
Murphy
Murta
Neil
Nickerson
Nielsen
Nystrom
Ogle
Orlikow
Patterson
Reid (St. Catharines)
Roche
Sargeant

Messrs.

Scott (Hamilton-Wentworth)	Siddon	Vankoughnet
Scott (Victoria-Haliburton)	Skelly	Waddell
Shields	Taylor	Wilson
	Thacker	Wise
	Thomson	Wright
		Young—93.

● (1805)

[*Translation*]

Madam Speaker: I declare the motion carried.

Motion (Mr. Gray) agreed to.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

CANADIAN NATIONAL RAILWAYS—COMMITTEE RECOMMENDATION ON PENSION FUND INQUIRY. (B) PENSION FUND INVESTMENT

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, I am calling upon the Minister of Finance (Mr. Lalonde), the Minister of Transport (Mr. Pepin), the Minister of Labour (Mr. Caccia) and the Chairman of the Standing Committee on Transport to get their heads together and reply to my question of November 29, 1982.

In June 1982, the Transport Committee passed a motion unanimously calling upon Parliament to provide the Committee with a reference to conduct a full inquiry into the CNR pension fund. I asked the Minister what was the current status of this report and when the House could expect to have it presented. All I received was an evasive and negative answer. I would strongly suggest that these three Ministers and the Chairman of the Transport Committee deal with this question and at the same time deal with the motion as passed by the Transport Committee on June 29, 1982. That motion as passed read:

> That this Committee seek in its report to the House on the annual report of the Canadian National Railways for 1980 and 1981, a reference enabling a thorough review of Canadian National pensions, together with the necessary authority to call witnesses, to engage secretarial staff and professional advisers, and to report back no later than December 31, 1982.

It is now time for the three Ministers and the Chairman of the Transport Committee to stop delaying, stalling and passing the buck. It is now long past the time for these tactics; they are no longer acceptable.

Following presentations by two associations represented by railway pensioners, the Transport Committee of the House of Commons voted unanimously to ask Parliament to allow it to hold a full-scale inquiry into the pension funds of Canadian National Railways. Mr. R. W. Worraker, Chairman of the National Council of CN Pensioners Associations, stated the following:

> They concoct the recipe, bake the cake, give it to us to eat and don't ask us what it tastes like.

Some type of annual increase or indexing is desperately required to ease the plight of railway pensioners who received their pensions prior to 1973. Some of these pensioners are now in their eighties. How much longer can anyone expect them to have to sit around and wait for a decent pension which will enable them to live out their lives above the poverty line? They get the ministerial and bureaucratic runaround from the former president and Chief Executive Officer of the Canadian National who is paid $150,000 a year and tells a group of pensioners in their seventies and eighties to find some resource to get a little bit of a pension increase. What a national disgrace this is under the Liberals.

● (1810)

I have in my possession statistics from the Retired Railway Employees Association of Canada which prove that some railway pensioners are receiving as little as $115 a month; $148 a month or even $166 a month. Once again, as I have previously pointed out in motions in the House, railway pensioners have had to put up with the measly increases of $77 over 19 years. This amounts to the grand total of $4 per year or 33 cents a month, resulting in a $265 a month pension rate. A 33 cent increase does not go far against the odds of record inflation rates, such as a 15.2 per cent increase in food costs. We are talking about rail workers who retired prior to 1973.

Even if there have to be changes to the Pension Benefits Standards Act, the three Ministers and the Chairman of the Transport Committee will have to take the necessary steps to make them before it is too late for these pre-1973 railway pensioners to enjoy an above-the-poverty-line style of life.

The Minister of Transport has stated in a letter to me:

> Railway pensions are acknowledged by many experts to be amongst the best in the corporate world.

What about the pensioners who went on pension prior to 1973 and have no indexing? Can you honestly say their pensions are among the best pensions in the corporate world?

The pensioners complained that CN continues to shirk its full share of pension funding by deferring its contributions and that pensioners do not have adequate representation on the pension fund's board of trustees. The National President of the CNR Employees' Pension Association said investment income and employee contributions alone exceeded the pensions paid by a total of more than $809 million between 1960 and 1981. With the inclusion of payments by CN, the excess rises to more than $2.5 billion.

Furthermore, of CN's total contributions to the fund between 1960 and 1981 of $1.71 billion, $1.52 billion or 88.9 per cent of the total went to pay interest on the unfunded liability carried on the books of the pension fund, which stood at $1.5 billion at the end of 1981. CN is paying that off with

periodic payments of principal and interest, stretching until 2006 for the Canadian plans. The national president is calling those interest payment contributions "misleading and highly improper". The pensioners do not claim CN is doing anything illegal, just that they are getting a raw deal.

What really irks the pensioners is that because the fund builds at a low fixed rate of interest, CN is able to rake in the difference between that rate and what it can gain on the open market by deferring its contributions. When will the Government take the necessary steps to correct this disgraceful situation?

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the Hon. Member appeared to have two concerns when he raised his question in November. The first was to allow the Standing Committee on Transport to conduct an inquiry into CN pensions, and the second was to somehow restrict the CN pension fund from making certain investments he found undesirable. He highlighted these two concerns again this evening. Recognizing that his answer at the time was not complete, the Minister of Transport wrote to the Hon. Member shortly thereafter. I would be pleased to table that letter this evening, Mr. Speaker, although it only exists in one official language.

The letter responded to the Hon. Member's concern in what appears to me to be a very adequate way. The Minister pointed out that it was not only the Transport Committee that had an interest in the question of pensions, expecially since the tabling of the green paper on pension reform, and that any serious comparison of corporate pension plans proved that railway plans were relatively good. But in that spectrum, yes, there will be those receiving only $115 a month as the Hon. Member mentions. This is regrettable.

• (1815)

The Minister also suggested that the Hon. Member consult his colleagues on whether and how they wanted to deal with this matter in the Transport Committee. I do not know if he has done that. I was present when this topic was discussed at the steering committee, but I should not divulge in the House the discussions of that committee. If he consults with the Transport critic of his Party, I am sure he will find the reasons and the problems facing the Transport Committee in tackling this very difficult problem.

Finally, with respect to the CN Pension Fund investments, the Minister pointed out that CN's obligation toward its pensioners must be respected, regardless of the performance of individual investments. Therefore, the Hon. Member's fears are totally unfounded.

COMMUNICATIONS—PRODUCTION OF PORNOGRAPHIC SHOWS FOR PAY TV

Miss Aideen Nicholson (Trinity): Mr. Speaker, the CRTC rules require that Pay TV services must run 30 per cent Canadian content during the first three years. The CRTC rules call for a significant involvement by Canadians in artistic control. The intent was obviously to ensure that Canadian writers, producers and actors have opportunities to work and gain recognition.

We now find that at least one company in Canada, with a New York producer, is producing shows written in the United States. Since these shows are of the kind euphemistically described as adult entertainment, otherwise known as soft core pornography, they have nothing to offer serious Canadian actors and actresses. The situation is that this company is investing millions of dollars in Canadian funds in an American production, produced for Playboy in the United States. Obviously, this must be a very welcome investment from the point of view of Playboy U.S. because it reduces their risks. However, funds for Canadian productions are very limited and the loss of capital for our artistic community is serious.

When Pay TV was accepted, it was hoped that it would improve the level, content and variety of Canadian programming. In fact, instead of upgrading, this is likely to downgrade what is available. In view of the very competitive situation between the new Pay TV stations, we can expect other companies to try to outdo the so-called Playboy channel. In fact, this is already happening. Last week, an actress in my constituency found that her agency had no work for her of the kind she would accept, but she could have worked on one of seven of these soft core pornographic films.

Pornographic films, by whatever name one calls them, are inexpensive and quick to produce. If these are to count as Canadian content then the companies are free to buy all their serious programming outside Canada. We will then find that work opportunities will effectively be closed to our own creative writers, producers and actors.

The Canadian content rule has not been revised by the CRTC for the last 12 years. In those 12 years the concept of Canadian content has been diluted by practice. There has been a tendency to allow companies to operate with less than what was required, if they promised to improve. I am in favour of negotiation and operating by agreement rather than heavy-handed regulation. It is clear, however, that this has not worked over 12 years and we are now in need of clear rules. The CRTC held issue hearings on Canadian content. It is time for them to act on those hearings.

I would close by saying that this is not a censorship issue; I am not in favour of censorship. We are not talking in this instance about a private citizen who buys a video cassette to view in his own home. The issue as far as I am concerned is the use or misuse of public airways for purposes that are directly in conflict with the expressed purpose of the Broadcasting Act; to strengthen, enrich and safeguard the cultural, political and socio-economic fabric of Canada. In my view the CRTC's duty is clear, and I hope it will exercise it and promptly produce rules of Canadian content, and also enforce those rules with Pay TV companies.

• (1820)

Mr. Jack Burghardt (Parliamentary Secretary to Minister of Communications): Mr. Speaker, in response to the very

important concerns registered by the Hon. Member for Trinity (Miss Nicholson), I would like to say that the Minister of Communications (Mr. Fox) and, in fact, the Government as a whole are very much concerned about Canadian content rules and regulations, certainly as they apply to the entire broadcasting industry; in this case as they apply to the Canadian Pay TV system. The regulations on this subject should enable Canadians to watch an increasing number of quality Canadian TV programs.

It was the hope and desire of the Government, and certainly of the Minister, when it was first suggested that Pay TV be brought into the country, that the CRTC would look very closely at this very important area. If we can produce quality Canadian programming this will indeed help the entire Canadian production industry as it applies to TV, and also as it applies to films.

There has been a difficulty facing the Canadian program production industry in that it has not had sufficient financial wherewithal to develop a serious and viable industry in this country. It was definitely hoped that Canadian Pay TV would be able to contribute, through its financial resources, to this very important program production industry.

The Hon. Member for Trinity referred to the fact that the CRTC held hearings on Canadian content rules and regulations. It did, indeed, do this in December of 1981. I understand those rules and regulations and the updating of the regulations will soon be forthcoming. Given all that, we also have to look at the fact that our Canadian artists, including writers, producers, actors, actresses and all the technicians, have a great stake in this area. It is certainly the hope of the Government and of the Minister that the CRTC look at this question as it applies to the current controversy regarding Pay TV so that in fact the Canadian production industry will benefit. We do share the concerns of the Hon. Member for Trinity.

COMMUNICATIONS—PORNOGRAPHIC PROGRAMMING ADVERTISED BY FIRST CHOICE PAY TV. (B) PROVISIONS OF BROADCASTING ACT BE AMENDED

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I would like to support the comments of my hon. friend, the Hon. Member for Trinity (Miss Nicholson). My remarks are complementary to hers.

I would like to begin by reviewing a few of the events since this question was first raised. The Minister has since spoken with the CRTC and the CRTC has called in First Choice to explain its plans. In the meantime the Canadian Association of Broadcasters has reiterated its support of the Task Force on sex-role stereotyping on the positive portrayal of women in the media. I want to bring to the Minister's attention the recommendations of this Task Force.

Pay TV was not part of the Task Force at the time it was sitting but a recommendation in that report suggests that Pay TV should come under the same guidelines as other forms of broadcasting. It said that while there were no representatives on the Task Force, recognizing that if they are participants in the Canadian broadcasting system—referring to Pay TV—they would come under those same guidelines. They also apply to educational broadcasting. It was urged that they "recognize the public concern about sex role stereotyping; adopt the applicable programming recommendations set out in this report; exercise sensitivity to, and awareness of, the problem of sex-role stereotyping in the acquisition of programming material or rights" and "ensure that women are adequately represented both on and off air." The report is very clear on that point. It would be absolutely ludicrous if Pay TV did not come under the same guidelines. That is to say if we were to have positive images of women on certain channels and pornographic portrayals of them on other channels. There would be an absolutely ridiculous result. Certainly the work of the Task Force would have been wasted if that was the result.

• (1825)

The public members of that Task Force made some very specific recommendations about pornography. I quote:

> To clarify the meaning and intent of the CRTC's initiatives in eliminating abusive comments or pictorial representations of both sexes, the public members recommend:
>
> that the CRTC and all licensees recognize the special problems of pornography and violence against women.
>
> Male dominance and female submissiveness are at the very heart of the stereotypes of men and women. Pornography is the extreme portrayal of dominance and the exploitation of women's sexuality. Pornography, or any portrayal of violence against women, is the ultimate expression of dominance/submissiveness, the objectification and the abuse of women. As such, pornography or the portrayal of violence against women has no place in the broadcast media. And as one mechanism for implementing this, the public members recommend the following specific initiatives—
>
> —that the CRTC amend its television regulations to include, among those subjects that may not be broadcast, abusive comments or abusive pictorial representations of either sex.

That was a very specific recommendation from the public members of the Task Force.

When the Minister says he has confidence in the CRTC and the chairman, I hope that confidence will be found to be warranted. Initially the CRTC was not very sensitive about women's issues. It certainly was improved.

The Minister can act on the more long-term problem the First Choice submission has raised. What is needed, and what I am proposing and trying to get all-party support for, is an amendment to the Broadcasting Act to add sex as one of the prohibited grounds of broadcasting. This would be in Section 61B of the Broadcasting Act. Let me point out what protection races and religions now receive, and I quote:

> No station or network operator shall broadcast any abusive comment or abusive pictorial representation on any race, religion or creed.

The amendment we need to pass would add, "or sex", so that women get the same protection that members of races, religions and creeds get in this country. It is absolutely ridiculous and unacceptable that we say it is all right to abuse women on our television screens, although we must be sensitive to issues of race and religion. Women deserve and need very much the same protection other people receive. This gets to the heart of the problem. I would suggest that the First Choice application is contrary to the Broadcasting Act on a number of

grounds. It is not a good idea to proceed against them on the ground of obscenity because so many of these cases involve the explicitness of sex, and this is a tangential problem.

• (1830)

What is really objectionable is the portrayal of women in this way. If the programs focus on the abuse of women, that really will be what women object to, is really the heart of the problem.

I cannot stress too much the importance of stopping "First Choice". This is the thin edge of the wedge. We begin with a little bit of titillation, mere portrayal, mere exploit of portrayal and, if Pay T.V. is anything like the film industry, or anything like dirty magazines, they begin with something objectionable but fairly simple and move on to brutality. This is a very serious problem. If "First Choice" is not stopped, we are going to have pornography right across the country, and it will grow and get worse and worse.

I hope very much, Mr. Speaker, for support on this question, to put sex as one of the prohibited grounds, to make Parliament's intentions clear, to improve the climate in which this debate takes place. The women in Canada are very much counting on it.

Mr. Jack Burghardt (Parliamentary Secretary to Minister of Communications): Mr. Speaker, there has indeed been a great public outcry and concern registered in recent days regarding Pay TV in Canada. I want to reiterate what I said earlier, that the main intent, of course, in the use of Pay Television is to help the entire Canadian production industry as it relates to television and to broadcasting. Therefore, anything that is used by any of the licensees as far as Pay Television is concerned must be of a quality that will stand competition, not only with its immediate competitors but certainly with the public and private television industry as we know it in the country today, and on an international scale through the use of the satellite broadcasting system, which is here, and in many areas just around the corner. So we have to be very concerned about program content and the inherent quality of that content. The CRTC does have the authority to regulate program content. We cannot escape that fact. It was given to them by Parliament.

The Minister has already expressed his displeasure with what has taken place in recent days regarding the particular application of "First Choice". He has, as the Hon. Member for Broadview-Greenwood (Ms. McDonald) has stated, met with Dr. Meisel, the Chairman of the CRTC. Dr. Meisel, in turn, has had his officials meet, and perhaps they are meeting right at this moment, with officials of "First Choice" Pay TV. Following that meeting, we expect that the CRTC will have a public statement to make.

I think we must also not forget the responsibility of the licensee, of the shareholders, and of all connected with the various applications. The Canadian Association of Broadcasters, an association made up of independent radio and television broadcasters across the country, has its own code of ethics, and it polices its members. Perhaps a suggestion can be made right at the outset that the pay television industry do likewise; perhaps it should look at the quality of program which it intends to produce. In light of the public outcry and pressure which has come to bear this past week, it in fact should look at what it intends to produce and televise. There is no doubt that if it does not, Government will have to step in and ask that certain stronger regulations and measures to be taken. In the meantime, it is the hope that the industry itself, because of the public concern expressed thus far, will take a second look at what it intends to produce and televise.

[*Translation*]

The Acting Speaker (Mr. Corbin): Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m.

At 6.33 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, January 21, 1983

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

HUMAN RIGHTS

NECESSITY FOR COMMITMENT TO OBSERVANCE

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Madam Speaker, I wish to make a statement pursuant to Standing Order 21. Presently the Conference on Security and Co-Operation in Europe has recessed and will resume in Madrid in February this year. At this time it is perhaps important to re-examine Canada's commitment to the principles of the Helsinki Final Act.

When the Final Act was signed in Helsinki in 1975, the 39 participating states agreed to uphold the basic principles outlined in the Final Act, principles which addressed co-operation in economic, technological, scientific and humanitarian fields.

In view of the tense international situation and the gross violations of human rights practised by many of the signatories of the Final Act, it is important that the concluding document of the Conference contain a balance between all spheres of the Final Act. Scientific, technological and economic co-operation cannot be achieved without government observance of human rights. One precludes the other. The enshrinement in our Canadian Charter of Rights and Freedoms, of human rights and rights to fundamental freedoms defines our commitment to this cause. Thus, when the concluding document is drafted, Canada should insist that human rights be one of the major foci of the document.

* * *

AGRICULTURE

CALL FOR REMOVAL OF FARM FUEL TAX

Mr. Len Gustafson (Assiniboia): Madam Speaker, I rise on an urgent matter pertaining to agricultural production in Canada. Income from agricultural production has dropped significantly in the past year. Some farm experts have projected that 1983 agricultural income will drop 28 per cent to 32 per cent while the cost of production continues to rise at the same time.

The federal Government's tax on farm fuel, amounting to over 60 cents a gallon, in my opinion is a very heavy-handed tax on the part of the federal Government and is having a counterproductive effect on agricultural production. I would therefore call on the Government and the Cabinet to remove the federal tax on farm fuels immediately.

* * *

[*Translation*]

COMMUNICATIONS

FIRST CHOICE PAY TV—TELEVISING OF PORNOGRAPHIC FILMS

Mr. Marcel Dionne (Chicoutimi): Madam Speaker, I am grateful to you for giving me the floor so that I may express my views on the screening of pornographic films on Pay TV.

First of all, I should like to commend the Minister of Communications (Mr. Fox) who has threatened to cancel First Choice's broadcasting permit if that company does not reconsider its decision to show pornographic films. I think of myself as being broadminded, yet I think that the company is insulting Canadians when it suggests that people are eager to watch pornographic TV. In my opinion also, CRTC Chairman John Meisel should have prohibited the telecasting of pornographic films by First Choice. I felt singled out when, in his latest report, the CRTC Chairman criticized Members who encourage groups or individuals who broadcast programs received via satellites. If Mr. Meisel can threaten to take legal action against people who do not comply with a given section of the legislation, can he not invoke the same legislation to ban pornographic TV? The CRTC has no qualms about discriminating against remote areas where TV and radio signals are extremely weak, and yet it shows every respect for pornographers. Women, the Canadian bishops, parents and Members of Parliament have come down openly against pornographic films on Pay TV and their opinion should be respected.

* * *

[*English*]

INCOME TAX

CONDEMNATION OF PROPOSAL TO ELIMINATE SPOUSAL DEDUCTION

Mr. Doug Lewis (Simcoe North): Madam Speaker, the Minister responsible for the Status of Women has questioned the contribution to society of a childless woman who stays at home. My constituents in Simcoe North have asked me to enlighten the Minister. These women contribute a great deal to

society. As one of my constituents so aptly put it, these women give a great deal of time, energy and money to churches, hospitals, and charities. These volunteers respond to a diverse number of community and national needs. In 1979 it is estimated that some $3.5 billion in unpaid volunteer wages was contributed to Canada's economy.

In the Minister's request to have the spousal allowance dropped, she failed to take single parents into consideration. She has suggested a tax increase to single parents who claim the spousal allowance. Seventy-five per cent of the 1980 returns in which a spousal deduction was claimed came from taxpayers earning less than $25,000, which is under the average Canadian family income.

We on this side of the House urge the Minister responsible for the status of women to abandon her suggestion to change the tax system and unfairly discriminate against childless couples and single parents.

* * *

EXTERNAL AFFAIRS

NICARAGUA—UNITED STATES ASSISTANCE TO DISSIDENTS

Mr. Bob Ogle (Saskatoon East): Madam Speaker, it is a well known fact that the United States is currently carrying out covert action against Nicaragua. For a well documented report I refer Hon. Members to the cover story in the November 8 issue of *Newsweek*, as well as to *The New York Times* of December 3, 1982. They detail the aid the United States is giving to supporters of the previous Somoza dictatorship of Nicaragua, based in Honduras, in their attempt to overthrow the legitimate Government of Nicaragua. The action is causing extreme hardships for many innocent people along the border of Honduras and Nicaragua. Farmers and villagers are being caught in the crossfire, and the land, the most fertile in Nicaragua, is being left unused. I can personally attest to these facts having toured the area recently.

• (1110)

United States support is also having more profound effects on the whole area in that it is destabilizing all of Central America. Not only is Nicaragua being threatened, but Honduras is needlessly being brought into the conflict. Who will be next?

In view of the fact that the United States is sending 1,600 troups to Honduras next month to compete in military exercises within 15 kilometres of the Nicaraguan border, and that the conclusions of the subcommittee on Latin America recommended that the maintenance of stability in the area be the No. 1 priority of the Government of Canada, once again I ask the Secretary of State for External Affairs (Mr. MacEachen) to visit Washington and all countries of Central America, to meet with appropriate officials in the countries directly involved in the conflict and also in those countries which are trying to bring about a peaceful solution, in order to expedite an end to this precarious situation.

SHIPBUILDING

FRIGATE CONSTRUCTION PROGRAM—CONTRACTS URGED FOR DRYDOCK AT SAINT JOHN, N.B.

Mr. Maurice Harquail (Restigouche): Madam Speaker, my intervention relates to the economy of the Atlantic Provinces, and specifically to the shipbuilding industry. I would like very much to join and support my colleague from Saint John in inviting the responsible Ministers, specifically the Minister of National Defence (Mr. Lamontagne), on the subject of the proposed new frigate construction program, to give every consideration to directing that work to the drydock at Saint John, New Brunswick. We know of the efficiency and the excellent work that the employees of that drydock have been able to achieve over the years. In a recent meeting with Local 3, at their initiative this question was brought forward. I am very happy to have this opportunity today to invite all Hon. Members to support us in ensuring that, when this work is finally approved, contracts will be given to the drydock in Saint John, New Brunswick.

* * *

UNEMPLOYMENT INSURANCE

DELAY IN PROCESSING OF CLAIMS

Mr. John A. MacDougall (Timiskaming): Madam Speaker, the Minister of Employment and Immigration (Mr. Axworthy) recently announced a new computerized labour force planning system which will chart industrial trends and match workers to jobs. I am pleased to see that the Minister is planning for the future, for a change, but I am also very concerned that little is being done to meet the immediate needs of the 1.5 million Canadians out of work today.

The computerized delivery system for unemployment insurance benefits is in sorry need of improvement. Unemployed Canadians are being forced to wait weeks and weeks for their benefits while their unemployment insurance claims are being processed. Many of these people are forced to go on welfare in order to survive through the interim period between their job loss and the receipt of their first UIC benefit cheque. I am told that when people receive welfare, while waiting for their benefits to be processed, their cards are pulled from the computer and processed by hand, creating yet a longer delay.

I am fully aware that the system was not designed to handle 1.5 million unemployed Canadians. I can fully understand why the Government could not foresee the problem developing, just as it was unable to foresee any of the effects of its disastrous economic policy. Foresight has never been an attribute of the Liberal Government. There is no reason why a person who has already suffered through the loss of his job should be forced to apply for welfare while waiting for his unemployment insurance benefits—

Madam Speaker: Order, please.

HUMAN RIGHTS

SUGGESTED MEASURE TO OFFSET WARTIME TREATMENT OF JAPANESE CANADIANS

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, 21,000 Japanese Canadians were interned and dispossessed of their property during the Second World War because they were a threat. Well, they were not really a threat; they were Canadians, and their only crime was that they were of Japanese ancestry. This was an historical wrong and we should right it, or else it will linger on and fester, and will be similar in many ways to the Acadian problem—it will go on over the years.

I suggest two things. One is that the Prime Minister (Mr. Trudeau) should apologize on behalf of the Canadian people. He has done so in Japan, but he should do so in the House of Commons before he retires, if ever. Second, we should have a commission to listen to the evidence and hear the historical record so that history will not be changed. The commission should recommend whether there should be compensation individually or symbolically, and I point out there is an American precedent for this. I hope to bring in a private members' bill on this matter and seek support.

• (1115)

I understand the passions that were here in Canada at the time because my predecessor, Angus MacInnis, once said it was a tidal wave of public opinion. I understand that, but this is a matter of human dignity, it is a matter of historical wrong, and we have a chance this year to correct it. I urge the Prime Minister and the rest of the House of Commons to consider doing that. It will make us better as a people.

* * *

HISTORIC SITES

PROTECTION OF HERITAGE BUILDINGS

Mrs. Ursula Appolloni (York South-Weston): Madam Speaker, in an effort to preserve Canada's heritage and with a view to avoiding in the future such wanton acts of destruction as was recently perpetrated by Canadian Pacific with the demolition of the West Toronto station, I, and all Canadians to whom history has special significance, urge the Department of Transport to consult with the Canadian Transport Commission, the Heritage Evaluation Review Office, and all other appropriate bodies, in order to seek and to implement ways and means to ensure the protection of all Canadian heritage buildings.

ORAL QUESTION PERIOD

[*English*]

INCOME TAX

DELAY IN ISSUING REFUNDS

Mr. Tom McMillan (Hillsborough): Madam Speaker, my question is directed to the Minister of Finance. Members of Parliament on all sides of the House have received letters from their respective Revenue Canada taxation offices informing them that taxpayers' refunds will be processed and mailed out much later this year than in previous years. My own letter, from Mr. R. W. Mercer, who is Director of Taxation in Charlottetown, states that this year the very first batch of refunds will not be issued until the middle of May.

By mid-May last year 6.5 million Canadians had already received their income tax refunds. Many had received them as early as March 26. Since hundreds of thousands of Canadians are desperately in need of those refunds this year, just to put bread on the table, how can the Government justify such callous, heartless and insensitive delays in getting these refunds to them?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, since this is a matter for the Department of National Revenue, perhaps I may be allowed to answer the Hon. Member's question. I did not see the letter the Hon. Member received, but I did read a letter sent by the regional directors to Hon. Members, indicating how we would be analysing tax returns this year and also asking Hon. Members to urge Canadian taxpayers to complete and return their tax returns as soon as possible so that they can be processed as soon as possible. The Hon. Member said that the letter contained information to the effect that no refunds could be sent before the middle of May. I did not see a specific date in the general letter sent by the district directors, but we are going to make every effort to send out refunds as soon as possible. However, I may point out that we will not be able to send the refunds until the legislation to amend the Income Tax Act has been passed by this House.

[*English*]

EFFECT OF SHUTDOWN IN COMPUTER SYSTEM

Mr. Tom McMillan (Hillsborough): Madam Speaker, my supplementary question is directed to the Minister of National Revenue or to the Minister of Finance. Since the Minister of National Revenue has stated that he has not seen the letter to which I have made reference, or one like it, such as has been sent to every single Member of Parliament, including himself, I wish he would only read his mail. Let me tell him this. My own letter from the Charlottetown Taxation District Office states clearly that the income tax refunds will be delayed this year because "Our computers are shut down for approximately two months to enable systems changes, reprogramming and

testing . . . " The Government has had 14 months since the last major set of taxation changes in November of 1981. It has had seven months since those changes were modified in June of 1982.

Is this Government so incapable, so incompetent and inept that it cannot move quickly enough to change computers to implement its own legislation?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, perhaps the Hon. Member could first listen to the answers to his questions instead of losing his temper, and I would ask the Hon. Leader of the Official Opposition once more to stop grumbling and to listen as well.

I said in my answer to the Hon. Member's question that I read the letter and I also read the letter I myself received. The letter I received and read was a general letter that did not provide a specific date for sending out refunds to taxpayers. That is my first point. Second, I pointed out that we would not be able to send out refunds until the bill in question was passed by Parliament. That is exactly what I said, and the letter asked the Members of this House to urge Canadian taxpayers, as soon as they received their returns, to send them back as soon as possible so that we can prepare the computer programs and get everything ready. Would you please listen instead of getting ready for your next question? We have to prepare the data processing and the cheques, and as soon as the bill is passed by Parliament, send out tax refunds as soon as possible to taxpayers who are eligible for a refund.

Mr. Clark: Now that is arrogance!

• (1120)

[*English*]

REASON FOR DELAY

Mr. Tom McMillan (Hillsborough): Madam Speaker, my supplementary question is directed to the Minister of National Revenue. The Government has used the failure of the Parliament of Canada to pass Bill C-139 as an excuse for not sending out refunds. But in the absence of the passage of that Bill, it has had no hesitancy in taking money from the taxpayers.

Last year some 15 million Canadians filed income tax returns. In all, the Government had to pay out $5 billion in refunds while taxpayers ended up still owing the Government only about $2 billion after claims were processed. There is a difference historically of about $3 billion—

Madam Speaker: Order, please. The Hon. Member is now in his third speech. I cannot allow that. He must ask his question.

Mr. McMillan: My quick question to the Minister is this: since in all likelihood the Government of Canada will be owing much more money to the taxpayers than the taxpayers will owe to the Government of Canada after all the income tax returns are processed, why do the Minister and the Government not come clean with Canadian taxpayers and admit that the reason they are delaying sending out income tax refunds to the Canadian people is not legislation like Bill C-139 but the fact that the Government of Canada wants to use the taxpayers' money for as long as possible on a free ride?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, I have a much higher opinion of the intelligence of the Canadian people than the Hon. Member, and I am sure that they will draw their own conclusions and show their disapproval of the entirely unacceptable statement the Hon. Member just made.

[*English*]

OBLIGATION TO PAY REFUNDS UNDER EXISTING LEGISLATION

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, I will address my question to the Minister of Finance. This Minister, as well as the Minister of State for Finance, has said on a number of occasions that the Government cannot pay out refunds until the income tax amendments, Bill C-139, are passed into law. Will the Minister give the legal basis for that statement? Will he admit that the law requires that the Department shall calculate a taxpayer's tax payable, and any refund owing, under the existing tax legislation? Is there not a legal obligation to pay the refunds due to taxpayers without delay under the existing tax legislation?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, as the Hon. Member knows, there is one basic rule in Beauchesne's, namely, that we do not ask for legal opinions on the floor of the House. That has been a rule in this House for over 100 years. I am surprised he does not know that.

One thing is certain. As soon as the Income Tax Act amendments before this House are passed, we will make sure that the refunds are sent to the people of the country. This will mean very significant benefits to millions of Canadians. Over 5 million Canadians will be getting refunds. Hundreds or thousands of corporations will also get refunds owing to them. I urge the Opposition to use basic elementary common sense, support the adoption of the income tax amendments as soon as they come forward for consideration, and not do like the last time we tried to get the Bill before the House—hide behind the curtains and prevent the House from having a quorum. That is the kind of deal we have had from the Conservatives in this House.

• (1125)

Mr. Wilson: I think the Minister's answer speaks for itself. When that Bill comes before the House, we will debate it. We have seen it once. It was brought in 13 months after the budget of the former Minister of Finance.

GOVERNMENT POSITION ON PAYMENT OF REFUNDS

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, is the Minister saying that he is legally unable to pay the refunds, or is he saying that the Government is unable to pay because the computers have not been changed? Or is he saying that the Government is going to play some sleazy political game here, using the threat of refund delays to put pressure on the Opposition to give speedy passage to this Bill in order to save further embarrassment to the previous Minister of Finance, to get the law passed and avoid further embarrassment over the most widely discredited budget which this country has ever seen?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, if there is any sleaziness it has been and is still on that side of the House among the Conservative Party.

The income tax amendments and proposals in question have been before a parliamentary Committee for over a month over the course of the summer. They have had hearings on them. They have had a report on them. The Government has taken into account the recommendations of the Committee, has made amendments, and has come up with a Bill which represents the results of consultations with outside people over months, and consultations and participation of this Parliament.

The Opposition, as well as Members of Parliament on this side, have made a great contribution to the improvement of the Bill. The Bill has been introduced, and the first time the Leader of the House on this side asked that the Bill be debated, what we saw was the Conservatives running out of the House in order to prevent a quorum from being established, and in order to avoid debating this Bill.

Some Hon. Members: Oh, oh!

Mr. Lalonde: It is there for the record. They are arguing to bring this Bill back, and I hope the Conservatives will come to their senses and accept passage of this Bill soon—

Mr. Clark: Why are you breaking the law?

Mr. Lalonde: —so that the people of Canada will be able to receive the refunds to which they are entitled. That is the issue.

* * *

INDUSTRY AND LABOUR ADJUSTMENT PROGRAM

REQUEST FOR DESIGNATION OF KAMLOOPS, B.C.

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, my question is directed to the Prime Minister of Canada who will be well aware from his own statistics that the unemployment rate in the City of Kamloops has now reached the level of 27.4 per cent. It is the highest in Canada. The human tragedy and suffering which are going on in that community are something to behold. Emergency food banks have had to be set up, and emergency employment centres and crisis centres, to meet the devastation occurring in that community.

I have approached the Minister of Employment for some special consideration, for naught. I have approached the Minister of Finance; no response there. I have approached the Minister responsible for economic development; nothing there. I have approached the Minister of Energy; nothing there. The last Minister, the Minister of Industry, Trade and Commerce, sent me a note saying communities experiencing severe economic difficulties are monitored for ILAP designation on an ongoing basis. How bad must it get, Prime Minister? The unemployment rate is at 27.4 per cent, the highest in Canada. Communities have been designated with half that percentage of unemployment. Tell the people of Kamloops how bad it must get before your Government gives a designation under ILAP?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, as the Hon. Member knows, during the month of December the Committee of Ministers responsible for ILAP had several meetings. We designated the communities of Port Alberni, B.C., and Sudbury, Ontario. At that particular time, with the information we had at our disposal on the situation, those two communities, particularly with respect to long-term structural problems, were in far greater need than the Hon. Member's community. There have been over 1,000 requests, Madam Speaker, with respect to communities seeking ILAP designation. Potential ILAP designation is an ongoing process by a Cabinet Committee of Ministers.

REQUEST THAT PRIME MINISTER VISIT KAMLOOPS

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, I would like to remind the Minister, in response to his return, we are talking about a community with the highest unemployment figures in Canada for some weeks, and with a refinery which is slated to close down in the weeks ahead, which will even worsen the situation.

My question again is directed to the Prime Minister of Canada. The Prime Minister has shown concern for conditions in Japan, Thailand, Singapore, Malaysia and other Southeast Asian countries. He is sensitive about their concerns. He is concerned about how Canada can assist those countries develop. Would he be prepared to join with me this weekend, or as soon as possible, to come to Kamloops and talk to the people of this country to find out what their problems are, and ways and means whereby his Government can resolve their problems? Come and talk to the people of Canada, Mr. Prime Minister.

• (1130)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I am not sure the Hon. Member is stating the reality when he says that my concern was to create jobs in those countries. My concern is to create jobs in Canada by making exchanges and commercial transactions with the fastest growing area in the Pacific. That was why I went to those countries. Hopefully it will help British Columbia because

many British Columbia businessmen were on these trips and they encouraged me to proceed.

ELECTION CAMPAIGN STATEMENT

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, it is very difficult for me to remain calm when I hear responses as vague and convoluted as that.

When the Prime Minister toured Kamloops in 1980 he said to the people of Kamloops and the people of Canada that every Canadian citizen has a right to a job. Was the Prime Minister of Canada lying, or was he demonstrating today that he does not give a damn about the people of Canada? And should they be giving him the same salute he gave the people in Salmon Arm?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, of course they are free to act as they want; I hope it will be a little more rational than the Hon. Member.

Mr. Riis: How did you behave with them in Salmon Arm? You gave them this finger.

Mr. Trudeau: Madam Speaker, if the Hon. Member wants to ask a supplementary I will—

Madam Speaker: Order, please.

Mr. Clark: Invite him outside, Pierre.

* * *

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MR. MARTIN MALVY, VICE-PRESIDENT, AND MR. CHRISTIAN LAURISSERGUES, DÉPUTÉ QUESTEUR, OF THE NATIONAL ASSEMBLY OF FRANCE

Madam Speaker: I have the honour of drawing the attention of the House to the distinguished presence in our gallery of Mr. Martin Malvy, Vice-President of the French National Assembly, and Mr. Christian Laurissergues, député questeur, accompanied by a delegation of parliamentarians.

* * *

[*English*]

THE HANDICAPPED AND THE DISABLED

REQUEST FOR ASSISTANCE IN FORMATION OF HANDICAPPED PEOPLE'S ORGANIZATIONS

Mr. S. J. Korchinski (Mackenzie): Madam Speaker, my question is for the Minister of National Health and Welfare. Since there are many communities throughout Canada which have disabled people, and there are people in those areas who would like to form voluntary organizations to assist these unfortunate people, is her Department providing any assistance, physical or financial, to assist in the formation of such organizations, since a check with some of the officials in her Department has produced negative results?

[*Translation*]

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, the answer is yes, we give direct and material assistance as well as financial contributions. Perhaps the answer in this particular case was negative if it happened to be the end of the year and our budget was exhausted. Perhaps the Hon. Member—

[*English*]

Perhaps the Hon. Member should give me the specifics of the dossier and I will look into it. It may well be that this year's budget is exhausted and we did not have enough money.

[*Translation*]

However, we shall do our best, and I would like to make it clear to all Hon. Members that we give what we can, which is never enough, but just the same, the help is there for organizations for the disabled.

[*English*]

ROLE OF PROVINCIAL GOVERNMENTS

Mr. S. J. Korchinski (Mackenzie): Madam Speaker, has the Minister given consideration to working out an arrangement with the provincial Governments whereby some financial assistance might be forthcoming from them at least to provide seed money for these voluntary organizations?

[*Translation*]

Hon. Monique Bégin (Minister of National Health and Welfare): The Government of the Province of Saskatchewan is a Conservative government, if I remember correctly, the same party as the one to which the Hon. Member belongs. Perhaps he could speak to them directly. In fact, the Constitution clearly states that this is the direct responsibility of the provinces. We provide additional assistance. In fact, if we want to help experimental projects, we often have to do it in a roundabout way when we provide funds for direct delivery of services. As a result, it is really very difficult for me to do more than what the provinces should be doing under to the Constitution. If the Hon. Member could give me some specific cases, I would be happy to write directly to my counterpart in Saskatchewan.

* * *

[*English*]

STANDARDS COUNCIL OF CANADA

APPOINTMENT OF EXECUTIVE DIRECTOR

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, I was wondering if I should turn around and ask the Minister of Justice this question, but my question is actually directed to the Minister of Consumer and Corporate Affairs.

The Minister will know that the Standards Council of Canada made a nation-wide candidate search at considerable public expense for a new executive director. Last June the Council made a unanimous recommendation that Mr. John Dumbrille, a certified bilingual engineer with extensive background in standards, be appointed by Cabinet. Does the Minister also remember that just before Christmas, on December 23, the Cabinet passed a fast Order in Council naming instead Mr. John Woods, who just happens to be a former national director of the Liberal Party of Canada, as the Standards Council executive director?

I want to know from the Minister whether Mr. Woods was on the short list, or even on the original long list of applicants, and why no prior notice was given to this prestigious body which prides itself on being independent of political interference, and why its unanimous recommendation was overturned?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, I think the Hon. Member, who has been very active on the urea-formaldehyde issue, will understand that it is very important to have people with good contacts in the business world, people who understand why standards are important and how they should be written here in Canada to prevent any future occurrences of the kind experienced by some owners of homes insulated with UFFI. Consequently, Madam Speaker, the Standards Council will have an executive director who has my full confidence, who is very competent and will do a very good job, that I am sure of.

[*English*]

Mr. Scott (Hamilton-Wentworth): Madam Speaker, the question might well be asked: what does a Liberal know about standards?

Some Hon. Members: Hear, hear!

COUNCIL GUIDELINES

Mr. Geoff Scott (Hamilton-Wentworth): The fact remains, Madam Speaker, that members of the Standards Council are visibly upset, hurt, and embarrassed by the overturning of their unanimous decision last June to have Mr. Dumbrille as executive director, and a Liberal hack substituted without prior notification.

Given the fact that Section 14(1) of the Standards Council of Canada Act stipulates that the Governor in Council, on the recommendation of the Standards Council, may appoint its executive director, what guidelines should members of the Standards Council now follow in order to avoid the Minister's passion for patronage?

[*Translation*]

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, I met with members of the executive of the Standards Council. We discussed the matter, and I think the Hon. Member's information is inaccurate.

[*English*]

FOREIGN INVESTMENT REVIEW AGENCY

INCREASE IN NUMBER OF APPLICATIONS APPROVED

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my question is directed to the Right Hon. Prime Minister. On December 8, 1982, in response to questions by myself and the Leader of my Party regarding FIRA, he said, and I quote:

> We are not weakening FIRA. We are making it more efficient.

We now find there is growing evidence to the contrary. I checked the published figures of FIRA itself and I find the number of applications allowed under the new Minister in charge of FIRA are the highest in the nine-year history of the Agency. Under the present Minister over 95 per cent of applications are allowed; under the previous Minister it was about 87 per cent; under the Tories it was 92 per cent; Jack Horner, 93 per cent.

In light of that kind of evidence I wonder if the Prime Minister will admit that the intention of the Government is really to weaken FIRA, and can he explain to the country why he is doing this at a time of high unemployment in Canada?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the short answer is no. An explanation of that is that at this time the Hon. Member should not be complaining that there is more investment, from whatever source, in Canada, because that is the source of jobs in Canada.

GOVERNMENT POLICY

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, we are talking here about takeovers. The number of applications before FIRA has gone up this year by some 6 per cent, yet the number of disallowances has gone down to an all-time historic low. The Prime Minister made a promise in the 1980 campaign to strengthen FIRA, and he put that in the Throne Speech in April, 1980, as well.

I ask the Prime Minister why is the Foreign Investment Review Agency under the present Minister now approving over 95 per cent of applications received? Why is it turning down only just over 4 per cent, which is an historic low for that Agency? Why that abrupt change in policy since Herb Gray was the Minister four months ago?

• (1140)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member will recall that the basic guideline of FIRA, in one sentence, is that investments be of significant benefit to Canada. I would think that almost everyone in the House would believe that investment would create jobs, would prevent Canadian firms from going under by creating work for the work force, and would be very welcome at this time. If the

Minister is proceeding in that way at a time of high unemployment, I suggest that the Hon. Member should get together with the Hon. Member for Kamloops-Shuswap who was somewhat emotional about high unemployment. I think the Hon. Member should realize that high unemployment is a problem everywhere.

* * *

AIRPORTS

MIRABEL—SALE OF EXPROPRIATED LAND

Mr. Scott Fennell (Ontario): Madam Speaker, my question is directed to the Minister of Public Works. Further to questions put to him earlier this week, may I ask the Minister if he has had an opportunity to have discussions with his legal advisers and, possibly, the Minister of Communications, in order to try to justify breaking the law by selling land at Mirabel.

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, I wish the Hon. Member had used the spare time he has had since the last question, to check the law. I have written a letter to the Right Hon. Leader of the Opposition based on the legal advice of the legal officers in my Department.

I will say to the Hon. Member that the properties in question were expropriated pursuant to the former Expropriation Act, in which there was no requirement to offer expropriated land to the former owners in the event of a resale by the Crown.

Mr. Clark: When was it changed?

Mr. LeBlanc: Perhaps if the Right Hon. Member stopped interrupting and listened, he might learn something.

Mr. Clark: Tell the whole truth.

Mr. LeBlanc: Section 24 of the Act was similar in nature to Section 19 of the present Act. It provided that where no compensation money had been paid and the land was abandoned by the Crown, it be vested in the person from whom it had been taken.

In the case of the six properties that we are talking about, the fact is that full compensation had been paid to the expropriated parties and the Crown has not abandoned the land.

I hope the Right Hon. Member bothers to read the excellent letter I will be sending him right away.

Mr. Fennell: Madam Speaker, the Minister is referring to a previous Act. There is one rule for Ontario and one rule for the Province of Quebec, and the people of Mirabel are being ill-treated.

REQUEST FOR INVESTIGATION

Mr. Scott Fennell (Ontario): Madam Speaker, I would point out to the Minister that I am talking about Section 19 of the present Act, not Section 18, or Section 24 of the previous Act. I would like the Minister to come clean and provide for a complete review and investigation of this matter. He will find out that he has broken the law in selling these 180 properties.

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, I hope the Hon. Member will do what I have done, which is to examine this matter—the legal position should be examined—and then he could pose questions accordingly.

If I have broken the law, obviously I will not hesitate to take the position that I should. The legal advisers in my Department have very carefully drafted an answer for the Right Hon. Member, and this should be part of the record.

QUERY RESPECTING OFFER TO ORIGINAL OWNERS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I have a supplementary question. May I return to a question the Minister has not yet answered, at least in the House. Did the Government of Canada offer the first chance to purchase those six Mirabel lands, to the original owners?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, the decision has been made—

Mr. Nielsen: Answer yes or no.

Mr. LeBlanc: —that the houses and the land would be offered to those who had become the tenants. If the Hon. Member's position were followed logically, it would simply mean that we would go through all the pains of a second expropriation. If that is what he advocates, he had better say so publicly.

Mr. Clark: What I advocate, Madam Speaker, is that the Government of Canada follow the law. It has broken the law on tax refunds; it has broken the law on family allowances; it has broken the law on the Standards Council appointment, and it has broken the law with respect to the expropriation at Mirabel. This is a Jesse James Government that has no respect for the law of Canada.

Some Hon. Members: Hear, hear!

TREATMENT OF ORIGINAL OWNERS AT MIRABEL AND PICKERING

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, the Minister knows that the expropriations at Pickering and Mirabel occurred under the old Act.

Mr. Fox: Not true.

Mr. Clark: The Minister also knows that the return of land at Pickering involved a first offer to the original owners. The

return of land at Mirabel did not involve a first offer to the original owners.

Can the Minister tell us why there was a double standard? Why was one law followed in Pickering and a different interpretation of the law followed in Mirabel? Why is the Minister breaking the law in Mirabel?

[*Translation*]

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, I get the impression that we are listening to a man who is frustrated because he did not get through law school. He keeps interrupting us with claims that we have broken the law. I must say I think that the opinions of the legal advisers of the Department of Justice and the advisers of my own Department of Public Works are more reliable in this respect than the questions put by the Right Hon. Member.

* * *

[*English*]

INCOME TAX

DELAY IN PAYMENT OF TAX REFUNDS—QUESTION OF LEGAL OPINION

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, on this question of respect for the law I wonder if the Minister of Finance would tell us whether he has received an opinion—

Mr. Trudeau: That is not a supplementary question.

Mr. Clark: It has to do with the Prime Minister's practice of consistently breaking the law. He does not answer questions in the House of Commons and he should not lecture those of us who do ask them.

Mr. Trudeau: Read the law. Try again.

Mr. Clark: Let me ask the Minister of Finance whether he has received an opinion from the Department of Justice which would permit the Government to delay tax refunds that are required by law. Does he have such an opinion from the Department of Justice?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I can only feel sorry that the Leader of the Opposition could never finish his law studies and did not get a law degree. He could have avoided a lot of questions in the House.

I do not have a written opinion but I have an excellent team of legal advisers from the Department of Justice in the Department of Finance. Like the Minister of National Revenue, the Minister of Finance acts upon the advice of the legal officers of the Crown who are responsible to and who are part of the Department of Justice. This is the way things are being done in the Parliament of Canada and by the Government of Canada. Whether one has a law degree or not, one follows the law that has been passed by Parliament. This is the way things are.

Mr. Clark: Madam Speaker, I would not want the Minister to take this personally, but a lot of crooks have law degrees.

Some Hon. Members: Oh, oh!

Mr. Clark: I see some lawyers on the other side raising their hands. Perhaps they should be identified.

* * *

THE ADMINISTRATION

REQUEST THAT LEGAL OPINIONS BE TABLED

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I have a question for the Minister of Finance, the Minister of Justice, or the Minister of the pork barrel for New Brunswick—whichever Minister wants to answer.

Will the Government place upon the Table of the House of Commons the legal advice on which the Minister of Finance is refusing to pay tax refunds which the law requires him to pay; lay upon the Table the legal opinion by which the Minister of National Health and Welfare is refusing to pay family allowance recipients the amount of money required by law, and lay upon the Table the legal opinion which justifies the Minister of Public Works in refusing to follow Section 19 of the Expropriation Act in relation to Mirabel lands? Instead of claiming that it has a legal opinion and then not having the courage to table that opinion, will the Government table those opinions in Parliament?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, things must be looking even worse than we thought for the Winnipeg weekend.

Some Hon. Members: Oh, oh!

• (1150)

Mr. Lalonde: Hearing the comments of the Leader of the Opposition about lawyers, and so many of his colleagues, including the Opposition House Leader who is a good lawyer, being attacked with such a broad brush, I suspect that there really are serious problems for the Leader of the Opposition. Not only does the Leader of the Opposition not know the law but, unfortunately, he does not even appear to know the rules of this House. Again, I refer him to Beauchesne. In Beauchesne it is stated quite specifically that the Government cannot table legal opinions.

Mr. Clark: You have done it.

Mr. Lalonde: It is not a question of courage, it is a question of respect for the House, about which the Leader of the Opposition does not even seem to know about. I invite him to read Beauchesne between now and next weekend and maybe it will be helpful if he succeeds next weekend, when he comes back to the House.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Oral Questions

AUTOMOTIVE INDUSTRY

CHRYSLER CORPORATION COMMITMENTS

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, perhaps if the Tories had supported us yesterday, they would have got the legal opinion they are now seeking.

Some Hon. Members: Oh, oh!

Mr. Deans: For oil companies, anything; for senior citizens, nothing!

Some Hon. Members: Hear, hear!

Mr. Deans: I want to ask the Minister of Industry, Trade and Commerce a question, if I may. Since 1980 we have had a litany of broken promises from Chrysler with regard to commitments that it was prepared to make to the Canadian Government in return for loans and loan guarantees.

Mr. Clark: He will now ask his question and then leave the House.

Mr. Deans: We have seen the engine plants which were promised, disappear. The company has not yet proceeded with the front-wheel drive van plant, and there are serious questions about whether it will proceed. There are now serious considerations by Chrysler about moving the rear-wheel-drive vehicles to the United States. Is the Government prepared to tell the people of Canada what commitment we can get from Chrysler that it will keep, and how many jobs is this company prepared to guarantee for Canadians?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, first the Hon. Member should get his facts straight. There is no doubt whatever about Chrysler proceeding with their van wagon project, the T-115. That is on schedule. As a matter of fact that is one of the reasons why Chrysler has to find a new location for the rear-wheel-drive operation. Also, it was the intention since 1981 to close the rear-wheel-drive operation in the Chrysler plant in Windsor. Chrysler has since found that sales were better than anticipated and now the company is planning to continue the production of the rear-wheel-drive vehicles, and we are trying to encourage Chrysler to keep that operation here in Canada. With all due respect, I think the Hon. Member should get his facts straight before asking his question.

Mr. Fisher: Stop worrying about the Tories and start worrying about the facts.

BREAKING OF COMMITMENTS

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, it is interesting that I also met with the President of Chrysler, Mr. Lander, when he was the President and I heard the commitments. The Minister perhaps did not because he was not the Minister at the time. The commitments were to build a V-6 plant in Canada. It has not been built. The commitment was then to build a diesel plant. That has not been built.

Mr. Epp: Nobody is buying.

Mr. Deans: In the process the company has closed the spring plant, and in the process the company has not gone ahead with its commitment on schedule to build a front-wheel-drive van plant and the company is going to move the rear-wheel plant. How many jobs are we going to get in return for the commitments made by the Government? Is the Minister prepared to transfer the $50 million in loan guarantees which Chrysler is now asking to that particular operation? How do we know the company will live up to these commitments which it is now proceeding to make to us?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, I have no doubt about the sincerity of the Hon. Member in trying to protect the autoworkers' jobs.

Mr. Kempling: I do.

Mr. Lumley: We obviously share the same goal. But again I want to ensure that the Hon. Member knows exactly what he is talking about in terms of the facts. The company is going ahead with the T-115 operation, the van wagon plant project, as originally scheduled. Chrysler has not yet shut down the spring plant. All the company has done is announce that it is going to shut down the plant in July. The diesel engine project was, in essence, a change in the agreement for the K car operation, which the Hon. Member has not even mentioned. The company is considering Canada. Although there was no commitment by the company to continue the production of rear-wheel-drive operations in Canada, they are giving consideration to this project.

Mr. Deans: Do you believe the Chrysler spokesmen?

Mr. Lumley: Also, Chrysler has to close the rear-wheel-drive operation if it is going to go ahead with the van wagon. I know the Hon. Member's sincerity in terms of protecting these jobs, but I want to pose a question to him.

Mr. Nielsen: That's a neat switch.

Mr. Lumley: If, all of a sudden, we should decide not to continue or to go ahead with the Government guarantees, perhaps all 11,000 jobs at Chrysler Canada would be in jeopardy. Is that what the Hon. Member is suggesting we do?

* * *

INCOME TAX

LEVEL OF CHILD EXPENSE DEDUCTION

Mr. Bill Clarke (Vancouver Quadra): Madam Speaker, my question is for the Minister of Finance. Could the Minister confirm that he agrees with his colleague, the Minister of State responsible for the status of women, that the $1,000

child care expense deduction is too low in that it does not reflect current costs of child care? Will the Minister confirm to the House that he will be giving this matter due consideration in the formulation of his next budget?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I have been receiving a number of representations on this subject and, as well, on other subjects during the course of the consultations I have had, and also in discussions I have had with my colleagues in caucus. Obviously, I am giving serious consideration to all the representations that are being made. Clearly, I will not be able to accede to all the representations that have been made; many are even contradictory. But this is one to which I will certainly give very serious consideration.

REQUEST FOR SEPARATE CONSIDERATION

Mr. Bill Clarke (Vancouver Quadra): Madam Speaker, could the Minister confirm to the House and to the women of Canada that, when he is considering an increase in the child care expense deduction, he will do it separately and apart from any other tax matters, such as the spousal deduction?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, when preparing the budget, the Minister of Finance has to look at all aspects. We cannot separate a single issue from the rest of the budget. As far as the particular point raised by the Hon. Member is concerned, I may remind him that I have received no representations regarding the spousal deduction, and that I have no intention of addressing this issue in particular when the next budget is brought down. The matter is not under consideration at the present time.

* * *

[*English*]

PROVINCIAL AFFAIRS

MANITOBA PAYROLL TAX—EFFECT ON FEDERAL GOVERNMENT

Hon. Jake Epp (Provencher): Madam Speaker, I wish to direct my question to the Minister of Finance. It has to do with questions I have asked the Minister earlier regarding the Manitoba Government's employees' payroll tax, the 1.5 per cent tax which the NDP Government imposed on all employers before jobs could be created in Manitoba. Has a decision been made? I am not trying to ask for a legal opinion because I am finding out the Minister does not give them.

Mr. Nielsen: When he does, they are wrong.

Mr. Epp: Has the Government made a decision, on the basis of legal opinion, on whether or not a level of government such as a provincial government, in fact can tax another level of government, namely, the federal Government?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, it does not seem from the preliminary examination we have made that there would be anything illegal about a provincial government proceeding in that way. As I say, that is on the basis of a preliminary examination. However, a discussion did arise in my last meeting with provincial Ministers of Finance concerning the question that some provinces—Manitoba is one, and Quebec is another one—have been resorting to this kind of taxation which, in effect, ended up reducing the federal tax revenues. Obviously this was a matter of concern in that when the federal Government increases its taxes generally, especially income taxes, Provinces benefit; from this, when Provinces resort to this kind of taxation, they end up reducing federal Government revenues. Certainly this was likely to give rise to serious problems down the line between the federal Government and the Provinces if such a practice were to be continued or expanded. This is a matter that I hope the provincial Ministers of Finance will want to examine seriously in a spirit of continuing co-operation.

EFFECT ON FEDERAL SALARIES

Hon. Jake Epp (Provencher): Madam Speaker, my supplementary question is also for the Minister of Finance. In view of the fact that the Manitoba Government is now facing deficits, estimated well in excess of half a billion dollars for this fiscal year, having tragic results not only in terms of credit rating but also in job-creation, has the federal Government decided to pay the Manitoba payroll tax on federal salaries earned in Manitoba?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, this matter has been raised, and I apologize to the Hon. Member for not being in a position to give him the answer today. I remember having examined this issue and having discussions about it, but I cannot remember exactly what the conclusion was at that time. If the Hon. Member wishes, I will be very happy to give him the answer on Monday. I would like to check my files with respect to what exactly the situation was.

* * *

• (1200)

[*Translation*]

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table reports of the Clerk of Petitions stating that he has examined the petitions presented by Hon. Members on Thursday, January 20, 1983, and finds that they meet the requirements of the Standing Orders as to form.

Order Paper Questions

[*English*]

HOUSE OF COMMONS

AGREEMENT NOT TO SIT ON JANUARY 28 NEXT

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I rise on a point of order. Yesterday the Government House Leader (Mr. Pinard) requested that we consider a request from the Conservative Party not to sit on Friday next. I promised that I would respond to that request this morning. In making my response, I am assuming that if a similar situation were to arise affecting any Party in the House, that same concession would be granted.

Assuming that, we are then quite prepared to give unanimous consent not to sit on Friday next.

Hon. Erik Nielsen (Yukon): Madam Speaker, the assumption outlined by the Acting House Leader for the NDP (Mr. Deans) is entirely correct.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, we usually make decisions on such requests as the events in question arise. Therefore, we cannot make any commitment in this respect, if we are to observe parliamentary practice and our customary procedure. As far as this convention is concerned, we were the first to point out yesterday that we were willing to meet the request made by the Progressive Conservative Party. Consequently, if there is unanimous consent, the House will not be sitting next Friday. That does not mean to say that the same decision must apply to future conventions, but I can assure my Hon. colleague from the New Democratic Party that we are always very receptive, and that our decision will be made at the appropriate time, as soon as his request is received.

Madam Speaker: Is there unanimous consent for the proposal that the House should not sit next Friday?

Some Hon. Members: Agreed.

Motion agreed to.

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Douglas Fisher (Parliamentary Secretary to Minister of Finance): Madam Speaker, the following questions will be answered today: Nos. 4,231, 4,252, 4,465, 4,481, 4,482, 4,483, 4,484, 4,485, 4,486, 4,489 and 4,532.

[*Text*]

TRADE AGREEMENTS WITH U.S.S.R.

Question No. 4,231—**Mr. Fretz:**

1. (a) On what date was the 1956 Trade Agreement between the U.S.S.R. and Canada extended and for how long (b) what areas of trade does the Agreement cover (c) does the Agreement permit the transfer of science and technology and, if so (i) in what fields or areas (ii) under what conditions or restrictions and is the transfer free of charge, barter or payments?

2. (a) What fields or areas does the Agreement on Economic, Industrial, Scientific and Technical Co-operation of 1976 cover (b) was the Agreement extended?

3. On what date does the Friendship Agreement of 1971 expire and are there discussions taking place to extend it?

4. Were projects financed by the Export Development Corporation or another Department or Development Agency to export U.S.S.R. goods or services to Canada and other countries and, if so (a) what were the projects (b) which other countries were involved?

5. Did the Government or any departmental officials engage in any discussions or exchanges with the U.S.S.R. on building a Lada automobile plant in Canada?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): 1. (a) A protocol to renew the 1956 Trade Agreement between Canada and the U.S.S.R. was signed on January 21, 1982. The extension of the Agreement is for a period of five years (April 19, 1981 to April 18, 1986).

(b) The Agreement provides Canada with a basic juridical and commercial framework which is necessary to manage our trade relations with the U.S.S.R. The most important feature of the 1956 Agreement was the exchange of Most-Favorite Nation treatment.

(c) The 1956 Agreement does not contain any reference to transfers of science and technology.

2. (a) The 1976 Long-term Agreement to facilitate Economic, Industrial, Scientific and Technical co-operation seeks expansion and diversification of trade in goods and services and of scientific and industrial co-operation in fields of common interest; joint efforts in the implementation of projects and of industrial co-operation between Canadian firms and Soviet enterprises; joint efforts in the construction and supply of equipment and services for industrial facilities in third countries.

(b) The Agreement was done on July 14, 1976, and is valid for a period of ten years.

3. The Government of Canada does not have a Friendship Agreement with the U.S.S.R. On May 19, 1971 the Governments of Canada and the Soviet Union signed a Protocol on Consultations which provides a framework for the development of a dialogue with the U.S.S.R. on issues of mutual interest or international importance. The Protocol has no expiry date. The Protocol on Consultations is a very different intergovernmental mechanism with a different purpose than the largely symbolic Treaties of Friendship which the Soviet Government has negotiated for political reasons with ideologically like-minded developing countries. For example, unlike some standard Soviet Friendship Agreements with other countries, the Protocol on Consultations makes no reference to

consultation on measures to ensure the security, independence and territorial integrity of the two signatory states.

4. No. The Corporation provides export credits financing to foreign borrowers to facilitate the sale of Canadian goods and services only.

5. No. While Canadian Government officials are aware of discussions having taken place between Lada Cars of Canada Inc. and the Soviets concerning assembly by the NIVA four wheel drive utility vehicles in Canada, Canadian government officials have not been part of these discussions.

CODE OF CONDUCT

Question No. 4,252—**Mr. Crosby:**

1. Does the Department of External Affairs have written rules or regulations governing the conduct or standards of behavior for employees of the Department and, if so, are they embodied in a Code of Conduct or other specific document and is the Code or document available to the public?

2. In the five years preceding April 1, 1982, were any employees of the Department disciplined by way of suspension, dismissal or otherwise for violations of any rules or regulations governing the conduct or standards of behaviour for departmental employees and, if so, in each case, what was the name of the employee and the date of the disciplinary action?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): 1. The Department of External Affairs does have written Rules or Regulations governing the Code or standard of behaviour for employees of the Department. These are embodied in a Code of Conduct and the Code is available to the public.

2. On the basis of data available, the following sanctions were imposed in the five years preceding April 1, 1982.

	Written Reprimands	Suspensions	Discharges
1977	None	1	None
1978	3	None	None
1979	3	2	None
1980	13	5	None
1981	10	5	None

To be consistent with the provisions of the Canadian Human Rights Act we are not providing names.

ASSETS AND LIABILITIES OF PETRO-CANADA

Question No. 4,465—**Mr. Malone:**

1. What is the dollar value of the present assets of Petro-Canada?

2. What is the dollar value of the present liabilities of Petro-Canada?

3. What is the total (a) number of persons working (b) annual advertising budget for Petro-Canada?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Petro-Canada reports as follows:

1 and 2. The dollar value established in Petro-Canada's Annual Report is the only measure of the assets and liabilities of the Corporation.

Order Paper Questions

Consolidated Balance Sheet
December 31, 1981

Assets	1981 ($ thousands)
Current Assets	
Cash and short-term deposits	115 534
Accounts receivable	587 476
Inventories	474 017
Deposits and prepaid expenses	30 043
	1 207 070
Investments	383 875
Property, Plant and Equipment	4 911 387
Deferred charges	69 754
Deferred Interest	40 447
	6 612 533

Liabilities	1981 ($ thousands)
Current Liabilities	
Accounts payable and accrued liabilities	426 523
Income taxes payable	10 006
Portion of long-term debt due within one year	73 135
	509 664
Long-Term Debt	211 042
Revolving Term Loan	566 829
Advances on Future Natural Gas Deliveries	60 896
Deferred Income Taxes	910 066
Minority Interest in Subsidiary	787 450
Preferred Shares Issued by a Subsidiary	1 464 375
Convertible Notes	461 767
Shareholders Equity	
Capital	
Preferred shares	864 772
Common Shares	600 000
	1 464 772
Retained Earnings	175 672
	1 640 444
Commitments and Contingencies	
	6 612 533

3. (a) On July 30, 1982, Petro-Canada had 6,025 full-time employees. (b) Petro-Canada's 1982 advertising budget including all aspects of production, research and media expenses is $6,325,000.

PUBLIC SERVICE EMPLOYEE PENSION CONTRIBUTIONS

Question No. 4,481—**Mr. Baker (Nepean-Carleton):**

1. On what date are Public Service employee pension contributions for current service credited to the Canadian Forces Superannuation Account (CFSA), the Public Service Superannuation Account (PSSA), the Royal Canadian Mounted Police Superannuation Account (RCMPSA) and the Supplementary Retirement Benefits Account (SRBA)?

2. Do employee contributions to the CFSA, PSSA, RCMPSA and the SRBA earn interest between the dates they are deducted from employee pay cheques and the dates they are credited to these Accounts and, if not, for what reason?

3. On what date are the government's matching or corresponding pension contributions for current service credited to the CFSA, PSSA, RCMPSA and SRBA?

4. What additional amounts would have to be included in the 1982-83 Estimates and credited to the CFSA, PSSA, RCMPSA and SRBA if the government's contribution for current service in respect of 1982-83 service were

credited to these Accounts at the same time as those of Public Service employees?

Mr. Peter Lang (Parliamentary Secretary to President of the Treasury Board): 1. The pension contributions of public servants and members of the RCMP are credited to the PSSA, the RCMPSA and the Supplementary Retirement Benefits Account at the same time they are deducted from their pay. The pension contributions of members of the Armed Forces are credited to the CFSA and the SRBA in the month during which they are deducted.

2. Pursuant to regulations made under the authority of the relevant pension acts, interest is credited to the CFSA, PSSA and RCMPSA at the end of each quarter based on the account balance at the end of the previous quarter. Interest is credited to the SRBA at the end of each quarter based on the minimum monthly balance in the account in that quarter.

3. In accordance with the PSSA, the government matches employee contributions a year in arrears. For example, an amount matching the employee contributions for fiscal year 1981-82 was credited to the PSS Account in the first quarter of fiscal year 1982-83. The government credits an appropriate amount each quarter to the CFSA and RCMPSA, based on employee contributions made in the previous quarter. Employee contributions to the SRBA are matched by the government on a current basis.

4. PSSA—approximately $35 million.

CFSA—approximately $5.2 million.

RCMPSA—approximately $1.3 million.

SRBA—see Part 3 above.

LEGISLATION GOVERNING OPERATION OF SUPERANNUATION ACCOUNTS

Question No. 4,482—**Mr. Baker (Nepean-Carleton):**

1. Does the legislation governing the operation of the Canadian Forces Superannuation Account (CFSA), the Public Service Superannuation Account (PSSA) and the Royal Canadian Mounted Police Superannuation Account (RCMPSA) require the Government to make annual actuarial liability adjustments to these Accounts to meet the cost of the benefits payable from these Accounts as a result of salary revisions occurring in the year and, if so, is the Government required to underwrite the financing of these actuarial liability adjustments?

2. How were the annual actuarial liability adjustments, referred to in Part 1, determined before and after the laying before Parliament of the 1975 CFSA, the 1977 PSSA and the 1974 RCMPSA actuarial reports?

3. In the years since the 1975 CFSA, the 1977 PSSA and the 1974 RCMPSA actuarial reports have taken effect, by what amounts, for each Account and year, have the actuarial liability adjustments to these Accounts been reduced as a result of these actuarial reports?

Mr. Peter Lang (Parliamentary Secretary to President of the Treasury Board): 1. Yes. The liability adjustments are amortized over five years in equal instalments. The cost of the amortization is met by the Government, but in meeting the cost the Government can use any interest earnings of the pension accounts over 6.5 per cent per annum.

2. Prior to the valuations as at December 31, 1975 for the CFSA, December 31 1977 for the PSSA and December 31, 1974 for the RCMPSA, the actuarial valuation assumptions used did not provide for general economic, as opposed to promotional, salary increases. Consequently, the actuarial liability adjustments to these accounts as a result of general economic salary increases were calculated with reference to the total of such increases granted each year. The actuarial liability adjustments were determined by multiplying the amounts of the general economic salary increases granted during each year by the appropriate actuarially determined factors.

The actuarial valuation assumptions used for the purposes of the actuarial reports for the CFSA as at December 31, 1975, the PSSA as at December 31, 1977, and the RCMPSA as at December 31, 1974, include a provision for general economic salary increases at the rate of 5.5 per cent per annum. Consequently, the actuarial liability adjustments that were calculated for the years subsequent to the laying before Parliament of the said actuarial reports were calculated with reference to general economic salary increases in excess of 5.5 per cent per annum. These excess salary increases were multiplied by the appropriate factors specified in the applicable actuarial reports to obtain the actuarial liability adjustments required on account of the general economic salary increases granted in each year.

3. Because the actuarial valuation assumptions upon which the 1975 CFSA, the 1977 PSSA and the 1974 RCMPSA actuarial reports are based include a provision for general economic salary increases at the rate of 5.2 per cent per annum, the actuarial liability adjustments on account of the general economic salary increases granted during the periods following the laying before Parliament of the most recent actuarial reports were calculated with reference to such increases in excess of 5.2 per cent per annum and were as shown in table 1.

Table 1

Fiscal Year	Actuarial Adjustments on accounts of general economic salary increases calculated on the basis of the most recent actuarial reports		
	CFSA	PSSA (millions)	RCMPSA
1978-79	N/A	N/A	0.9
1979-80	N/A	N/A	13.6
1980-81	252.4*	568.2**	38.3
1981-82	453.6	951.4	51.3

* This amount, actually credited, was determined on the basis of assumptions used in previous reports because the most recent report was not laid before Parliament until October 29, 1980.

** This amount was calculated on the assumption that the credit would be made on June 30, 1981.

If the actuarial valuation assumptions had not included a provision for general economic salary increases of 5.2 per cent per annum the actuarial liability adjustments for those years would have been calculated with reference to total increases and would have been as shown in table 2.

Table 2

Fiscal Year	Actuarial Adjustments on account of general economic salary increases calculated on the assumption that there is no provision for such increases in the valuation bases		
	CFSA	PSSA (millions)	RCMPSA
1978-79	N/A	N/A	24.9
1979-80	N/A	N/A	42.3
1980-81	252.4*	799.0	66.6
1981-82	702.9	1,435.8	92.4

Table 3

Fiscal Year	Amounts by which the Actuarial Adjustments shown in Table 2 exceed those shown in Table 1		
	CFSA	PSSA (millions)	RCMPSA
1978-79	N/A	N/A	24.0
1979-80	N/A	N/A	28.7
1980-81	0	230.8	28.3
1981-82	249.3	484.4	41.1

It should be noted that the actuarial valuation assumptions upon which the 1975 CFSA, the 1977 PSSA and the 1974 RCMPSA actuarial reports are based provide for interest on the funds at the rate of 6.5 per cent per annum. The valuation reports that preceded the above mentioned reports provided for interest on the funds to be credited at the rate of 4 per cent per annum. Thus, while the actuarial liability adjustments based on the assumptions used in the most recent actuarial reports are smaller than the actuarial liability adjustments that would have been necessary had there been no change in the economic assumptions, the interest which must be credited to the accounts is higher.

ACTUARIAL REPORT ON CANADA PENSION PLAN

Question No. 4,483—**Mr. Baker (Nepean-Carleton):**

1. Does the December 31, 1977 actuarial report on the Canada Pension Plan (CPP) assume that CPP contributors will, through salary increases, promotions and other increases, experience an average long-term increase in their real earnings of 2 per cent per annum, that is two percentage points above the assumed rate of inflation?

2. Does the December 31, 1977 actuarial report on the Public Service Superannuation Account (PSSA) assume that PSSA contributors will, through salary revisions and promotions, experience an average long-term increase in their real salaries that is 75 per cent a year higher than that of Canadians contributing to the CPP and does the 1977 PSSA actuarial report assume that public servants through salary revisions and promotions will, on average, receive annual increases in their salaries of three and one-half percentage points above the implicitly assumed rate of inflation and, if not, what is the annual real rate of salary increases that the 1977 PSSA actuarial report assumes will be received by public servants though salary revisions and promotions?

3. What was the average annual percentage increase in real salaries that was received by PSSA contributors as a result of salary revisions and promotions for each of the past ten fiscal years?

4. Were representatives of PSSA contributors and pensioners consulted on the decision taken with respect to the 1977 PSSA actuarial report to base the future financing of the PSSA on the assumption that public servants in future would receive substantially higher increases in their real salaries than Canadians in general who contribute to the CPP and, if not, for what reason?

5. Does financing the PSSA on the assumption that PSSA contributors will, over the long term, receive substantially larger increases in their real salaries than CPP contributors, together with the other assumptions and experiences described in the 1977 PSSA actuarial report, create a deficit of $61.5 million in the valuation balance sheet of the PSSA as at December 31, 1977?

6. (a) What amount did the Minister of Finance determine should be credited to the PSSA pursuant to Section 34(3) of the Public Service Superannuation Act following the laying before Parliament of the December 31, 1977 actuarial report on the PSSA (b) was the amount $61.5 million and, if not, how was it determined?

7. What would be the size of the actuarial surplus of the PSSA as at December 31, 1977 if the 1977 report had assumed that public servants through salary revisions and promotions would receive the same real salary increases as Canadians contributing to the CPP, which was 2 per cent per annum, and if the 1977 report remained unchanged in all other respects?

Mr. Peter Lang (Parliamentary Secretary to President of the Treasury Board): 1. No. Earnings increases in excess of the rate of inflation might be considered to be attributable to two sources: (a) general economic increases due to increased productivity, general labour market conditions or other factors which affect all persons more or less equally; and (b) career-specific increases which depend much more heavily on individual circumstances.

In the main estimates of Canada Pension Plan Statutory Actuarial Report No. 6 as at December 31, 1977, it was assumed that economic increases in earnings would be 2 per cent per annum for 1983 and subsequent years.

It was also assumed, implicitly but not explicitly, that there would be substantial promotional increases at the young ages, diminishing and becoming negative at the older ages, but cumulatively positive over the lifetime of an individual. The increases were based on the earnings statistics of CPP contributors in 1975 which exhibited the following average earnings:

Age Group	Males	Females
18-19	3,580	2,547
20-24	6,626	4,752
25-29	10,119	5,938
30-34	12,576	5,846
35-39	13,751	5,921
40-44	14,310	6,074
45-49	14,323	6,190
50-54	13,782	6,202
55-59	12,758	6,154
60-64	10,994	5,911
65-69	7,068	4,107

In addition to the above economic and promotional increases, it was also assumed that the gap between male and female average earnings would narrow by 1 per cent each year, which implies, of course, that male earnings increases in excess of the rate of inflation were assumed to be somewhat less, and female earnings increases somewhat more, than those that would follow from the above described economic and promotional increases.

2. No, it was not assumed in the 1977 Actuarial Report on the PSSA that PSSA contributors would experience real salary increases 75 per cent higher than Canadians contributing to the CPP. The 1977 PSSA Actuarial Report does not assume real salary increases of three and one-half percentage

points above the implicitly assumed rate of inflation. Real economic salary increases of 2.5 per cent were assumed. However, when these increases are combined with assumed promotional salary increases, it is impossible to calculate a single meaningful average figure, since the average compound rate depends on the range of ages being considered as indicated by the following examples:

Average Compound Annual Real Salary Increases Assumed in 1977 PSSA Actuarial Report

Age Range	Male	Female
50-65	2.75	2.80
40-65	2.89	3.16
30-65	3.29	3.72
45-60	2.87	3.07
35-60	3.09	3.57
25-60	3.92	4.27

The promotional salary scales used for purposes of the PSSA are based on the pattern of PSSA contributors; they are not as high as those used for CPP contributors at the young ages but higher at the older ages. The two scales are simply not comparable. For example, the earnings pattern of CPP contributors reflects the abnormally high "promotional" increases obtained by employees who move from one employer to another precisely for the purpose of increasing their earnings; on the other hand, they reflect the earnings of older employees whose earnings may substantially decrease but some of whom may have retired on pension from one job while continuing full or part-time work with another employer to augment their income. The substantial decreases in average earnings exhibited by the relatively older CPP contributors would not be representative of PSSA contributors nor of members of many other employer pension plans.

The assumption that the general level of salaries of PSSA contributors would increase at 2½ per cent net of inflation (actually 2.427 per cent) was based on the statistical data for Canadian wages and salaries which showed a rate of 2.35 per cent for the 50 years ending in 1978 and 2.29 per cent for the ten years ending in 1978. While the rate has been declining it appeared desirable to retain a margin of conservatism in the assumption, particularly since the assumed rate of real interest of 3.5 per cent (actually 3.398 per cent, which was chosen as representative of implicit assumed real interest rates used in the private sector and of the returns expected of balanced portfolios, might be subject to the criticism of tending to understate costs.

If the assumed real interest rate and real general salary increase rate used for purposes of the 1977 CPP Actuarial Report were substituted for those used for purposes of the 1977 PSSA Report, all the results relating to basic PSSA benefits would remain unchanged. However, the normal actuarial cost (current service contribution rate) for total benefits (including Supplementary Retirement Benefits), would have increased from 15.9 to 16.8 per cent and total estimated combined actuarial liabilities would have increased by about $580 million.

It might be added that the economic assumptions used for the 1977 PSSA Actuarial Report were the same as those used for the three CPP Actuarial Reports immediately preceding the Report as at December 31, 1977 (No. 6). For purposes of the CPP Actuarial Report No. 6 the assumed real rate of increase in earnings levels was decreased from 2½ per cent to 2 per cent and the assumed real interest rate was reduced from 3½ per cent to 3 per cent. The decrease in the assumed rate of increase in real earnings meant that the estimated CPP contribution rates (i.e. pay-as-you-go costs) would be determined on a slightly more conservative basis. For a "funded" plan such as the PSSA, such a reduction in the assumed real rate of increase in earnings levels would have had the opposite effect. The concomitant change in the assumed real interest rate for the CPP Report was of relatively little importance but would be significant in the determination of costs for a "funded" plan such as the PSSA.

3. Approximate increase in real salaries received by PSSA contributors as a result of salary revisions in the last ten calendar years.

	Per cent
1972	1.0
1973	0.3
1974	2.0
1975	3.3
1976	3.6
1977	−1.5
1978	−1.8
1979	−0.2
1980	0.5
1981	−0.3

Note: Salary increase information is maintained on a calendar rather than a fiscal year basis.

Information regarding salary increases due to promotions each year is not available. Promotional salary increase assumptions used in the actuarial reports are determined by making comparisons of salary movements for various age groups between valuations.

4. As outlined in the response to Parts 1 and 2, the premise of the question is not correct.

5. The 1977 PSSA deficit estimated at $61.5 million is the result of all the assumptions entering into the actuarial calculations. As noted in the reply to Parts 1 and 2 above, the salary increases assumed for purposes of the CPP would not be appropriate for use in connection with PSSA estimates, because of the different promotional patterns.

6. (a) The actuarial report on the Public Service Superannuation Account as at December 31, 1977, was tabled on October 29, 1980. Since it was estimated that as at that time the Public Service Superannuation Account was in a surplus position, principally as a result of the fact that until the tabling of the report the actuarial liability adjustments on account of general economic salary increases were being determined with reference to the totality of increases in excess of 5½ per cent,

the Minister determined that no amount needed to be credited to the account pursuant to Section 34(3).

(b) As described in (a) above, the deficit referred to in the actuarial report on the Public Service Superannuation Account as at December 31, 1977 was estimated to no longer exist when the report was tabled. Consequently, no credit was made to the account with respect to the deficit that existed on December 31, 1977.

The financial position of the Public Service Superannuation Account as at September 30, 1980 was determined by projecting the results of the December 31, 1977 valuation to September 30, 1980 together with the actual income and outgo of the fund. On the basis of this calculation, the fund was estimated to be in a slight surplus position on September 30, 1980.

7. The premise of the question that the real salary increases assumed for purposes of the 1977 CPP Report were 2 per cent per annum is incorrect as noted in the reply to Part 1. Implicit career-specific salary increases assumed for purposes of the CPP Report are not readily available and in any event would be quite inappropriate for use in connection with PSSA estimates.

RCMP SUPERANNUATION ACCOUNT

Question No. 4,484—**Mr. Baker (Nepean-Carleton):**

1. Did the actuarial reports on the Royal Canadian Mounted Police Superannuation Account (RCMPSA) prior to December 31, 1974 examine the RCMPSA using economic assumptions that reflected a zero inflation scenario?

2. Did the actuarial report on the RCMPSA as at December 31, 1974 examine the RCMPSA using economic assumptions that reflected a 3 per cent annual inflation scenario and, if so, what windfall gains were realized by the RCMPSA with respect to (a) the amount required to finance RCMPSA benefits earned to December 31, 1974 (b) the employer contribution rate required to finance all RCMPSA benefits in respect of current service after December 31, 1974 solely because the 1974 RCMPSA valuation was carried out in a 3 per cent annual inflation scenario?

3. To what extent would the windfall gains realized by the RCMPSA through the move to a 3 per cent annual inflation scenario in the 1974 RCMPSA actuarial report have been reduced if the calculation of RCMPSA benefits after December 31, 1974 were made on the basis of a RCMPSA contributor's (a) best consecutive (i) five (ii) four (iii) three (iv) two (b) best single year annual salary?

4. What windfall gains would have been realized by the RCMPSA with respect to the amount required to finance RCMPSA benefits earned to December 31, 1974 and the employer contribution rate required to finance RCMPSA benefits on account of current service after December 31, 1974 if the 1974 RCMPSA actuarial report had moved to economic assumptions reflecting annual inflation scenarios of 6 per cent and 9 per cent respectively and if the calculation of RCMPSA benefits after December 31, 1974 were made on the basis of a RCMPSA contributor's (a) best consecutive (i) six (ii) five (iii) four (iv) three (v) two (b) best single year annual salary?

5. Does the December 31, 1974 actuarial report on the Royal Canadian Mounted Police Superannuation Account (RCMPSA) assume that RCMPSA contributors will, through salary revisions and promotions, experience an average long-term increase in their real salaries of more than 2 per cent per annum, that is more than two percentage points above the implicitly assumed rate of annual inflation and, if so, what is the annual real rate of salary increases that the 1974 RCMPSA actuarial report assumes will be received by RCMP personnel through salary revisions and promotions?

6. What was the average annual percentage increase in real salaries that was received by RCMPSA contributors as a result of salary revisions and promotions for each of the past ten fiscal years?

Order Paper Questions

7. If the 1974 RCMPSA actuarial report assumes that RCMP personnel will, through salary revisions and promotions, receive real salary increases of more than the annual 2 per cent real earnings increase assumed for Canadians contributing to the Canada Pension Plan (CPP) in the 1977 actuarial report, have representatives of RCMPSA contributors and pensioners been consulted on continuing the future financing of the RCMPSA on the assumption that RCMP personnel in future will receive larger annual increases in their real salaries than Canadians in general who contribute to the CPP and, if not, for what reason?

8. What would be the size of the actuarial surplus of the RCMPSA as at December 31, 1974 if the 1974 RCMPSA actuarial report had assumed that RCMP personnel through salary revisions and promotions would receive the same real salary increases as Canadians contributing to the CPP, which was 2 per cent per annum, and if the 1974 report remained unchanged in all other respects?

Mr. Peter Lang (Parliamentary Secretary to President of the Treasury Board): 1. Yes.

2. The actuarial report on the RCMPSA as at December 31, 1974 used economic assumptions of 6.5 per cent annual interest and 5.5 per cent annual salary increases. While no explicit assumption was made with regard to inflation, an implicit assumption of 3 per cent annual inflation was included in the two economic assumptions used.

Previous reports were based on assumptions of 4 per cent interest rates, zero per cent for salary increases and no inflation assumption. In the most recent report (as at December 31, 1974), the real interest rate could be said to have changed from 4 per cent to 3.5 per cent and salary increases related to productivity were assumed to be 2.5per cent.

The effects of using an implicit inflation assumption of 3per cent, and therefore raising the interest and salary increase rate assumptions from 3.5 per cent and 2.5 per cent to 6.5 per cent and 5.5 per cent respectively were as follows: (a) with respect to benefits earned to December 31, 1974 a decrease in liabilities of $209.3 million; (b) with respect to the employer current service cost for service after December 31, 1974 a decrease of 8.6 per cent of contributory payroll from 19.8 per cent to 11.2per cent.

3. The effect on the amounts shown in question 2 of lowering the number of years over which RCMP salaries are averaged for benefit calculation purposes would be as follows:

Table 1

	Salary Averaging Period				
	5 years	4 years	3 years	2 years	1 year
			(000,000's)		
Reduction of the $209 million decrease in liabilities shown in question 2	12	25	38	52	66
			(per cent)		
Reduction of current service cost difference of 8.6 per cent of contributory payroll, as a per cent of contributory payroll	0.55	1.12	1.7	2.3	2.93

Order Paper Questions

4. The effect of using implicit annual inflation assumptions of 6 per cent and 9 per cent instead of zero per cent, along with reduced salary averaging periods, would have been as follow:

Table 2

6 per cent Inflation Scenario	6 years	5 years	Salary Averaging Period 4 years	3 years	2 years	1 year
			(000,000's)			
Decrease in liabilities in respect of service prior to December 31, 1974	326	314	301	287	273	258
			(per cent)			
Decrease in current service cost for service after December 31, 1974, as a per cent of contributory payroll	13.33	12.78	12.21	11.61	10.98	10.33
9 per cent Inflation Scenario	**6 years**	**5 years**	**Salary Averaging Period 4 years**	**3 years**	**2 years**	**1 year**
			(000,000's)			
Decrease in liabilities in respect of service prior to December 31, 1974	397	385	373	359	345	330
			(per cent)			
Decrease in current service cost for service after December 31, 1974, as a per cent of contributory payroll	16.22	15.69	15.13	14.54	13.91	13.26

5. The 1974 RCMPSA Report assumes that RCMPSA contributors will, through salary revisions and promotions, experience an average long-term increase in their real salaries of more than 2 per cent per annum, i.e., more than two percentage points above the implicitly assumed rate of annual inflation. It is impossible to calculate a single meaningful average figure since the average compound rate depends on the range of ages being considered as indicated in the following examples.

Average Compound Annual Real Salary Increase Assumed in the 1974 RCMPSA Actuarial Report

Age Range	Male and Female
45-60	3.88
35-60	3.78
25-60	4.10

6. Approximate increase in real salaries received by RCMPSA contributors as a result of salary revisions in the last ten calendar years.

1972	2.3
1973	– 1.4
1974	1.5
1975	2.5
1976	2.3
1977	– .3
1978	– 2.9
1979	– 1.6
1980	1.4
1981	.4

Note: Salary increase information is maintained on a calendar rather than a fiscal year basis.

Information regarding salary increases due to promotions each year is not available. Promotional salary increase assumptions used in the actuarial reports are determined by making comparisons of salary movements for various age groups between valuations.

7. See reply to question 4,483, Parts 1, 2 and 4 answered this day.

8. See reply to question 4,483, Part 7 answered this day.

CANADIAN ARMED FORCES SUPERANNUATION ACCOUNT

Question No. 4,485—**Mr. Baker (Nepean-Carleton):**

1. Did the actuarial reports on the Canadian Forces Superannuation Account (CFSA) prior to December 31, 1975 examine the CFSA using economic assumptions that reflected a zero inflation scenario?

2. Did the actuarial report on the CFSA as at December 31, 1975 examine the CFSA using economic assumptions that reflected a 3 per cent annual inflation scenario and, if so, what windfall gains were realized by the CFSA with respect to (a) the amount required to finance CFSA benefits earned to December 31, 1975 (b) the employer contribution rate required to finance all CFSA benefits in respect of current service after December 31, 1975 solely because the 1975 CFSA valuation was carried out in a 3 per cent annual inflation scenario?

3. To what extent would the windfall gains realized by the CFSA through the move to a 3 per cent annual inflation scenario in the 1975 actuarial report have been reduced if the calculation of CFSA benefits after December 31, 1975 were made on the basis of a CFSA contributor's (a) best consecutive (i) five (ii) four (iii) three (iv) two (b) best single year annual salary?

4. What windfall gains would have been realized by the CFSA with respect to the amount required to finance CFSA benefits earned to December 31, 1975 and the employer contribution rate required to finance CFSA benefits on account of current service after December 31, 1975 if the 1975 CFSA actuarial report had moved to economic assumptions reflecting annual inflation scenarios of 6 per cent and 9 per cent respectively and if the calculations of CFSA benefits after December 31, 1975 were made on the basis of a CFSA contributor's (a) best consecutive (i) six (ii) five (iii) four (iv) three (v) two (b) best single year annual salary?

5. Does the December 31, 1975 actuarial report on the Canadian Forces Superannuation Account (CFSA) assume that CFSA contributors will, through salary revisions and promotions, experience an average long-term increase in their real salaries of more than 2 per cent per annum, that is more than two percentage points above the implicitly assumed rate of annual inflation and, if so, what is the annual real rate of salary increases that the 1975 CFSA actuarial report assumes will be received by military personnel through salary revisions and promotions?

6. What was the average annual percentage increase in real salaries that was received by CFSA contributors as a result of salary revisions and promotions for each of the past ten fiscal years?

7. If the 1975 CFSA actuarial report assumes that military personnel will, though salary revisions and promotions, receive real salary increases of more than the annual 2 per cent real earnings increase assumed for Canadians contributing to the Canada Pension Plan (CPP) in the 1977 CPP actuarial report, have representatives of CFSA contributors and pensioners been consulted on continuing the future financing of the CFSA on the assumption that military personnel in future will receive larger increases in their real salaries than Canadians in general who contribute to the CPP and, if not, for what reason?

8. What would be the size of the actuarial surplus of the CFSA as at December 31, 1975 if the 1975 CFSA actuarial report had assumed that military personnel, through salary revisions and promotions, would receive the same real salary increases as Canadians contributing to the CPP, which was 2 per cent per annum, and if the 1975 report remained unchanged in all other respects?

Mr. Peter Lang (Parliamentary Secretary to President of the Treasury Board): 1. Yes.

2. The actuarial report on the CFSA as at December 31, 1975 used economic assumptions of 6.5 per cent annual interest and 5.5 per cent annual salary increases. While no explicit assumption was made with regard to inflation, an implicit assumption of 3 per cent annual inflation was included in the two economic assumptions used.

Previous reports were based on assumptions of 4 per cent interest rates, zero per cent for salary increases and no inflation assumptions. In the most recent report (as at December 31, 1975), the real interest rate could be said to have changed from 4 per cent to 3.5 per cent and salary increases related to productivity were assumed to be 2.5 per cent.

The effect of using an implicit inflation assumption of 3 per cent, and therefore raising the interest and salary increase rate assumptions from 3.5 per cent and 2.5 per cent to 6.5 per cent and 5.5 per cent, respectively, were as follows: (a) with respect to benefits earned to December 31, 1975 a decrease in liabilities of $2,438 million; (b) with respect to the employer current service costs after December 31, 1975 a decrease of 8.2 per cent of contributory payroll from 19.0 per cent to 10.8 per cent.

3. The effect on the amounts shown in question 2 of lowering the number of years over which CFSA salaries are averaged for benefit calculation purposes would be as follows:

Table 1

Salary Averaging Period

	5 years	4 years	3 years	2 years	1 year
			(000,000's)		
Reduction in the $2,438 million decrease in liabilities shown in question 2	106	215	328	445	565
			(per cent)		
Reduction of the current service cost difference of 8.2 per cent of contributory payroll, as a per cent of contributory payroll	0.54	1.11	1.69	2.28	2.90

4. The effect of using implicit annual inflation assumptions, of 6 per cent and 9 per cent along with reduced salary averaging periods would have been as follows:

Table 2

Salary Averaging Period

6 per cent Inflation Scenario	6 years	5 years	4 years	3 years	2 years	1 year
			(000,000's)			
Decrease in liabilities in respect of service prior to December 31, 1975	3,828	3,721	3,609	3,491	3,368	3,240
			(per cent)			
Decrease in current service cost for service after December 31, 1975 as a per cent of payroll	12.87	12.33	11.76	11.17	10.55	9.90
9 per cent inflation Scenario			Salary Averaging Period			
			(000,000's)			
Decrease in liabilities in respect of service prior to December 31, 1975	4,688	4,585	4,475	4,360	4,237	4,107
			(per cent)			
Decrease in current service cost for service after December 31, 1975 as a per cent of payroll	15.67	15.15	14.60	14.02	13.41	12.75

Order Paper Questions

5. The 1975 CFSA Report assumes that CFSA contributors will, through salary revisions and promotions, experience an average long-term increase in their real salaries of more than 2 per cent per annum, i. e., more than two percentage points above the implicitly assumed rate of annual inflation. It is impossible to calculate a single average figure since the average compound rate depends on the range of ages considered as indicated in the following examples:

Average Compound Annual Real Salary Increase Assumed in the 1975 CFSA Actuarial Report

Age Range Officers	Male	Female
45-60	3.77	3.43
35-60	3.79	3.72
25-60	4.31	4.71
Other Ranks		
45-60	3.91	3.25
35-60	3.92	3.31
25-60	4.18	3.93

6. Approximate increase in real salaries received by CFSA contributors as a result of salary revisions in the last ten calendar years.

	Per cent
1972	3.6
1973	6.1
1974	4.1
1975	2.5
1976	.7
1977	– 1.5
1978	– .3
1979	– .2
1980	.3
1981	1.6

Note: Salary increase information is maintained on a calendar rather than a fiscal year basis.

Information regarding salary increases due to promotions each year is not available. Promotional salary increase assumptions used in the actuarial reports are determined by making comparisons of salary movements for various age groups between valuations.

7. See reply to question 4,483, Parts 1, 2 and 4 answered this day.

8. See reply to question 4,483, Part 7 answered this day.

INTEREST EARNED AND EMPLOYEE CONTRIBUTIONS TO SUPERANNUATION ACCOUNTS

Question No. 4,486—**Mr. Baker (Nepean-Carleton):**

For each of the past ten fiscal years, what was the amount of (a) interest earned (b) employee contributions (c) employer contributions (d) disability, survivor and retirement pensions paid from the Canadian Forces Superannuation Account, the Public Service Superannuation Account and the Royal Canadian Mounted Police Superannuation Account?

Mr. Peter Lang (Parliamentary Secretary to President of the Treasury Board):

Public Service Superannuation Account

	(a) Interest Credited	Additional Interest Earned	(b) Employee Contributions	(c) Employer Contributions	(d) Pension Payments
			(000,000's)		
1972-73	184.2	87.4	126.2	205.8	121.6
1973-74	202.9	106.8	141.5	208.9	139.4
1974-75	227.0	137.3	168.2	287.4	161.6
1975-76	263.9	182.6	200.8	320.7	187.5
1976-77	297.2	227.1	247.5	330.7	218.0
1977-78	336.4	279.4	285.2	353.3	254.9
1978-79	374.7	340.3	296.1	380.9	297.2
1979-80	416.7	406.6	314.9	328.8	351.2
1980-81	608.1	371.3	350.7	399.5	403.7
1981-82	837.3	355.0	403.4	606.1	459.6
Royal Canadian Mounted Police Superannuation Account					
1972-73	9.5	4.5	7.5	21.4	1.9
1973-74	11.6	6.2	8.6	21.9	2.4

1974-75	14.3	8.7	10.9	26.8	3.3
1975-76	17.3	12.0	13.3	34.1	4.0
1976-77	20.5	15.7	15.2	40.6	5.2
1977-78	24.4	20.2	16.8	44.6	6.7
1978-79	44.8	9.0	18.3	59.4	8.5
1979-80	51.5	12.5	19.5	54.2	10.6
1980-81	58.8	18.6	22.5	51.3	13.3
1981-82	68.0	28.9	26.8	53.2	15.9

Canadian Forces Superannuation Account

1972-73	163.0	77.3	44.1	169.4	114.6
1973-74	189.9	100.7	48.7	237.4	129.5
1974-75	217.7	131.8	52.0	276.9	146.5
1975-76	243.2	168.5	56.3	317.6	164.3
1976-77	265.0	202.6	63.0	312.3	180.6
1977-78	289.5	240.2	67.0	289.8	198.8
1978-79	310.7	282.0	70.7	189.1	219.6
1979-80	340.1	312.0	74.1	133.1	242.5
1980-81	479.8	271.0	80.1	142.3	266.8
1981-82	618.0	262.0	91.3	198.9	291.5

Note: The employer contributions include the net cost of amortizing actuarial deficiencies after the application of interest earnings of the accounts which were in excess of the rate assumed by the actuary in his actuarial reports.

ADVERTISING COSTS OF PETRO-CANADA

Question No. 4,489—**Mr. Siddon:**

1. What amount did Petro-Canada spend for advertising in the fiscal year (a) 1980-81 (b) 1981-82?

2. What amount did Petro-Canada budget for advertising in the fiscal year 1982-83?

3. What percentage of Petro-Canada's fiscal year 1982-83 advertising will be devoted to (a) newspapers and magazines (b) radio (c) television (d) trade show or convention exhibits (e) any other?

4. Did Petro-Canada declare a deficit in the fiscal year (a) 1980-81 (b) 1981-82 and, if so, what was the extent of that deficit?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Petro-Canada reports as follows:

1. (a) January 1, 1981—December 31, 1981—$1,136,000; (b) January 1, 1982—October 27, 1982—$5,737,751.

2. Petro-Canada's 1982 advertising budget including all aspects of production, research and media expenses is $6,325,-000. The Corporation's 1983 budget has not yet been established.

3. (a) 14 per cent, (b) 17.5 per cent, (c) 58.5 per cent, (d) Trade shows and exhibits are not included in Petro-Canada's advertising budget. (e) 10 per cent.

4. (a) and (b) No.

BALANCE OF SUPERANNUATION ACCOUNTS

Question No. 4,532—**Mr. Gauthier:**

1. As of March 31, 1982, what was the balance of (a) the Public Service Superannuation Account (b) the Canadian Forces Superannuation Account (c) the Royal Canadian Mounted Police Superannuation Account (d) the superannuation account of judges, senators, Members of Parliament and diplomats (e) any other superannuation account?

2. As of the same date, what was the balance of the Supplementary Retirement Benefits Account?

3. For each account mentioned in Parts 1 and 2, is interest paid and, if so, at what rate?

4. For each superannuation account mentioned in Part 1, what are the (a) number of recipients (b) average benefits paid?

5. (a) How many persons receive supplementary retirement benefits (b) what are the average benefits paid?

6. Are supplementary retirement benefits indexed and, if so, what percentage of this indexation is paid by (a) public servants (b) public funds?

7. If the superannuation account was combined with the Supplementary Retirement Benefits Account (a) in each case, what would be the (i) five-year (ii) ten-year actuarial projections (b) on what (i) inflation (ii) interest rates would the projections be based?

8. For the superannuation accounts mentioned in Part 1 (a) from 1976 to 1983, what was the annual contribution from the Consolidated Revenue Fund to

Order Paper Questions

meet full indexation (b) what would be the anticipated contribution for 1983, assuming the full indexation was granted to the recipients?

9. What would be the amount of the proportion of supplementary retirement benefits coming from public funds, if that proportion was set at a maximum of 6 per cent?

10. If the money mentioned in Part 9 was distributed among the neediest, could the full indexing be paid to all persons receiving less than the average superannuation benefits mentioned in Part 1 without having to pay out public funds and, if so, would the Government consider it?

11. What would be the supplementary contribution required to pay the full indexation to all recipients in (a) 1983 (b) 1984?

12. Did some retired public servants contribute to the indexing of their pensions and (a) if so, what was their average salary (b) if not (i) how many in each group did contribute (ii) what was their average salary?

13. Is it possible to distribute supplementary retirement benefits in such a way as to pay the full indexation to some recipients and partial indexation to others and, if so, how would that money be distributed if the total benefits envelope increased by 6 per cent only?

Mr. Peter Lang (Parliamentary Secretary to President of the Treasury Board):

	Balance at March 31, 1982
1. (a) Public Service Superannuation Account	$14,757,155,902
(b) Canadian Forces Superannuation Account	$10,343,553,408
(c) Royal Canadian Mounted Police Superannuation Account	$ 1,212,155,985
(d) Members of Parliament Retiring Allowance Account	$13,861,821
(e) No superannuation account is maintained with respect to the pension plans of Judges, Senators appointed prior to 1965, Lieutenant Governors or the Governor General	

2. Supplementary Retirement Benefits Account $1,215,769,564.

3. (a) Interest is earned by the Public Service, Canadian Forces and RCMP Superannuation Accounts, on a quarterly basis as if the excess of receipts over disbursements since the accounts were established had been invested in long term Government of Canada bonds, and as if these amounts had been reinvested at current rates every 20 years. The resulting weighted average rate as of September 30, 1982 was 10.2 per cent, expressed as an effective annual rate.

(b) Interest is credited to the Supplementary Retirement Benefits Account at the end of each quarter, and is calculated on the minimum monthly balance at a rate based on the yield of an outstanding Government of Canada bond having a term to maturity of five years, less ⅛ of 1 per cent. The rate for the quarter ending September 30, 1982 was 16.125 per cent.

(c) The Members of Parliament Retiring Allowances Account is currently credited quarterly with interest at a rate of 1.75 per cent or 7.2 per cent as an effective annual rate.

4.	Number of Recipients	Average Annual Benefits Paid
Public Service Superannuation Account	122,600	$4,035
Canadian Forces Superannuation Account	68,100	$4,560
Royal Canadian Mounted Police Superannuation Account	2,560	$7,300
Members of Parliament Retiring Allowances Account	335	$5,950
5. Supplementary Retirement Benefits Account	162,100	$3,450

6. (a) Benefits payable under the Supplementary Retirement Benefits Act are themselves indexed.

(b) Currently less than 10 per cent of indexing benefits are charged against the contributions made in respect of former public servants and over 90 per cent are charged to public funds.

7. In the Actuarial Reports for the PSSA as at December 31, 1977, the CFSA as at December 31, 1975 and the RCMPSA as at December 31, 1974 appendices were included showing the valuation results on the assumption that the benefits pursuant to the Supplementary Retirement Benefits Act were combined with the benefits arising out of the basic superannuation accounts.

The assumptions with respect to inflation and interest rates used in the Reports referred to above, when the benefits under SRBA were combined with the basic benefits, were 3 per cent and 6½ per cent, respectively. When performing valuations of the superannuation accounts, whether in combination with SRBA benefits or not, assumptions are made not just for five or ten years but for the period of time that reflects the life expectancy of the current membership of the plan, including their dependants. The economic assumptions involving interest, general salary increases and inflation are made on the basis of the relationship that is believed to exist among them and on the basis of the best long-term forecasts for such rates that are available. Economic assumptions with respect to the valuations currently in progress have not yet been determined.

8.	1976	1977	1978	1979	1980	1981	Estimated 1982	Estimated 1983
Public servants	78	102	126	160	193	248	324	420
Armed Forces	34	47	68	87	124	133	172	221
RCMP	4.2	5.4	6.5	8	9.6	11.6	15	18
Members of Parliament	.3	.4	.5	.6	.7	.7	.9	1.1

Note: The amounts shown for the RCMP and the Armed Forces include benefits paid to recipients under the RCMP and Defence Services Continuation Acts, for which there are no accounts. Also, the amounts shown were estimated from fiscal year data.

9. If benefits that are indexed from public funds were limited to a 6 per cent increase in 1983, and other benefits increased by 11.5 per cent, new indexing payable in 1983 would be approximately $80 million.

10. The $80 million mentioned in Part 9 could provide roughly full indexing on the first $5,100 of all pensions, if no indexing were applied to amounts over $5,100. The Government recognizes the contributions of former public servants

and is proposing to modify Bill C-133 to set indexing at 6.5 per cent in 1983 and 5.5 per cent in 1984.

11. (a) 1983—about $60 million or about .6 per cent of salaries.

(b) 1984—about $105 million or about 1 per cent of salaries.

12. All public servants who retired about April 1, 1970 contributed some amount towards the indexing of their pensions. It is estimated that about 24,700 retired public servants who are receiving indexing benefits still have money to their credit in the indexing account. Information on their average salaries is not readily available.

13. A legislative amendment would be required to fully index some pensions and partially index others. See reply to Part 10.

[*English*]

Mr. Fisher: I ask Madam Speaker, that the remaining questions be allowed to stand.

[*Translation*]

Madam Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—UNEMPLOYMENT

Hon. David Crombie (Rosedale) moved:

That this House condemns the Government for its callous disregard and tragic neglect of the dire economic and social plight of the over two million Canadians who are now unemployed and of the increasing lack of job security which threatens the livelihood and well-being of this country's remaining 10.4 million workers, and that, on behalf of all Canadians, this House insists that the Government take immediate steps to restore social and economic health to Canada by: forging a social and economic consensus between business, labour and government, encouraging job creating investment, establishing a National Productivity Strategy to restore Canada as a world class competitor, and rebuilding the confidence of individual Canadians in the future of this country.

He said: Madam Speaker, during the last number of months and years, we on this side of the House and indeed many people in the country have urged the necessity upon the Government of striking a program which will bring this country to greater levels of employment and general economic recovery. Indeed, economic reconstruction has been the basis upon which our questions and speeches in the House and our public policies have been put forward.

Indeed, we have discussed and urged upon the Government the necessity for the creation of an environment for long-term

job creation. Without investment there are no jobs. Second, we have urged the Government to take advantage of greater productivity to allow Canadian business, labour and Canadians generally to take advantage of new opportunities for productivity. Third, we have continually urged upon the Government the necessity for Canadians to be able to take advantage of the new technology that has been sweeping the world. Fourth, we have demanded time and again that the Government move, instead of talk, on training programs which would allow Canadians to become skilled and world competitive as they once were.

We have insisted month after month—now year after year—that the Government increase its investment and encourage private investment in research and development. In 1968, an independent board recommended to this Government that we increase our participation in research and development to 1.5 per cent of our Gross National Product. We are still looking to get just above 1 per cent. We now stand last in the industrial world in our commitment to research and development.

Finally, we have insisted time and again that the Government should act and not merely talk on the question of direct job creation.

Those six items which I have just listed—job-creating investment, greater productivity, new technology, new training facilities and training courses, increased research and development and increased direct job-creation programs—are the six pinnacles of future progress which we have insisted upon and urged the Government to reach. Those six items have become the main topic for discussion by almost everyone, with the possible exception of the Government, as evidenced by its slow approach to these issues.

In the past few months a new phrase has engaged the interest of increasing numbers of people across the country. It relates to the importance of forming a national consensus in this country which, without addressing these six items, cannot be achieved. That national consensus is required in order to achieve increased investment for jobs, greater productivity, new technology and research development and direct job creation.

Before those words pass into Liberal buzz words which they can use as points for discussion so that they do not have to do anything, I thought it might be useful if I took my time today to talk about what people really mean by that national consensus.

Pat Johnston is Vice-President of the Canadian Federation of Independent Business. Incidentally, she referred to the unemployment level in Canada as unconscionable. She has said that we need in Canada a policy consensus for recovery. Ronald Anderson, a respected columnist in *The Globe and Mail*, talked about the disturbing level in the past decade of a progressive loss of a sense of common purpose and shared objective. He noted just last week that there was a widening schism among Government, business, industry and labour. Also he noted the widening between the Provinces and the federal Government, that while the talk got better, the action

was not getting any better. Russell Harrison, Chairman and Chief Executive Officer of the Canadian Imperial Bank of Commerce, said in a speech this week that if this country did not prevent division within it, it will not be able to respond to the challenges of the 1980s and 1990s.

● (1210)

Across the country more and more people are beginning to understand that unless we can forge a national consensus, what politicians, bureaucrats and opinion leaders talk about will merely be at the level of chat. It will not be effective because there is not within us yet a will to establish that national consensus. I might say that when most people talk about national consensus they are really referring to what I would call the larger pieces of society. Normally we are talking about the relationship of Government, business and labour. In the last 15 years the sad but true fact is that relationships between the Government and business have deteriorated to a low which has never been seen before in the history of Canada. This is undeniable.

The priorities of the business sector are simple—growth, employment and price stability. Those used to be the goals of the federal Government prior to 1968. Indeed, it was Mr. Harrison, the banker, who said that what happened in the past number of years was that this federal Government had broken the historical consensus which allowed the country to have some kind of progress and prosperity for its people. It is this Government which has broken the historical consensus that was necessary for business to flourish, for growth to occur, for jobs to begin and for stability to be with us once again.

In the past two years we have seen budgets based only on the premise that the Government can do best and that business and labour do not. We have seen policies which stifled initiative and a continuation of the concept within bureaucracy and the Government that if it is not the Government that does it then it is not important. This kind of philosophy has contributed to the awesome deterioration between the Government and business enterprises in the country.

If the Government has been bad for business, it has been deplorable for labour. There has been no labour policy in Canada for 15 years. Labour has no place at the national table with the Government. Mark Daniels, no stranger to the House, is the Deputy Minister of Labour. At the University of Toronto on Monday he said that the labour factor has been ignored for over 15 years in federal Government decisions, that labour issues have not been a part of policy planning and that it was one of the federal Government's great failures. Those comments were made by the federal Deputy Minister of Labour.

On Wednesday a conference held by the Minister of Employment and Immigration (Mr. Axworthy) was concluded. It was the National Occupations Outlook Conference. One would expect that an opportunity would have been provided for labour to play a full role and that there would have been an acceptance of labour as a national part of the way in which we can get out of the recession and into a new period of prosperity. Did labour have a role? "No", said the federal Government.

Let us look at the response from labour. As far as it is concerned, this week at the conference the role of labour was blatantly biased and denigrated. The entire conference was to deal with a program known as COPS, a computer system concerned with monitoring and projecting labour needs of the future. The program was developed after the federal Government rejected a proposal by business and labour, the Canadian Labour Congress and the Business Council on National Issues.

Three years ago, the Business Council on National Issues, in concert with the CLC, came to the federal Government and said that they would like to participate. The federal Government delayed and delayed and finally denied and rejected one of the few occasions in recent history where business and labour came together. They were scuttled by the Government. Is it any wonder that labour and business find that they have no connection with the Liberal Government and that they have had no connection with it for the past 15 years?

When people talk about national consensus, they are now increasingly not only talking about the relationship of business, labour and Government. They are also talking, perhaps much more fundamentally, about the relationship of Canadians one with the other. Those of us who had the opportunity to read the letter from the Bishops, the so-called "Ethical Reflections on the Economic Crisis", and to think about it and discuss it, would offer a thanks to the Bishops for reminding not only us but, more important, the Government that economic issues are social issues and that social issues are moral issues; that economic decisions are also moral choices.

In passing, it reminds me that Adam Smith, the great chronicler and fundamental thinker of the free market system, was a professor of ethics and moral philosophy. This is why the Bishops were on good ground on two fundamental points. In their first point they reminded us of the importance, the value and dignity of human work. They said that people contribute to their community and give meaning to their existence as human beings through work. This is why unemployment for most people is a loss of human dignity and of a sense of self-worth. This is why the Bishops reminded us that unemployment deprived people of work and of an income with which they could carry out their responsibilities to themselves, their families and their communities. Not to have that work is, as the Bishops said, a social evil. That is why, thanks to the Bishops, we have all been reminded that unemployment in this country is a personal tragedy, a national shame. If there is any one single body which has had responsibility for the past 15 years, it is those who have failed to establish a consensus by which Canadians can come together as individuals and as groups of individuals to begin the restructuring of this society so that we can get out of this recession.

● (1220)

The second thing the Bishops said, which is important to me and to everyone, was that we need to remind the Government to worry about the growing tendency to treat individuals as

impersonal forces, having little or no significance beyond their economic purpose in the system. I guess we all knew that. I think maybe the Government collectively, and so many of us, have forgotten that. It is simple. If people are treated as though their contribution is irrelevant, then they will feel irrelevant. If people feel they do not count, then they will feel that not much else counts either. If people lose their stake in society, we all lose the very glue that holds our communities, neighbourhoods, villages, towns and cities together. When we lose that, we have no consensus.

That is what is at stake when we talk about unemployment in this country. What is at stake is not an economic category. What is at stake is not economic statistics. What is at stake is whether or not people are able to see themselves as something other than economic events and, indeed, as unemployed, not even that. Need anybody be reminded? The Bishops did it for us.

The single most important problem in this country, bar none, is unemployment. Secondly, unemployment can no longer be and ought never to have been considered as only an economic problem. That is why we condemn the Government. We condemn the Government because it has failed. The Government has failed, as I indicated earlier, to create an environment by which investment can occur, so that people in this country will have jobs. The Government has failed to take advantage of opportunities so that we can become more productive and therefore more competitive. The Government has failed to take advantage, particularly during the seventies, of the new technology sweeping this world, leaving this country behind. The Government has failed since 1968 when Jean Marchand—now Senator Marchand—brought in the Training Act. Now he is a member of the other place. For 15 years this Government has done nothing with respect to training. The Government also failed to do little more than talk and provide the country with more initials, instead of creating real, live jobs in terms of direct job creation.

Finally, we condemn this Government because it has failed to do one thing that does not cost money. It failed at the one thing it could do and has not done, and that is, to create a national consensus in this country. And it is now unable to do so. It is exhausted and bankrupt and is unable to create the national consensus which is absolutely vital to the future of this country. That is why this motion should be supported in this House today.

The Acting Speaker (Mr. Corbin): Perhaps the Chair should remind Hon. Members that our provisional Standing Orders provide for comments, questions and answers for a period of not more than ten minutes at this time. Therefore, if I see Members rising I presume it is to put questions to the Hon. Member who has just spoken.

[*Translation*]

Mrs. Hervieux-Payette: Mr. Speaker, following the comments made by the Hon. Member for Rosedale (Mr. Crombie), I have a few questions, but I would first like to point out that Quebec Members have always had an abiding concern for employment. Last year, we sent a letter to the Right Hon. Prime Minister (Mr. Trudeau) with our comments on the budget, and subsequently, a number of job creation measures were taken, the last one being the NEED program, which I hope will provide part of the jobs needed by Canadians in these difficult times, and this includes the $220 million granted to Quebec.

However, Mr. Speaker, I should like to know whether the solutions proposed by the Progressive Conservative Party, the instant answers for bringing down inflation, would not increase the deficit. The aim would be to create jobs, promote investment, protect the workers and at the same time maintain the new concept of profit put forward by the bishops. Mr. Speaker, I have a great deal of trouble reconciling the comments made by the Member for Rosedale with the philosophy of the Progressive Conservative Party, which has been concentrating far more on the profit concept than on job creation.

[*English*]

Mr. Crombie: I thought, since I said it twice, the Hon. Member would have heard what I said earlier with respect to the things we have talked about in this House for the past two years, and even before that. If the Government would like to hear it one more time, I will say it.

The first thing the Government should do is to begin to create, for the first time in a long time, an environment to attract investment to produce jobs. Investment in this country has gone down by 50 per cent in terms of capital investment. People are not investing and the reason is that they have lacked confidence for so long in this Government. So the first thing the Government can do is to create an environment in which people can invest so that jobs can be created.

Second, the Government, for the past 12 years in particular—I said 15 years before, but I will be more precise—has slowly moved away from any consideration of the importance of productivity for people in this society. Productivity is the way in which we become competitive. We are not competitive because we have not been as productive as we could have been, and consequently we have lost jobs.

Third, one of the greatest sins is that although new technology has been around this world for about 20 years, the Government has been almost negligent in taking advantage of it. The Hon. Member does not have to accept my word for that. Just look at any independent national or international monitor and it will tell you that our record is either the worst or close to the worst, at a time when it did not have to be, because we were one of the wealthiest countries in the world at that time.

Fourth, the Government—and here I will give a small piece of credit to it—appointed as chairman of the advisory committee to the Minister of Employment and Immigration Mr. Tom Sosa of Ryerson Polytechnical Institute. Perhaps the one good thing the Government has done was to ask his advice. I have known this man for 20 years. It is through the influence of that man that the Government has been able at least to bring forward the National Training Act.

This Government has also been responsible for the 15 years during which we got behind the rest of the world in training. That is why we had to import 25,000 skilled workers into this country at a time when unemployment was rising. That was the result of inaction by the Government for 15 years.

Back in 1968, Tom Kent, a Liberal I can talk about, recommended that there ought to be 1.5 per cent of the Gross National Product dedicated to research and development. It has been .9 per cent since then.

Mr. Peterson: You are wrong.

Mr. Crombie: Or 1.1 per cent; it went up and then went back to .9 per cent. Check the figures. Indeed, the only thing the Government has done is to re-establish the goal of 1.5 per cent, the goal that was given to them in 1968. That is why the OECD will tell you that we have not one of the worst but the worst record in research and development in the western industrialized world. They will tell you that it is directly attributable to the lack of policies of this federal Government.

● (1230)

Those are five courses of action. Had the Hon. Member and the Government listened to them, we would not have quite the problem we now have.

Mrs. Mitchell: Mr. Speaker, if there is time for another question, I would like to ask the Hon. Member whether he is in favour of increased Government investment in jobs as well as the private sector.

In view of his remarks about high technology, I would also like to ask another question. He knows of the permanent displacement of many women in service and clerical jobs. What would he do to ensure equal opportunities for women in the workforce, not only now, when it is far below what is needed, but in the future when they will be displaced permanently in the service and clerical fields?

Mr. Crombie: Mr. Speaker, with respect to the first question, would I favour public expenditure—

Mrs. Mitchell: Increased public investment.

Mr. Crombie: Absolutely. I have on a number of occasions, as has this Party, advocated that the Government increase its investment in research and development. We supported strongly and indeed participated in the development of the National Training Act legislation. We voted for it at that time and wanted to increase the investment. I believe it was an increase of 15 per cent. We wanted to increase that investment and national training. Training and technology, ability and tools are the way in which people can have jobs. We have consistently not only supported it but advocated it, and we will continue to do so.

I might say just in passing—this is only a small matter in the scheme of things, but it reflects where the Government is—that on three occasions this week I have asked the Government if it would kindly increase the level of recruitment in the Armed Forces. That is a simple thing. There are 25,000 applications. There are now 82,000 people in the Armed Forces. They want to do it. The Minister of National Defence (Mr. Lamontagne) says he wants to do it, but the Minister of Employment and Immigration (Mr. Axworthy) constantly says no. Even a Liberal backbencher stood up and asked how about it, and he said no. Yes, we want to increase public investment for jobs. Absolutely.

On the final question with respect to women workers, this is a very difficult problem, one that will get worse. That is why I and this Party have consistently advocated that we increase training opportunities, particularly as it relates to new technology. Moreover, and perhaps even before that is done, there is a need to create learning on the part of women and those who teach young girls that there are other role models, other ways in which things can be done. We have also advocated this.

Mr. Breau: Mr. Speaker, I would like to direct a question to the Hon. Member for Rosedale (Mr. Crombie). He made reference briefly to job-creation programs, particularly those that have evolved over the last 10 or 12 years. In the past some Members of his Party have been critical of these programs. One of the first things his Party did when briefly in power in 1979 was to do away with one of them. Does his Party now have a position with regard to these direct job-creation programs? Do they intend to support the continuing existence of them and would they continue to bring support to these kinds of these job-creation programs?

Mr. Crombie: Mr. Speaker, there are two points. First, with regard to general job-creation programs, I do not think the Hon. Member can pick up one example of where we have opposed any job-creation program that this Minister has brought forward. Our problem with what the Minister has done is that it is more talk and not much action.

Most people know that whenever we get a new set of initials describing a new program, it goes away somewhere. It is very hard to get a handle on what it is the Minister is actually doing, let alone the fact that mainly we are only talking about jobs for less than 4 per cent of the unemployed. What the Government has done and the Minister keeps doing is try to take people's eyes away from the fact that there are no policies, the fact that 96 per cent of the people who are unemployed are in that position because the Government has failed to establish the national consensus which I talked about earlier.

The Acting Speaker (Mr. Corbin): Order. The ten minutes provided for questions has now ended.

Mr. Fisher: Mr. Speaker, I rise on a point of order. As this is the first occasion when we have engaged in this back-and-forth questioning, we would be remiss if we did not extend our congratulations to the Hon. Member for Rosedale (Mr. Crombie) on what was an outstanding performance. I do not agree with much of what he said, but it was very well handled.

Some Hon. Members: Hear, hear!

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I am pleased to join this debate on the motion of the Hon. Member for Rosedale (Mr. Crombie). I listened intently to the Hon. Member's speech. If it had been any other Conservative Member, I would have used the expression "full of sound and fury, signifying nothing" or very little. Because I have great admiration, respect and warmth for the Hon. Member for Rosedale, I will not use that expression. He and I both belong to that group of people in the world who share the same size. I feel very akin to him for that.

An Hon. Member: You have the same complex.

Mr. Waddell: The Hon. Member says we have the same complex. This is not going to stop me from making some comments on the Hon. Member's speech. I am glad he is still in the Chamber. I wonder whether the Hon. Member has really been listening to the questions and answers in the House this past week. He said he put some. If he had listened to them, he would have seen that the Liberal Government's policy is moving very much toward the kind of policy that he seems to advocate. We saw this in an answer to a question by the NDP Member from Saskatchewan today who put a question about FIRA. We can see it with what is happening to the National Energy Program.

The Liberal Government is doing its collective best to tone down FIRA or forget about FIRA, and to deep-six the National Energy Program or at least play it down. It is saying to the Americans and Japanese that we need their investment. That is what is happening with Liberal policy. It is very much like the Conservative policy when you consider what there is to the Conservative policy.

The Hon. Member for Rosedale talked about gain, but what really is his policy? What is the analysis behind our problems? We all acknowledge that we have deep problems. Today the Hon. Member for Kamloops-Shuswap (Mr. Riis) talked about 27 per cent unemployment in his riding. All Members know that. No one disputes that fact.

As a major part of his speech, the Hon. Member for Rosedale said that we are last in the industrial world in our commitment to research and development. I asked myself why we are the last. Is it because the Government is not putting in enough money? I think it is because industry is not putting enough money into research and development. Why not? I will give the answer to that later. However, that is the question the Hon. Member should really be asking.

The Hon. Member for Rosedale asked for a national consensus. It sounds good, but what is it? He says we need this national consensus, that we have somehow to change. We wonder what will bring our people together. Will it be the Prime Minister (Mr. Trudeau) leaving? As a westerner, I can say that would be helpful; but honestly, will it really change our unemployment picture overnight? I think not. It might help, but nothing is going to fundamentally change.

• (1240)

Would it help if the Right Hon. Member for Yellowhead (Mr. Clark)—as the slogan goes, "Joe must go"—goes next week? Is that going to bring a consensus in this country? I do not think so, although I would like to. It reminds me of what the former Hon. Member for Broadview-Greenwood, Bob Rae, said in this House, that the Government had a sort of "Tinkerbell" attitude in its budget. The Hon. Member for Rosedale, despite his charm, buoyancy and energy, has that kind of a "Tinkerbell" attitude. It is as if we could just wish—

Mr. Crombie: Tinkerbell?

Mr. Waddell: Yes, "Tinkerbell" from Peter Pan. If you remember, Tinkerbell said: "If we just close our eyes and wish, it will happen". We can hold hands together and close our eyes and we have a national consensus.

An Hon. Member: And we can all fly.

Mr. Waddell: And suddenly we can fly, and the Canadian economy will fly. But it is not going to happen that way.

I want to analyze this situation. I say this seriously to the Hon. Member. I looked at the motion which he presented. He says we have to forge a consensus among business, labour and Government. Of course we have to, but what kind of consensus? What is the basis of the consensus? He says we should establish a national productivity strategy. Perhaps I should check the notes, but I did not hear one mention of what is the Conservative policy. Perhaps he did mention it, but I did not hear it.

May I suggest, in all my bias to the Hon. Member, that the Conservatives really do not have a policy. The "policy" is simply to wait until—

Mr. Crombie: Crosbie says after the election.

Mr. Waddell: —the Tweedle-dum Liberal Government goes down to defeat, and hopefully they will replace it with a Tweedle-dee Conservative Government. Tommy Douglas used to say that choosing between Conservatives and Liberals is like choosing between Tweedle-dum and Tweedle-dee; there is no real difference.

The Hon. Member even thanked the Bishops. Although I cannot speak on behalf of the Bishops, I am sure they are very pleased the Hon. Member thanked them; but he did not adopt their policies. Is he prepared to adopt what the Bishops have said? I want to come back in my speech later to what the Bishops really have said.

The Hon. Member also said that unemployment was a big problem. We agree, and the Bishops said that to a major extent.

Why, then, is the Hon. Member's Party so enthusiastic about the six and five program, which is a program which is essentially supposed to be fighting inflation and trying to bring the inflation rate down? The Hon. Member cannot have it both ways. You cannot choose to be the inflation fighter as

opposed to the job creator, it seems to me. What we really have in this country is the Liberal Government moving towards opening up again to American investment, and other investments, moving closer to monetarism, Reaganism, and the kind of thing which got us into this.

The Conservative Party—and the Hon. Member for Rosedale, I am told, is perhaps the minority in that Party—is basically a Party which wants to go back in history and grab for the Reaganomics and those kinds of ideas. I would just ask the Hon. Member to sit in the House and listen to some of the speeches of his fellow Party Members when they outline their flirtation with these kinds of economics.

I would like to talk a little bit about what I think is wrong with the country today. I believe we have a general crisis in this country. We have a general crisis in the world. Let us level with ourselves in the House of Commons and with the Canadian people. We have had policies in Canada, but it is part of the world economic problem. We have not done much to make it better, but we should recognize that it is part of a world economic problem. We have a general crisis unlike the crisis of 1973 and 1974, when we had the recession which was based on adjusting to the OPEC oil increases. Eventually we got around the crisis caused by the petroleum pricing change.

It seems to me we have a major disequilibrium in the world system, and Canada is part of the world system. I see a number of causes. Our major industries which have served as a foundation for the economy in the past are losing their old predominance. This becomes clear when you listen to questions in the House about automobiles, steel, rubber, glass, construction materials. They are in decline. These industries can no longer serve as engines of growth for the economy as a whole. We have a world-wide over-capacity to produce the products in these fields relative to the available market.

It seems to me the Hon. Member barely touched on this in his speech, but he was going in the right direction when he talked about the new industries, which I feel will serve as engines of economic growth. The new engines, as I see it, are computers, data processing, microprocessing and microelectronics. This new technology will help our old industries also; for example, people know about robots in assembly lines at automobile plants, and so on. Why can we not take advantage completely of what is happening in the new industries? What we are seeing is a decline in the economic power of the United States, and because Canada is so closely associated with the United States, and because of the traditional Liberal policy of continentalism, it is vulnerable to the "bad" things, if you like, which happen in the United States. The power is moving from the United States partly to Western Europe, but also to Japan. The reason it is moving to Japan is that that country has gambled on the new high technology industries.

There is a decline in traditional industries. We are at the end of the U.S. technological predominance and we are seeing no less than the end to the post-war world. It will no longer come back to that general upward trend. We would all like to see us get back to the sixties and seventies, but it will not come back to that.

I said I would try to state the matter as honestly as I could. What can we do about it? For example, France, a socialist country, started to prime the economy. That was not the solution. It did not work. They primed the economy and who benefited? Consumers went out and they spent. The richer ones bought German Mercedes-Benz cars and the poorer ones bought Italian Fiats. So it did not benefit the one country. Because we are in a wider market, a wider world, we have to consider that a vast economic stimulus may not work.

What the Conservatives have offered in the past was "Let's be pals with the oil industry and Bay Street and everything will work out fine". But that is not going to make any difference any more. More progressive people have said we should stimulate the economy, get producer demand going and so on, but perhaps that is not going to work either. It will help, but it will not necessarily work because we are in a new world and we have to make some fundamental changes. We need massive investments in key productive sectors of the economy. We have to make a rapid transition away from our obsolete technology which is being used in the branch plants of multinational companies.

The answer to the question I posed to the Hon. Member for Rosedale, why are we not investing in R and D, is that the branch plants of the multinational companies do not want to do that. They have never done that. They invest in the United States. The Hon. Member, who is from Ontario, should see that Ontario is being deindustrialized and it is not going to be reindustrialized by wishing that you had a national consensus or that you could go and shake hands with Conrad Black. What you are going to have to do is control where your investment goes. You are going to have to look at industry by industry and region by region. That is not an easy message to tell Canadians.

I was in Sudbury over the holidays. I know the Hon. Member for Rosedale will share this; he and I are both small of limb and big of heart. I felt for the workers in Sudbury. The Hon. Member knows it is hard to see people unemployed, hoping with their fingers crossed that they will go back to work. A lot of people in our traditional industries are not going to go back to work, and that is the problem. It is going to be more difficult for us to make this transition. We are going to have to change and it is going to be hard because we have so much foreign ownership in this country and we are dependent on foreign borrowing. That is the lesson of France; they were dependent on foreign borrowing and they could not make the change.

• (1250)

So, Mr. Speaker, we will not have any short-term, quick-fix solutions; we have to look at the long term. The United States is going to decline further. They are making a terrible mistake by investing in armaments. Believe it or not, that is against their strategic interests. They keep investing in arms; but the Japanese are not dumb, they are out there investing in new industry and producing consumer goods we use every day. This

policy of investing in arms is going further to weaken the U.S., and it will further weaken Canada.

There is a monetarist policy in the U.S., as most Members know, which is going to try to squeeze inflation by holding down the money supply and cutting back on Government spending. What they are doing is simply killing the American economy, and of course the Canadian economy, since it is a branch plant economy, is suffering as well. Ask any worker in Ontario, those who are unemployed or barely hanging on to their jobs.

Even though I believe we should be different from the U.S. we are brothers and sisters with the U.S. We have a very close relationship. I hope that a future administration in the U.S. will realize we are giving these huge advantages to Japan and Western Europe, that we are living in the past.

Now, Mr. Speaker, I want to say a few words about the six and five program. That program is really not intended to be an economic strategy at all; it is a phony political strategy. It is designed to convince Canadians that the burden of the recession is being shared fairly and that we have to blame people like civil servants in Ottawa and easy targets like that for our problems. It is not really a program with any real economic impact. Inflation is going to come down anyway; we all know that. We are squeezing the economy and there is no demand in the economy. I am not an economist, but I see one over there.

Mr. Benjamin: Not him.

Mr. Waddell: He purports to be one. The program is not going to make much difference because it does not involve any strategic attempt to strengthen Canadian manufacturing. In Japan the Prime Minister (Mr. Trudeau) talked about how we welcome Japanese investment. They can have all our resources. What are we doing, Mr. Speaker? We are a hinterland of the U.S., which is part of our problem, and now we want to make ourselves a hinterland of Japan. Does that really make sense for this country?

I do not have time today to go into some of the solutions. I have spent most of my time trying to give a kind of analysis of what I think is happening. I challenge Members to deal with that analysis. I hope in days ahead, in other debates, to try and deal with the real solutions.

I would just draw the House's attention to the Bishops' solution which we have been advocating in the House. They say we have to focus on job creation, encourage technologically intensive industries, and creative work is going to be limited to a few. We have to continue with our social net for other people. But we have to look at different regions and our regional strengths, such as British Columbia and forestry. We have to build industry around the forest industry. We have to look at energy, where instead of just exporting oil and gas we have to build industry around petro-chemicals.

I am not saying that my colleagues in the Conservative Party are not interested in that; of course they are. But I am saying that their analysis is wrong. The answer is not just let us have consensus, or the Liberal answer which is let us just welcome investment. The investments may not come no matter what you do. Investment has to be directed to areas such as high-tech industries, and to different regions of our country, to strengthen our economy. It seems to me we should level with the people. It is only in this way that we can have a national regeneration in Canada.

Mr. Evans: Mr. Speaker, I notice the Hon. Member mentioned the situation in Japan, which is a very interesting example. It is a country which has been able to hold its unemployment rate to a very low level. I would ask the Hon. Member if he understands the way the Japanese system is set up and if his Party is prepared to debate seriously the kind of structural changes which would be required in this country to reach a solution such as the Japanese have reached.

For example, is he prepared to look at a system where compensation is based upon productivity, where workers opt for reduced wages when the economy turns down as a way of ensuring higher levels of employment? Is he prepared to look at a situation where a country has company as opposed to industrial unions? Does the Hon. Member agree that this should be a matter which is considered for Canada? Is he prepared to consider those realistically as options for this country if he is so impressed with the results in Japan?

Mr. Waddell: Mr. Speaker, I thank the Hon. Member for the question. Speaking for myself, I am prepared to consider anything which is practical, logical, fair and which gives us some light at the end of the tunnel. I talked to David Suzuki from British Columbia, a distinguished Canadian who has written about the Japanese economy and his impressions of what was happening in Japan. I am inclined, as is the New Democratic Party, to favour the notion of a plan such as the Japanese have developed. They are not prepared to say, as it seems we in North America are, that the free market forces will do everything. I think we should look at having a strategy and know where we are going. We should look at the idea of gambling, if you like, with new industry, as I said the way the Japanese did it, and at the way the Americans, since Viet Nam, have not really done it.

However, with respect to the unions and the work and so on, I think we would be better to look to Western Europe. We are more culturally akin to Western Europe. The NDP has been saying in the House that we should look to Western Europe and their worker-business co-operation. I think that could he explored a lot more in Canada. Instead, we have kind of put labour out of the picture. The Hon. Member, in a way, was getting at that idea of bringing labour, management and Government back together. In Canada we have tended to put labour right out of the picture. One of the reasons is, I think legitimately, that labour does not believe that we are being fair to them. We are making them the scapegoat and fall guy over a lot of things.

I wanted to go further in answer to the Hon. Member's question because I think that we should look to Western

Europe and Japan, but I see it is one o'clock. I think probably I have exhausted the answer to the Hon. Member's question.

Mr. Evans: No, you have not answered it all.

[*Translation*]

The Acting Speaker (Mr. Corbin): Order, please. It being one o'clock, I do now leave the Chair until two o'clock this afternoon.

The House took recess at 1.00 p.m.

AFTER RECESS

The House resumed at 2 p.m.

[*English*]

The Acting Speaker (Mr. Blaker): When the House rose at one o'clock, the Hon. Member for Vancouver-Kingsway (Mr. Waddell) was responding to a question. I understand that question was put by the Hon. Member for Ottawa Centre (Mr. Evans) and that the answer was completed. In the remaining ten minutes of the exchange period, if other Hon. Members wish to put questions I will recognize them; otherwise I will recognize the Minister of State for Economic Development and Minister of State for Science and Technology (Mr. Johnston).

Are there any other Members who wish to make comment or wish to put questions to the Hon. Member for Vancouver-Kingsway?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Mr. Speaker, in my opening remarks I should like to comment briefly on some of the statements made by the Hon. Member for Rosedale (Mr. Crombie) and by the spokesman for the New Democratic Party.

The Hon. Member for Rosedale began with a series of themes. I do not think anyone in the House would have much quarrel with the themes themselves or with the concerns he expressed in a sincere and, I believe, a very committed way. I must say that I am tempted to align myself with the Hon. Member for Vancouver-Kingsway, however, who said that he heard a lot of sound and fury signifying nothing.

The Hon. Member for Vancouver-Kingsway also made the point that he and the Hon. Member for Rosedale had something in common. As I recall it, he said they were both short. I should like to say that they may both be short, but I regard both of them as Members of this House of considerable statute. I should also like to say that they are both fine spokesmen for their parties and have other things in common as well.

Perhaps one of the most striking things they have in common is that they are both progressive. Unfortunately, both are constrained in that they have to operate within the ideological limits imposed upon them by their respective Parties. Perhaps that is why they both also suffer from another common characteristic, a weakness, and that is an absence of policy. The Hon. Member for Vancouver-Kingsway took issue with the Hon. Member for Rosedale on that ground, and with justification. We heard no policy from the Conservative Party but we did not hear any policy from the New Democratic Party either.

Mr. Nickerson: We have not heard any from the Liberal Party either.

Mr. Johnston: The other thing that struck me in the comments of the Hon. Member for Rosedale was the facts upon which he often relied. I am not going to review the full range of statistics which he purported to lay before the House, but I should like to comment upon the issue of research and development.

The Hon. Member for Rosedale seems to be operating very much in history. I hope that does not mean he has joined the "conservative" part of the Progressive Conservative Party, because I have always regarded him as one of the most eloquent spokesmen of the "progressive" part of that Party. It is clear from the statistics that the Hon. Member for Rosedale has either not done his homework, has been careless, or is misinformed.

• (1410)

He spoke about the effort of research and development in this country as being 0.9 per cent of the Gross National Product whereas, in fact, since 1977 it has been in excess of 1 per cent at all times. A target was set by this Government of achieving 1.5 per cent of the GNP by the year 1985. In 1982 we are at 1.2 per cent, very much on track, I would suggest. This accusation that there has been no concern for or no movement on the issue of research and development is simply not true.

Similarly, there have been some very encouraging developments in the industrial sector. We all know that Canadian Government laboratories have always made a very important contribution to research and development. In fact, the ratio of their research to that of the country as a whole has been unduly large, principally because of the absence of the same level of effort on the part of industry.

Recently, in 1981, that industry increased its percentage over the previous year by 26 per cent and in 1982 by 23 per cent. For all sectors as a whole we find that in 1981 the percentage increased by 20 per cent, in 1982 by 18 per cent, and our target is 20 per cent for the country as a whole. Nevertheless, I suggest that given the kind of economic situation in which we find ourselves there is nationally by this Government, by the industrial sector and by the university sector, a very real commitment to enhancing research and development in this country.

When the Hon. Member for Vancouver-Kingsway (Mr. Waddell) began to speak, particularly about the six and five program, I was about to say we were about to have some more "Waddell-Twaddle" in this House.

Mr. Crombie: That is as good as his song.

Some Hon. Members: Oh, oh!

Mr. Johnston: I am not here to discuss songs, Mr. Speaker; I am here to discuss the comments made by the Hon. Member for Vancouver-Kingsway. He went on in a most encouraging way, much more encouraging, I might say, than the comments made by the Hon. Member for Rosedale, because at least he provided the House with an analysis of some of the problems we have and some of the opportunities that we see.

[*Translation*]

Mr. Speaker, I may remind you that not long ago, Members of the New Democratic Party recommended a reduction in interest rates in this country. Today, the Member for Vancouver Kingsway (Mr. Waddell) said in the House that Canada is part of the international environment and part of the international trade world. Perhaps he has finally realized that we cannot arbitrarily reduce interest rates in this country since we are part of an international community.

[*English*]

I found it very encouraging to receive finally a recognition on the part of this spokesman for the New Democratic Party that Canada is very much a part of the international world of commerce and cannot unilaterally simply reduce interest rates.

Another very encouraging point made by the Hon. Member for Vancouver-Kingsway was the recognition that we are in a new world; that industries in many sectors are in decline. I suggest he was telling us that he accepts the view that we are passing out of an industrial society into an information society, that these sunset industries should not be propped up, which I believe has been very much in the tradition of many spokesmen of his Party in the past. In other words, the real challenge before us is the industries of the future, not the industries of the past, and we should not disguise public employment programs through alleged industrial support in certain sectors. There is no point in being the champions of the world in a declining sport, as some observers have said, and that is the case with many industries.

Some, on the other hand, are approaching sunrise. I would say that the Hon. Member's analysis was good. Moreover, his response to the question put by the Hon. Member for Ottawa Centre (Mr. Evans) was very encouraging. When the Hon. Member for Ottawa Centre asked him whether he was prepared to show the kind of flexibility and pragmatic approach to investment and job creation that has been shown in countries such as Japan, as I recall the Hon. Member for Vancouver-Kingsway gave a very pragmatic response to that, one not rooted in the traditional ideology of the New Democratic Party.

With that, I would like to turn very briefly to the motion proposed by the Hon. Member for Rosedale. It reads, in part:

> That this House condemns the Government for its callous disregard and tragic neglect of the dire economic and social plight of the over two million Canadians who are now unemployed—

First, we all deplore the unemployment levels with which this country is faced. But I might say again in terms of actual facts and statistics that the last numbers in December showed that there were 1,533,000 unemployed members of the Canadian workforce on a seasonally adjusted basis. That is not a number of which to be proud. I would remind the Hon. Member for Rosedale and the Hon. Member for Vancouver-Kingsway that there are almost 10 million workers unemployed in Britain, Germany, France and Italy and 12 million unemployed workers in the United States, our neighbour to the south where close to 70 per cent of our trade, our exports, go. It is not hard to imagine what an impact those circumstances in those markets have upon a country like Canada, this being a country very dependent upon exports, with approximately 30 per cent of our Gross National Product tied to that sector. But the Hon. Member talks of "callous disregard".

I thought that at the risk of taking some time on the subject I would deal with some of the programs which this Government currently has in effect to create jobs in the country.

The Bishops told us that we should be creating jobs. We recognize that we should be creating jobs. We recognize that this transitory period which we are passing through into this new technologically-oriented world of which the Hon. Member for Vancouver-Kingsway speaks does require alleviation from hardship and does require the creation of jobs.

Let me draw just a few programs to your attention, Mr. Speaker. The so-called NEED Program, the New Employment Expansion and Development Program, has created 60,000 short-term jobs. The Industry and Labour Adjustment Program has created 8,600 short-term and continuing jobs to date. What about the Work Sharing program? It has averted 80,000 lay-offs in 1982 and 53,000 lay-offs will be averted in 1983. The Canada Community Development Program has created 38,700 short-term jobs. The immediate employment stimulation project has created 16,000 short-term jobs.

The National Industrial Training Program has 51,000 participants and Summer Canada has created 54,000 summer jobs. The Unemployment Insurance job-creation program has created 26,000 short-term jobs. The Local Employment Assistance Program has created 5,500 jobs and the program for the employment disadvantaged has 18,000 participants.

The Canada community services project has created 1,600 jobs. The New Technology Employment Program has created 300 jobs and the Local Economic Development Assistance Program has created 250 jobs to date. Then there is the refinancing aid to Dome which has created 9,500 jobs. Pulp and paper modernization has created 80,000 jobs.

Mr. Waddell: You did not pay for those.

Mr. Johnston: The Canadian Industrial Renewal Board has created 700 jobs to date. The restructuring of Chrysler Canada, with minimum average employment as a percentage of Chrysler, U.S. Employment, is maintained. Shipbuilding Industry Assistance has created 7,500 person-years of employment. The refinancing aid to Massey-Ferguson has created 6,000 jobs. Chrysler Perkins Diesel, 1,600 jobs by 1988. There

is Maislin Trucking with 2,000 jobs, Mitel Regional Expansion with 1,700 jobs, loans to Advocate Mines, 134 jobs re-established and 366 jobs to be re-established in coming months, and fruit and vegetable storage, 150 short-term construction jobs and 250 other jobs. There are 5,500 person-years provided by new fighter aircraft. Need I go on, Mr. Speaker? I am only on page 2 and I have seven pages of job-creation programs that this Government has introduced. How can anyone in the House say that the Government has taken a callous attitude toward the plight of the unemployed? It is simply rubbish.

• (1420)

I understand that under these new proceedings, Members opposite are entitled to pose questions at the end of my remarks. I would be delighted to give details of any of the programs to which I have referred and supply any additional information they might wish to have with respect to other programs, which I do not have time to read since I will not finish within my allotted time. However, those are job-creation initiatives.

Let us discuss another part of this motion. The Hon. Member for Rosedale seems to have left but he suggests in this motion that this Government has not tried to forge a social and economic consensus between business, labour and Government.

[*Translation*]

This is really incredible. We have been making a real effort to hold consultations, more so than ever before, and it is truly incredible that we should be accused of not communicating with all groups and sectors in our society, with the unions, the business world and the provincial governments. We have been conducting consultations across the country for many years, while the pace has been stepped up last year and this year as well.

[*English*]

Again, let me make reference to some of these consultative efforts since we have been accused of not forging our fences or not attempting to. Incidentally, I should say for the benefit of Members opposite that the meetings to which I am about to refer are official meetings between Ministers that are formally structured. Apart from those meetings, as the Hon. Member for Rosedale undoubtedly knows since he is a former Minister, there are many meetings and consultations held in an effort to achieve what the French-speaking people refer to as "concertation" between all these sectors.

Let me cite some examples. Between March and June of 1982, leading up to the last budget, Ministers met with the Canadian Manufacturers' Association, the Investment Dealers' Association of Canada, the presidents of the stock exchanges, the Chamber of Commerce, the Conseil du Patronat du Québec, the Canadian Petroleum Association and allied associations, the B.C. Employers Council in Vancouver, the Business Council on National Issues and selected business groups in Toronto at two separate meetings. As I recall, the Prime Minister (Mr. Trudeau) participated in those meetings. Meetings were also held with selected Atlantic Canada businessmen in Halifax, the Canadian Labour Congress in Ottawa, the Co-Operative Union of Canada in Ottawa and then the Canadian Federation of Agriculture in Ottawa.

As Hon. Members will recall, in the wake of the six and five program, in terms of continuing this round of consultation, further meetings were held with business participants in Ottawa. It was a large meeting at which the Prime Minister was present. In fact, he was present at many of these meetings. Again, there were meetings with the Canadian Labour Congress, the Canadian Federation of Labour, the Canadian Labour Congress once again, the Federation of Canadian Municipalities, the housing and construction industry, the automotive industry, representatives of small business, representative groups from Quebec-based enterprises in Montreal, representative groups from high technology centres in Ottawa, the agri-food representatives, the Investment Dealers' Association once again, the Canadian Institute of Chartered Accountants, food and grocery products industry representatives and representatives of the co-operative movement. The Prime Minister and the Secretary of State for External Affairs (Mr. MacEachen) met with the so-called Sinclair Committee on six and five, and the Minister of Consumer and Corporate Affairs (Mr. Ouellet), who I see is in the House, met with consumer groups.

Currently this year, meetings were held with the Conseil du Patronat du Québec and the Minister of Finance (Mr. Lalonde) in prebudget consultations. There are meetings with the Atlantic Provincial Economic Council, the Canadian Federation of Independent Business, the Canadian Banking Association, the Investment Dealers' Association once again, the Retail Council, the Canadian Labour Congress. And on it goes. I am lost in the number of consultations that have been held with a view to forging the very kind of consensus that this motion moved by the Hon. Member for Rosedale speaks to.

I find it quite extraordinary for—

[*Translation*]

—for the Member for Rosedale (Mr. Crombie) to be accusing us of not having held consultations and of failing to have made any effort in this respect. In fact, as I have just said, we have established consultation procedures that did not even exist before.

[*English*]

That being said, let me address another issue that is raised by this motion. It concerns the issue of an increasing lack of job security which threatens the livelihood and well-being of this country's remaining 10.4 million workers. I have spoken for a moment about the plight of unemployment and some of the programs that have been implemented to ease that plight. However, there are those who feel insecure about their jobs because of the high unemployment rate. It is important that this be put in a realistic context which, I would suggest to the Members of the House, can also be seen as an optimistic context.

The fears of unemployment of those still employed arise from a number of causes. First is the recession. Second is the non-competitive position referred to by the Member for Vancouver-Kingsway (Mr. Waddell) of some of our so-called sunset industries. Finally, of course, is the issue which was raised, I believe, in a question put to the Hon. Member for Rosedale concerning unemployment resulting from the evolution of Canada—revolution, perhaps—by the Hon. Member for Vancouver-Kingsway, as we move from an industrial society to an information society.

I see you indicating, Mr. Speaker, that I have one minute left. It is not very much in the circumstances. I could go on about this subject at length. However, given the problem of time—

[*Translation*]

As far as technology is concerned, a very important question was raised by a representative of the New Democratic Party. How we adapt to new technology will depend largely on how we react to this fear which is very widespread and very serious. However, I am convinced, the Government is convinced, and I hope that the other Members of this House are as well, that although the rise in productivity resulting from improved techniques will reduce the number of jobs for a time, on the other hand, new technology will reduce the number of difficult and boring jobs, and give workers a chance to do work that is less arduous and more interesting, and I do not think we should be opposed to this happening. The biggest headache is the present transition period and the very obvious problem of structural unemployment. Union leaders, business, and the federal and provincial governments must work together to ease Canadians through this transition period and allay the fears of our workers by taking joint and positive action. Once more, Mr. Speaker, consultation is tremendously important in this respect. In concluding, I should like to refer once again to the scenario proposed by the Member for Vancouver Kingsway (Mr. Waddell) which I support—

[*English*]

—that we are entering a new world. Frankly, I believe that no generation has faced a future as promising and possibly as prosperous as the one we face if we are prepared to throw away our death grip on the past and look forward to those industries of the future that will arise out of the renewed and new technology, and research and development that this Government is so committed to. I say that whereas the current recession brings us hardship, what we see in front of us at the same time should give us a good deal of optimism and enthusiasm. Frankly, we should all be glad to be part of the decision-making process that can make it happen.

Some Hon. Members: Hear, hear!

Mr. Crombie: Mr. Speaker, midway through his speech, the Minister invited us to ask questions with respect to the specific job-creation programs of the Government. The Minister may or may not be aware that I have had on the Order Paper since approximately mid-November a question in which I asked for details with respect to the immediate employment stimulation project. To refresh the Minister's memory, it was a program which had allocated to it some $150 million.

• (1430)

In his comments the Minister indicated that that program now has created 16,000 jobs. I might say that so far the Government has been unwilling to answer my question. It is two and a half or almost three months old, and this is the first time I have received any information on the immediate employment stimulation program and the fact that it created 16,000 jobs.

Would the Minister advise us who is responsible for the immediate employment stimulation program? Would he be willing to provide details as to why there was not any public participation or public process by which those funds were allocated? I have been unable to find out about any public process whatsoever. The record shows that the Minister of Employment and Immigration (Mr. Axworthy) indicated in committee that he was not responsible for the program. He announced the program, but he said that the President of the Treasury Board (Mr. Gray) may be responsible. I have been unable to find out so far who meets the allocation of the funds and by what process they are allocated. They amount to $150 million and they are not on public view. Would he answer that question?

Mr. Johnston: Mr. Speaker, when I said that I would provide details, obviously I can only provide the details which I have in my possession as I stand in the House. One point of clarification so as to ensure that I do not mislead anyone in the House. When I give job numbers they are the job impact of the program for the period of the program. In some cases all those jobs exist; in some cases they will exist during the period from 1982 to 1984. In the case of the immediate employment program, it is the period in which the program is in effect.

My advice is that so far this program has been allocated to 400 approved projects and that during the period 1982 to 1984 16,000 short-term jobs will be created. I might add, in responding to the question regarding the use of the term "short-term jobs" that it is very important to realize that the criteria used in all short-term job-creation programs were intended to make a contribution to the basic economic infrastructure. While the jobs may be short-term, the benefits will be long-term. I do not think anyone on this side of the House would guarantee that that will always be the case in every instance, clearly with the magnitude of the programs in front of us, but that is the thrust. I must say that the programs which have been brought to my attention tend to confirm that that indeed is the case.

As to the actual mechanics of the program, they are not under my responsibility. Clearly, it is not an issue which would fall within the Economic Development Committee. Certainly I will be pleased to take that question under advisement and try to get the answer for the Hon. Member for Rosedale.

Supply

Mr. Watson: Mr. Speaker, I should like to ask the Hon. Minister—

Mr. Baker (Nepean-Carleton): Mr. Speaker, I rise on a point of order. I do not want to impinge on the Hon. Member but the spirit of the rules of reform, if we read the third report, was that this question period was primarily designed for people who were perhaps not of the same political mind as the speaker. I stand to be corrected. Perhaps we could refer to the report, but I believe that was the essence of it. I know the Hon. Member for Châteauguay (Mr. Watson) very well. I do not want to impinge on him. If I am wrong, I stand corrected. Another Member of the Committee is here, the House Leader of the New Democratic Party; perhaps he could deal with it. I think that was the intent and purpose of this question period.

The Acting Speaker (Mr. Blaker): Order, please. Before recognizing another Hon. Member on this point of order, the first thing I should say is that the Hon. Member for Nepean-Carleton (Mr. Baker) is quite correct. I will not take this time out of the ten minutes provided for the exchange.

Mr. Baker (Nepean-Carleton): I think that is fair.

The Acting Speaker (Mr. Blaker): The Committee report indicated that the Chair should give priority during this ten-minute period to Members representing Parties other than that of the Hon. Member who had just spoken. The point of order raised by the Hon. Member for Nepean-Carleton is correct. I thought I would attempt to recognize the four Hon. Members who rose immediately following the Minister's remarks.

Hon. Members will realize that the Chair is also involved in a new procedure. It may be that I should have proceeded to supplementary questions by the Hon. Member for Rosedale (Mr. Crombie), but in fairness to the Hon. Member I recognized, I think I will persist in recognizing him for one question and then I will look to the Hon. Member for Rosedale for one or two supplementary questions. All questions and supplementaries are intended by the Committee report to be short and sharp, so we would look to very brief interventions. I also want to recognize Hon. Members of the New Democratic Party. I may have been in error, but I will allow the Hon. Member for Rosedale to ask one or two supplementary questions. Let us proceed in this manner as I learn how we ought best to go.

Mr. Cousineau: Mr. Speaker, I rise on a point of order. There is also the principle that each Member of the House will be recognized in an equal manner. I think we must not forget that.

Mr. Deans: Mr. Speaker, I rise on the point of order. Under normal conditions I would agree with the Hon. Member who just made the point, but on the specifics of the ten-minute question period following 20-minute speeches, it was quite clearly the intention of the Committee that to the greatest extent possible—and I am not ruling out that there may be exceptions—questions would be addressed to speakers by Members other than those of their own political Party.

In fact, we dealt with it in exactly that way, pointing out that we did not want to have an exchange between one Member and another simply to highlight the points the speaker wanted to make, or to draw out additional points from the speaker which would enable them to enlarge upon or extend their available time beyond 20 minutes.

I would say to the Hon. Member, without entering into a disagreement with him, that in all matters with the exception of the ten-minute question period we recognize the need to be fair and equitable with all three Parties. But on the ten-minute question period that was not the case, for I think the Chair will no doubt see good and justifiable reasons.

The Acting Speaker (Mr. Blaker): I have already indicated that I think it was the Chair's error to have recognized the Hon. Member to my right. Having done so, however, I think it is unreasonable to deprive that Hon. Member of the question. I will recognize him for one question and I will confirm the remarks made by the Hon. Member for Nepean-Carleton and the Hon. Member for Hamilton Mountain (Mr. Deans) to the effect that the committee report indicated that this ten-minute period is to be given, in terms of priority, to Members representing Parties other than that of the Hon. Member who just spoke. That is clear and I have indicated that it was my error. Therefore, I will recognize the Hon. Member for Châteauguay (Mr. Watson) for one question and then the Hon. Member for Rosedale.

Mr. Breau: Mr. Speaker, I rise on the same point of order.

Mr. Cousineau: Mr. Speaker, I rise on the same point.

The Acting Speaker (Mr. Blaker): I will not take the time of this exchange out of the ten-minute question period—that is, the current situation where Hon. Members are rising on points of order—so that those Members who wish to enter into the exchange will have an opportunity to do so.

[*Translation*]

Mr. Cousineau: I see that in *Hansard* of Monday, January 17, it says very specifically that backbenchers on the Government side will also be entitled to speak following a speech by a Minister.

[*English*]

The Acting Speaker (Mr. Blaker): I think I should answer that so that there will be no difference between the Committee report and Madam Speaker's comments. I believe the Hon. Member is quoting Madam Speaker in that regard. The point was that when an Hon. Member from either of the Opposition Parties spoke for the 20-minute period, obviously the intent of the Committee report was to give opportunity to Hon. Members on the Government side to use the ten-minute period for an exchange of questions and comment. So there is nothing inconsistent between what Madam Speaker says and what the Committee on Procedure and Organization said.

• (1440)

Is the Hon. Member for Gloucester rising on a point of order?

Mr. Breau: On a related point of order, because it deals with the way this exchange period will work. Shall I make the comment and ask for clarification now? I wonder if the Chair could elucidate as to the kind of discipline that will exist. Will it be the kind that exists in the regular Question Period where questions and answers should be short? I believe the intent of the exchange period is that it be short. The experience today has been that both questions and answers have been too long. I wonder if the same discipline should apply as applies to the Question Period.

The Acting Speaker (Mr. Blaker): It is probably not a good idea for the Chair to attempt to give hypothetical rulings, but I think I should indicate that one of the other Acting Speakers and myself have had occasion to discuss this today, that is to say, the two of us who are on duty today.

I will begin by again quoting the Committee report, which reads:

> Your Committee envisages that exchanges which will take place will be short and sharp.

In an attempt to give some conceptual framework to that, my own feeling is that Members might like to consider a time period of something like one or one and a half minutes. I would say that is probably reasonable. However, today is the first time that this new rule has been applied to the operations of the House and, of course, what I have indicated as a time frame does not necessarily make it a ruling from the Chair on the subject. An example might be that some Hon. Member might find himself the only Member involved in the exchange period and he could use up the ten-minute period entirely. I would say that if one were looking for a definition of "short and sharp", one would say that one minute or one and a half minutes would be reasonable, with, of course, the opportunity for supplementaries, additional comments, depending upon other Members who may be standing and looking for recognition.

I see the Hon. Member for Nepean-Carleton may wish to make a comment.

Mr. Baker (Nepean-Carleton): Mr. Speaker, I would be worried about the clock watching aspect of it. I am not in the least worried about the short and sharp aspect of it, because that does fit within the framework of the discussion of the Committee. I think it would be important that the House understand that the Committee and the House, by adopting the report, did expect the Speaker in the Chair at the time to exercise quite strict discipline with respect to shortness and sharpness of both questions as well as answers.

The Acting Speaker (Mr. Blaker): I think that is clear. The time is now 2.43 and there remains, if I recall correctly, approximately five minutes. To the extent that Hon. Members are now recognized, may I remind them of the comments by Members themselves to the effect that exchanges should be short and sharp.

Mr. Watson: Mr. Speaker, I would just like to make a very brief contribution to the point of order before proceeding to my question, the contribution being that I have no quarrel whatsoever with the point being made that priority should be given to Members of the Opposition during this question period. But it seems to me that we could follow a format that is somewhat similar to what happens during the regular Question Period where Members on the backbench of the Government side do have a rare opportunity to ask questions. They are not given priority, but they do have an opportunity once in a while. As long as that is followed, it seems to me that it will work out.

My question to the Minister is based on a comment made before Christmas—and it may have been corrected by now. The Royal Commission that was established on Canada's economic future, which is headed by Mr. Macdonald, apparently, initially at least, had not invited anyone from the high technology area to join. I am wondering whether or not that oversight has been corrected, and the Minister can inform us about that. I would appreciate any information the Minister might have on the type of co-ordination that has been established for making sure that the Provinces and ourselves are working in the same direction in so far as training is concerned for industries and careers of the future.

Mr. Johnston: Mr. Speaker, on the first point I think, obviously, it would be important that someone familiar with, in fact expert in, the high technology sector be involved in some manner in that Commission. That is not my responsibility. But if there is not a member on the Commission, I am sure the technology sector will make very extensive and complete representations to the Commission, as they have done in my case and I am sure with many other Ministers.

With respect to the issue of co-ordination, on the training side and, in fact, the whole technology development side, we have now, with the advent of the new Government reorganization which is yet to be adopted by this House but which, for practical purposes, we are operating under, established a mechanism which I think will be very effective in co-ordinating the federal role in technology and research and development with provincial roles and provincial priorities. The general development agreements, I hope, will be negotiated and executed as the old agreements expire and they will perhaps form the basis for an agreement with the provinces individually and with the regions as to what directions we must move in in areas of technology. Because it is absolutely clear that we cannot in this vast country fragment our efforts; we must create as much synergism as possible.

I see I am asked to shorten my comments and I will therefore sit down.

Mr. Crombie: My question will be brief, Mr. Speaker, and I appreciate the comments made by Hon. Members on that

point. I simply want to make sure that the Minister understood, in answering the question which he has undertaken to do—and I appreciate that very much—the nature of my question. I am concerned, as are many others, about the process by which the $150 million has been spent. If the Minister would have a member of his staff get in touch with the Employment and Immigration Department, they would advise him that the immediate employment stimulation program is not really a program because it does not have an official application form, an official public application procedure. Most of the job-creation programs that the Minister was describing are characterized by a public application form and a public procedure, so people know how money is being spent. This particular program, at best, is shrouded in mystery, and I would like to ask the Minister to make sure I am provided with a description of the process by which the $150 million was spent.

Mr. Johnston: Mr. Speaker, I think that is a perfectly fair question. No expenditure of taxpayers' funds by any Government should be shrouded in mystery, and if the Hon. Member feels that it is I will try to clarify the mystery for him, although, as I say, it is not directly within my area of jurisdiction. But I will certainly raise the matter with my colleague.

Mr. Kempling: Mr. Speaker, I have just a short question for the Minister. In his comments I think he was reading off a long list of plusses for the Government and actions they had taken. He mentioned the Chrysler diesel plant and I do not think he really meant that. I think he is aware there is some reverse action being taken on that, and he should clarify that.

The second question I want to put to him is this. One of the difficulties I am running into in my constituency is not only that I have untrained and unskilled people applying for unemployment, but I also have a large number of trained individuals, that is, engineers, architects, certified electrical and mechanical technicians, welders, millwrights and people who have industrial skills. Some of them are going in for retraining. How we are going to retrain them is the point, and what are we going to do with those people who were at a fairly high level of income for a good number of years, and who in many cases held senior positions, but now find themselves not only unemployed but unemployable?

Mr. Johnston: Mr. Speaker, I would like to tie that question to my very brief and perhaps over-simplified explanation of unemployment. It is clear in the case of these skilled people to whom the Hon. Member for Burlington (Mr. Kempling) makes reference that the recession effectively has had an impact on their companies and their jobs. As we see a turnaround in the economy, we will expect to see those skilled people certainly back as active participants in the workforce. There may be exceptions to that. The technological revolution we have talked about has created a need for different kinds of skills and training. As I mentioned, that problem has to be identified and pursued in terms of recycling, retraining and computer training. Many corporations are now doing this in-house, such as the 3M Corporation in London, Ontario has undertaken for its employees. This is the way we have to move. People must have these new skills to take on these new challenges.

• (1450)

Mr. Waddell: Mr. Speaker, I congratulate the Minister, not that I agree with what he was saying, but for the way he said it. Also, he was prepared to engage in a debate. We had a real debate this afternoon, and I congratulate him for that.

What disturbs me is that industries just do not appear. Because you want a hi-tech industry in Sudbury, it is not going to suddenly appear there. People in places such as Sudbury will get short-term jobs which really do not mean very much in the long run. Private investment is not working. Is the Minister prepared to do what some other countries have done in order to compete, namely, to plan investment priorities? In other words, to commit ourselves to a planned investment economy?

Mr. Johnston: Mr. Speaker, I am disappointed. I said earlier that I felt from the comments we heard before lunch that the Hon. Member was not rooted in the ideology of his Party. Perhaps his true colours are showing when he talks about a planned economy. I would be the last to agree that private investment is not working. Private investment will work. It will always work when the appropriate investment climate has been created. That appropriate investment climate requires a reduction in inflation which, of course, is the purpose and point of the six and five program.

As inflation and interest rates fall, I have no concern about the private sector making investments in areas that are of interest to all Members of this House, certainly in terms of job creation and economic growth.

The Acting Speaker (Mr. Blaker): I should advise the House that the ten-minute exchange period has more than expired. I tried to be particularly generous with it because of the points of order that occurred earlier. It is time now that I recognize the Hon. Member for Richmond-South Delta.

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, I am sure the foregoing discussions on procedure were essential. But it is also the wish of members of this Party to have adequate time to deal with the motion before the House, a motion which "condemns the Government for its callous disregard and tragic neglect of the dire social and economic plight of over two million Canadians". The Minister responsible for Economic Development (Mr. Johnston) appears to be leaving the Chamber. I had hoped he would stay because I want to respond to some of the remarks he made concerning his policies on science and technology in particular and industrial development in general.

Contrary to the implication and the verbiage of the Minister who just spoke, we do have a serious economic problem in Canada today. I challenge any Member of the Liberal Government to deny that there is a serious problem, far more serious

than any of the major industrialized nations which are also having difficult times.

For example, the primary metals production industry is operating at 61 per cent of capacity, the transportation equipment industry at 59 per cent, the wood and forest products industry at 51 per cent, the electrical industry at only 67 per cent, the furniture industry at 58 per cent and the mining industry at approximately 57 per cent of capacity.

The after-tax profits of Canadian corporations has fallen some 60 per cent over the last year and business and corporate bankruptcies have virtually doubled since 1980. In fact, in British Columbia the number of business and corporate bankruptcies has doubled in the last 12 months. These are all evidence of a serious economic dilemma which this nation is contending with today. This ultimately translates into economic hardship and human suffering, as reflected in the motion before the House this afternoon.

As the Hon. Member for Rosedale (Mr. Crombie) suggested, we feel in general terms there are four important initiatives that need to be taken. First, we need to forge a new bond of trust and spirit of co-operation among business, labour and government. Second, we must encourage job-creating investment. The Minister of State for Economic Development did not say anything about what the Government is going to do to reverse the absolute destruction which that Government has caused of the investment climate in Canada.

Third, we must focus on the problems of productivity and the decline of Canada's international competitive advantage which has been traditional for this country, to the point where now out of the 24 members of the OECD nations, we are rated as the country with the lowest productivity improvement record. We need a means of dealing with this question of declining productivity. We need goals and we need tools.

I was very disappointed by the rhetoric of the Minister of State for Economic Development. He talked about consultation, programs and appointments to boards, but did not tell us where we were headed. He has no sense of appreciation that this country, with all of its potential, does not present to the Canadian people the leadership, goals, objectives and climate in which individuals can have confidence and invest in this country as a reflection of that confidence.

Canada's need to restore its access to world markets is at the heart of our economic dilemma. Before the end of this century, some two-thirds of the world's population will be clamouring for all the goods, services and comforts which Canadians have come to take for granted. Two-thirds of the world's population do without all those things that we benefit from.

We have to ask ourselves why we are not tapping into that opportunity. Why have Canadians taken an isolationist attitude that we can live to provide only the needs and services of Canadians? Why do we isolate ourselves economically by closing our borders and raising tariff barriers even higher, disregarding the fact that there is a tremendous opportunity to be harnessed which will produce employment for all Canadians?

While I appreciate the current emphasis on what is called high technology and electronics sectors, people around the world do not eat chips. They can eat potato chips which we can produce in great abundance. They certainly could use wood chips to produce paper, but not silicone electronic chips. It is an error of judgment on the part of those in powerful positions to place all of our eggs in one basket and put so much emphasis on the so-called high technology "silicone valley" mentality. That may be good for Ottawa and the immediate area, but it does not take advantage of the resources that we possess in great abundance, resources that people of the world need.

The people of the world, regardless of what self-styled experts in the House and Government may think, need food, clothing and shelter, which is made from agricultural commodities, petro-chemicals, forest products and the fishery. We in this nation and the Government in particular are totally neglecting these important sectors, totally disregarding the opportunity. We must not merely be content to continue to strip off our natural resources and export them, but to develop an industrial plan with specific goals to increase and upgrade the value added that we get out of those resources. That, Mr. Speaker, translates into jobs, and the cornerstone of realizing that opportunity is our science and technology policy. I would like to come back to that in a moment because that policy, which the Minister talks about in vague terms in terms of percentage of GNP, has to be much more comprehensive and dedicated to national objectives than anything this Government has produced in the last 14 years.

• (1500)

We have to ask ourselves, in looking at our mining industry, why it is that virtually every sector of the mining industry is in a severe slump, losing millions upon millions of dollars, with the iron ore shutdown at Schefferville, for example, the cutbacks in Labrador City and in the mines of Northern Ontario, or the major lay-offs in two north shore mines of the Quebec Cartier Mining Company. Falconbridge was shut down for most of last year, and the International Nickel Company is still shut down in Sudbury, with 10,000 mine workers laid off. We know why that industry is shut down, Mr. Speaker. It is because in 1950 Canada was one of the two major world producers of nickel, and with the help of the Canadian Government through its export development initiatives and CIDA initiatives, we now have 30 separate mining centres around the world mining nickel, and all but two or three of them are outside of Canada. We have cut off our own potential to continue to provide a viable income and well-being for the people of the Sudbury area because this Government has paid no attention to the decline of our international productivity and to the dangers of a growing surplus of world producers in that sector.

We have the case of the Cyprus Anvil Mining Company which has for years produced lead and zinc, shipped it by the White Pass & Yukon Railway to Japan where it goes into the Japanese automobiles. We have now a Government which has promised, since last October 5, to provide some means of overcoming the mismanagement of that company, after having

forced the sale of that company from the original owners, known as Amoco, into the hands of Dome. And we know what a great performance record Dome has shown in recent months to the detriment and to the great financial burden of all Canadians. Now Dome, with the complicity of the Government, apparently wants to kill the mining industry in the Yukon, to close down the Cyprus Anvil Mine. They shut down the railway last week and we are told that with the cumulative snow pack it will not be possible to open that railway for at least six months. Meanwhile, the Japanese customers for that lead and zinc have found other countries to supply them that material. The contracts have not been fulfilled by Dome Mines. And we have a couple of thousand people in Faro in the Yukon who are losing hourly their entire future because of the inaction of this Government.

With respect to the Pine Point Mine in the Northwest Territories, another producer of lead and zinc, 50 per cent of that lead and zinc goes to the large smelter at Trail, British Columbia, Canada's oldest smelter. The federal Government has allowed Pine Point to be shut down because of labour problems, but primarily because the products just cannot find a market out there on a cost-productive basis. It cannot compete because of the burdens of taxation, energy costs, and all of the other factors which have prevented our Canadian mining industry from continuing to enjoy the markets which they have traditionally enjoyed.

To give an example of the value of upgrading our resources, Mr. Speaker, in terms of jobs created, it should be evident to Hon. Members of this House that if you shut down the mine at Pine Point where there are maybe 500 employees, you risk shutting down the smelter at Trail which employs some 8,000 workers because you no longer provide the feed stock for that mine. That should show the tremendous advantages in enhancing and upgrading the value of our national resources, and also the tremendous, implicit dangers in mismanaging our industry, or at least over-taxing them and burdening them with high energy costs, and a lack of Government support and encouragement for investment in this country through such measures as the October 12 budget. As a consequence, we are seeing our entire industrial infrastructure crumbling in this country. I was very disappointed that the Minister of State for Economic Development did not address this question.

In the case of coal, we have four or five major coal producers in Alberta and British Columbia all shutting down, or already shut down, and we have a major investment, including participation by the federal Government in the Northeast coal development, and no market for that coal.

Last week we saw that the Balmer Mines at Sparwood, British Columbia has laid off another 1,900 employees, essentially eradicating the economic base for another Canadian community. Yet the Prime Minister (Mr. Trudeau), on returning from his globetrotting tour to Japan and the Pacific Rim, cannot tell us what he has done to improve our ability to market coal in the Far East. What has he done to address the problem we have with Japan producing highly industrialized products which we have imported over recent years, high quality products produced by very productive industries? We have not been able to find a way to negotiate with the Japanese a mutual trade agreement under which we would do more secondary upgrading of those products. In return, we would want to increase our sales of coal, lead, zinc, nickel and iron ore to our good Japanese friends who are so important to us in Western Canada. This Government has been dilly-dallying for months while it has seen our international resources crumble and our industries, at the same time, going without production because they have not been able to negotiate opportunities to build new plants in order to expand.

That brings me to the second important theme of my remarks, Mr. Speaker, and that has to do with the fact that we in Canada must put a much higher priority on research and development, on applying new technology. To speak about a goal of 1.5 per cent of GNP by 1985 just shows the Minister's absolute ignorance of the demonstrated value of science and technology and the important goal it plays as the underpinning element of an over-all industrial plan. It is not a matter of the Government having to take over industries, and control, manipulate and redistribute their earnings. It is merely a matter of the Government recognizing the multiplier effect which comes into play when we make an adequate investment in research and development.

It is a fact that in 1969 Canada's investment in research and development was 1.5 per cent of its GNP. By 1980 it had dropped to .9 per cent of its GNP. The Minister has nothing to brag about, therefore, when he talks about having raised it to 1.2 per cent of the GNP by 1982. That is an appalling performance, Mr. Speaker, when we realize that Japan presently spends 2.8 per cent of its Gross National Product on research and development, and its target is 4 per cent. I would like to give an illustration of how important this is. The President of the National Research Council, reporting to the committee about a year ago, talked about a study which was done in the late seventies of the benefits accruing from the expenditure of federal money on research and development programs through the Industrial Research Assistance Plan. This plan is terribly under-funded, but over that period they tracked what the return was to Canada after having spent $100 million, roughly, on research and development. There was a seven to tenfold increase in the return in the earnings which the companies developed out of those research projects. There was over $1 billion of earnings from companies whose economic bases were the research projects which cost $100 million. The tax revenues which flowed back to Government in that period were $350 million, or three and a half times as large as the initial investment.

The point is, Mr. Speaker, we have to recognize that the less we spend on research and development in this country, the fewer jobs we are going to have, and the more priority we give it, the more opportunity we are going to give to our young people. The situation in Canada is appalling, Mr. Speaker, when we look at the case of Japan, which produces eight times as many engineering graduates per capita as British Columbia

and four times as many as all of Canada, when we look at their industrial development and the progress they are making, when we look at the benefits to their young people and the healthy attitude between labour and management, the desire to work together for the betterment of the nation. And it all started with a Government which was prepared to make a commitment to invest in research and development.

It is a fact this Government is preoccupied with the redistribution of income. We are redistributing more than 50 per cent of income earned by Canadians, and half of that goes to social and cultural programs. I think these are all very worthy initiatives but I have to make the point that if we cannot put more than 1.5 per cent of our GNP into R and D, yet spend more than 50 per cent on social programs, then we are perpetrating on Canadians the greatest social injustice of all. That, Mr. Speaker, is the injustice of unemployment, of a desperate Government creating short-term programs which fit nowhere within a framework of long-term goals. The Government creates gimmicky, alphabet soup programs. As the Minister himself implied when he listed off all the jobs to be created, virtually all of them are examples of temporary jobs. This whole notion of a temporary solution is at the heart of this Government's ineptitude, and it must be changed. I am afraid that change will only come with a change to a Progressive Conservative Government.

• (1510)

We should not continue to fritter money away on short-term programs such as NEED, CCDP, SRF and SDP and all these other things, without recognizing that the jobs created are temporary. In fact, under the NEED and the CCD programs most of the people who get those jobs are people who have no particular skills. Yet if you look at the unemployment statistics, the people who are lining up in droves at UIC offices are people who have lots of skills such as carpenters, machinists, electricians, chemical and civil engineers.

I am told there are no engineering projects on the drawing boards of the major consulting companies in this country. That tells us that four years from now there will not be any new plants irrespective of all the gobbledygook of the Minister of State for Economic Development. We are frittering money away on programs designed to rake grass over the wintertime, using UIC exhaustees. I know they need work, but I am saying that our priorities are misplaced. If an engineering company is working, then there are contracts being let. There is work for carpenters, concrete men, form makers, miners, and then there is work for teachers and storekeepers. That is the multiplier effect, Mr. Speaker. But if we dump the limited resources we have—in fact, they are just deficit dollars—into temporary initiatives, then we are not investing those limited resources in the right direction. I submit, Mr. Speaker, it is high time this Government recognized that this important change of priority is essential within a framework which encourages investment and private sector participation. We must get away from this bail-out mentality and realize that private individuals in this country will move ahead at a great pace if only the Government of Canada would get off their backs.

Mr. Nystrom: Mr. Speaker, I rise to ask a question. I found the remarks of the previous speaker very interesting. He spoke a lot about Japanese technology and investment by their Government into research and development. I found that fascinating because I have done a lot of reading in that area myself. But one thing he mentioned early on rather puzzles me. He was complaining that our Government is putting too much emphasis on and too much money into advance technology in our country. I would like to ask him where he gets that kind of information because all the studies I have seen, like the Science Council of Canada and others, have said that in comparison with the Japanese, Americans, French, Germans, Austrians and others, we are putting less public money into advance technology, and one of the problems we are going to have today and tomorrow because of the rapid change of technology in our society is that we will not be competitive with these other societies now starting to restructure and retool. That is what I get from all the studies I have seen, and that is what we have been told by people who have studied the area. The Hon. Member is now telling us the opposite, and I wonder if he can enlighten us as to where he gets that information from.

Mr. Siddon: I am happy to respond, Mr. Speaker, because I think the Hon. Member for Yorkton-Melville (Mr. Nystrom) somewhat misconstrued what I was saying. I was saying people cannot eat microchips. There are many, many nations around the world which can produce integrated circuits and electronic gadgets more cheaply than we can. I am not speaking against the Telidon concept or automatic process control in industry. I am very conscious of the important role that technological innovation and development will play in the future. It will provide opportunity to all Canadians.

What I am saying, Mr. Speaker, is that our strength must be in the application of those technologies, not in developing another whole range of some computers or another Challenger jet to sell to major corporations around the world. Our priority has been misplaced in deciding we could not think big in terms of technology or production; we had to produce excellent products in small numbers, like the Candu reactor.

I think we made a lot of bum decisions over the last 15 years because of incompetent leadership from the Government, and the scientific community to some extent, in directing us along the lines they have. I think we should harness the resources we have in greatest number and use high technology to make those available to the people of the world. I am talking about mining and forest machinery, special purpose transportation vehicles, electric commuter cars and rapid transit systems. I am talking about modular home designs which can be exported everywhere in the world. I am talking about water systems, sewage disposal systems, all highly sophisticated in terms of their technological application. We are second to none in the world. We have the unique expertise to produce those because we have a history of that kind of thing. We can marry our natural resources and our engineering expertise to high technology in order to harness a market, fuels and feedstocks from coal; LNG fueling systems, because we use natural gas in

various ways more heavily than any other country in the world. We talk about exporting the gas; what about the systems which will use it? I am referring to such systems as electrically powered locomotives, special purpose paper products, agricultural products, drugs, medical diagnostic equipment, or industrial automation systems. I am talking about using that high technology, not just bragging about having a silicon valley of the north here in the Ottawa area to compete with Stanford or MIT or something like that. That is a very narrow application of the concept of high technology; I am talking about something much larger than that.

Mr. John Evans (Ottawa Centre): Mr. Speaker, I am very happy to have a chance to enter into this debate. This is not a unique or unusual debate. Rather, it is along the same lines we have had on so many occasions since I was elected a Member of this House. I am sure it is a familiar theme to a great many Members, and it touches on an area we are all concerned with.

I think I have done this before, but I would like to again issue a challenge to my colleagues in the House. In debates such as this we try to get down to an analysis of the fundamental problems facing the country. We try to put aside the rhetoric and discuss the reasons for our problems. I know some Members will say, as the Hon. Member for Richmond-South Delta (Mr. Siddon) is doing right now, that the reasons for the problem are the Government. Mr. Speaker, that is pure nonsense.. There are fundamental structural problems in our society which we will have to come to grips with if we are to return to a sustained prosperity.

Mr. Benjamin: You have had 15 years to do that.

Mr. Evans: We have to get down to the fundamental question of why we have inflation in our society; why we have low productivity and chronically high unemployment, and probably, most important of all, why we have unemployment of our youth running in the range of 25 per cent, and what implications this has for our ability to provide advanced social services in the future, or even maintain the level we now enjoy. It seems to me, Mr. Speaker, that until we really start to come to grips with and debate seriously in this House those fundamental questions and causes of our problems, only then, it seems to me, are we going to be able to begin to find solutions which can be implemented by Government.

• (1520)

It is not good enough to stand here simply and blame Government—to say that it is the Government's fault, that the Government has not done this or the Government has not done that. I believe that all Members of the House understand that that is not good enough. The people of the country understand that that is just shadowboxing, just the political rhetoric of the House of Commons. They are becoming more and more disenchanted with all of us because they do not see us coming to grips with the problems that are of greatest concern to them. They see us standing in the House yelling at one another, pointing the finger and saying that the blame lies here or there. Assessing blame does not do any of us any good and it does not help people with their problems.

If we are to come to grips with the real problems raised by the Hon. Member for Rosedale (Mr. Crombie), we have to be willing to traverse a field that is full of sacred cows that we have been unwilling to deal with. We are going to have to deal with some fundamental social issues that we have not been willing to deal with in the past, because they are socially explosive.

An issue we are addressing in another area of debate is that of capping the indexing of certain social programs. I believe that is the tip of the iceberg, Mr. Speaker. That issue will not go away after the six and five program has been fully implemented. We will have to come to grips with problems such as the intergenerational transfer of funds. It will not be good enough, when the Government tries to come to grips with them, if the response of other Members of the House is to try to make political mileage out of the fundamental issues that have to be dealt with.

At some point in the very near future, if we are to put the recession back on track, we are going to have to come to grips with special interests. We are going to have to step on some toes. If we do not do this together, I do not think we are going to find a Government that is willing to take these hard decisions but if they are not taken, the country will go down the drain.

It seems to me that these are the issues on which the people expect leadership. Where do we want to go as a nation? What is the model of where we want to go? What kinds of major, hard decisions do we have to take to get there? We cannot get there without taking hard decisions. If the Government tries to take some of those hard decisions and receives nothing but condemnation from the other side of the House, then it is going to be very reluctant to take them. I do not care whether it is a Conservative Government, a New Democratic Government or a Liberal Government, it is going to be very reluctant to face those problems. I think we have to start pulling together.

The Hon. Member for Rosedale said that we have to build a national consensus. I agree with him but to do so, we have to build a national consensus in this House of Commons. We can show leadership in building a national consensus. We represent the nation. If we cannot develop a national consensus on how to come to grips with the problems, how can we expect the people of the country to develop a national consensus? It seems to me that we have to come to grips with that.

I think we must begin with the notion that we can only have a rising standard of living if we are willing to become more productive. The Government does not have a bottomless trough. It is no use Members of the Opposition or Members on this side demanding that Ministers put more money in our ridings, not take money from our constituents but from someone else's constituents, yet that is the kind of thing we hear all the time. It puts the Government and Ministers in the position that no matter what they do, they are roundly condemned on all sides.

There are other issues here, Mr. Speaker. The Minister of Transport (Mr. Pepin) has been diligently trying to come to grips with problems regarding the western rail transportation system and the Crow rate issue. I can assure you that if things do not change, that will become the monumental political football of the decade. Not only need it not become a political football, but it should not. If that does happen, however, we will probably forgo the development of an efficient rail transportation system in the west. Western economic development will suffer and the nation will suffer. I think it is time we started to think of a consensus on that subject instead of trying to find ways of condemning the Minister.

We have to come to grips with the fundamental issue that workers cannot demand more than is justified by their productivity, and that no amount of monopoly power granted to labour unions can justify demands for more. We have to come to grips with the fact that management cannot expect more than it is willing to give and cannot expect loyalty from workers if, when things get tough, those workers are thrown out of work. I do not think that owners of capital can have higher profits during the good times and not expect to share the burden during the bad times.

Those are the kinds of issues that I think have to be debated, Mr. Speaker. How can we come to a national consensus where workers share in profits through good times and also bear their share, across the board, in the lowering of incomes of bad times? It only delays the day of reckoning for any group to run to the Government for protection from competition or to ask for more monopoly power to protect their position within the domestic economy. I guarantee that such action will intensify the severity of adjustments that have to be made in future. It does not put off the day of reckoning, but just makes things harder when we have to face them.

The symptoms of this have been growing during the decade of the seventies. Collectively, we have been unwilling to come to grips with these problems, and now they have come upon us in full force in the worst recession of the past 50 years. The symptoms were present in this country, in the United States and in western Europe, but the political system was unable to face the facts and make the hard social choices that should have been made if we are to move forward.

Inflation was a warning. It was a sign that we were trying to live beyond our means. That is what inflation is, Mr. Speaker. Inflation is the automatic adjustment mechanism of the economic system which is trying to bring incomes into line with output.

Mr. Benjamin: That is what Mackenzie King said and he was wrong too.

Mr. Evans: That is precisely what it is. It is the signal. The answer to this fundamental fact of life is that the system is trying to adjust. One reaction to this was to index.

Indexation is a very interesting phenomenon, Mr. Speaker. It protects those who need protection most. That is fine, but as the indexation system spreads, it implies that the system is going to adjust and reduce incomes to fall in line with output. It implies that those who are indexed are going to be immune to inflation. For those who are not indexed it implies that they are going to pay a heavier and heavier price. The group that was not indexed during the last 10 or 15 years of high inflation, that is, the people who put their money in savings or invested in plant and equipment, have been devastated by inflation, along with others. That is one reason why there is not more investment in this country. The real return on investment and risk taking has been devastated by inflation, while other incomes have been protected. Our personal income tax system was indexed. Our social system was indexed. We had indexation in other areas, but the system still had to adjust to excess demands and it put it all on to the part that was not indexed. That is unacceptable for the future. We have to ensure that the burden of our readjustment is fairly shared throughout the system and that no one integral part of our system bears such an enormous burden of those adjustments that they simply disappear.

• (1530)

We can adjust quickly and equitably to the changes that are going to be necessary in the future or we can respond to the kinds of cries from special interest groups that we have heard so many times in the past. We can adjust slowly and painfully. I am afraid right now that the process we are going through is an example of the latter. It is a slow, painful, adjustment process that we are going through where a great many people are being devastated as a result of the fact that our system has a built in structural rigidity that will not allow that adjustment except on the backs of certain classes of our society.

Let us examine one aspect of the compensation system. I heard the Hon. Member for Vancouver-Kingsway (Mr. Waddell), for whom I have great respect, talking about the Japanese system. I am not touting the Japanese system, but I would like to put forward a hypothesis. In the main, the Japanese system has a very interesting system of compensating. There are differences, but the basic system of compensation is a relatively low fixed wage rate and a very generous bonus system based on productivity and profitability over and above. During good times the profitability and the profits of the firm are shared equitably with the workers. During bad times the variable part of the wage is reduced. The fixed component is low enough that the firm's cost structure reduces during those times. It can stay in business and does not have to throw workers out of their jobs to cut costs.

Another thing that a compensation structure based upon productivity and upon a fair and equitable sharing of profits does is that it leads to the kinds of so-called cultural things that we have seen in the Japanese system that I do not think are cultural at all. They are economic, quality circles. If you, as a worker, benefit from the productivity and profitability of the firm, you, therefore, have an incentive to ensure that everything that can be done to improve the competitiveness and the profitability of that firm is going to happen. It leads you to work co-operatively with your fellow workers on the production line. If they work better and you work better as a team, the firm is more efficient and more profitable. As a

result you get more. It also has the same effect between labour and management. If labour and management work co-operatively, the company is more efficient and more profitable. The company makes more money, and not only do the managers and owners take profits, which is the way our system works, but the workers share in those profits.

In our system we have an adversarial relationship, a compensation system which says that we will establish relatively high fixed wage rates, as high as we can fix them, and there is a monopoly power afforded to unions and to the companies. But the power of the unions to extract the highest possible fixed wage is seen as a laudable objective.

This does several things. First, given that you have a high fixed wage rate, the incentive to work together co-operatively with your colleagues on the production line or between management and labour is not there. Indeed, you can turn it around. How do you get more compensation once you have a high fixed wage rate? You work less, and so it leads to featherbedding—

Mr. Benjamin: That is hogwash.

Mr. Evans: It leads to a situation where you rate bust because the compensation system allows you to increase your personal satisfaction by reducing the work effort for the fixed wage. It also creates a situation where when things get bad the company has to reduce its costs for survival, and the only way it can do that is by sloughing off workers. Instead of equitably sharing the reduction in income that is required by tough times, the system demands that a few workers get thrown out of work, so a few get thrown out to bear the entire income loss that we should all be sharing fairly and equitably. It leads to adversarial relationships between labour and management. If management can screw more productivity out of the workers, who benefits from higher profits? Management and the owners do. The workers do not benefit at all.

What is the incentive for the workers to put out as much as management would like to see them put out? There is none. As a result there is confrontation and an adversarial relationship. Those are the kinds of structural problems I am talking about.

The compensation system, something which is fundamental, is how we reward the people in our society for putting forth effort, and I suggest to you that we are doing it wrong in our society. I would suggest that the cultural system in Japan is not what has led to their good labour-management relations. It is just a sane and sensible compensation system. People who work share in the good things that come from their work; workers, managers and owners.

We have to look at some changes to our Labour Code and some changes to the way we do things in this country if we want to have that kind of co-operative relationship here that we see in some other countries.

I believe I have one or two minutes left in the time allotted to me. One of the most fundamental problems this system breeds is the problem we are facing with youth unemployment. We have a system where within our union structure the seniority system rules. Here we have 25 per cent youth unemployment. When the young people try to get work, if they are hired they are the last ones in and the first ones out when we have an economic downturn. To try to compensate for that we have tried to build all kinds of other things into our system. We have put in minimum wage laws and all kinds of factors to offset or to try to boost the incomes. We put taxes on employment for the business so we put in disincentives for the business people to hire young people because they are unskilled, and we put in disincentives for them to seek employment through the relatively generous social programs. We will wind up in a situation in five or ten years where we will have a very large number of people in their thirties with no job experience, no skills, and no hope. These are the kinds of fundamental issues that I am talking about with which we will have to come to grips in debates in this House of Commons. I put that challenge to my colleagues on the other side of the House.

Mr. Crombie: Mr. Speaker, I have a question for the Hon. Member, but before I do, I would be remiss if I did not offer my congratulations to him for what I thought was an exceedingly good speech. I might say it was a very courageous one. I know that I speak for a number of people who are here in the Chamber. It was an outstanding speech.

The Hon. Member indicated that now is the time to reassess some assumptions that we have had in the past. Does the Hon. Member support social programs being based on need or on the principle of universality?

Mr. Evans: Mr. Speaker, that is one of the issues which I think has to be debated in this House of Commons fairly and openly, not with any political malice behind the scenes. There are two sides to that issue. Certainly your resources go further when you use a selective system, but you also create some very real social problems by doing that. A stigma is associated with those programs as well as the need to police very seriously the program that exists. Universal programs move away from that but at the cost of a much higher resource allocation to the program.

• (1540)

I have supported universal programs. At one time I was in favour of a guaranteed annual income which, by its very nature, will be selective if it is run through a system. I have had serious second thoughts about that as a result of some experiments which have been carried out in the United States and in Winnipeg with regard to a guaranteed annual income.

At this time I tend to favour universal programs because of the negative aspects of selectivity. As we get into a position where our resources to provide help and the best possible support to those in the greatest need become more limited, we will certainly have to come to grips with the question of selectivity versus universality. I would welcome hearing the views of other Hon. Members in a very serious debate on that question in the House of Commons.

Mr. Siddon: Mr. Speaker, from that answer, it is obvious that the Hon. Member does not know which side of the fence he is on. All the debate in the world will not extract a decision from Members if they cannot answer questions.

I have three short questions. The Hon. Member implied that it is not only the blame of the Government, but that we are all to blame. Does that suggest that he denies the responsibility to provide leadership, or does he believe that this Government has been providing the leadership required by this country? Second, he placed great emphasis on the deindexing initiatives of the Bills presently before the House as if this were the Government's most important initiative for coming to grips with our serious economic crisis. Does he believe that the most important initiatives which merely reduce the incomes of all Canadians equally will solve the structural problems and attitudinal problems in our society?

Since he dwelled on productivity and the deficiency of a compensation system, I would like a specific answer as to what particular legislative steps and consultative steps the Government has taken to overcome that problem. Does he feel that the Government is taking those initiatives which he would advocate? Let us hear some real answers for a change.

Mr. Evans: Mr. Speaker, with regard to the six and five initiatives, I think it is extremely important. I would say to the Hon. Member that that program has formed the basis for the establishment of a national consensus on the need for Government action as well as some agreement on the nature of that need. I am not saying that it is a be-all and end-all but it has allowed us to establish some form of national consensus upon which we can build in the future. We have to expand on that national consensus, which is the very theme the Hon. Member for Rosedale was trying to build upon in his initial comments. I think the Hon. Member would agree that the beginning of a national consensus was formed around that six and five program. I think it has to be nourished further, and I hope he would have some comment on that.

I told the Hon. Member my position with regard to the question of universality. At this time I am in favour of universality because of the negative aspects of selectivity. I am not saying that this is the route the country will have to take in the final analysis. That debate certainly must be entered into. I do not believe that I am copping out at all. At this time I favour universality.

The last question asked by the Hon. Member concerned productivity and compensation. I would suggest to him that this issue, which was raised in questions I asked during my speech, has not been raised in the House before. I am in the process of raising those issues with my colleagues on this side at the present time. Today, I have raised those issues with my colleagues on the other side of the House. Therefore, the Government has obviously not introduced policies to deal with them. That is not to say that I am the only one who has contemplated these issues. However, I have not heard debate on them before. I welcome the Hon. Member's contribution to that debate, should he decide to contribute.

Mr. Benjamin: Mr. Speaker, the Hon. Member's constituency includes Parliament Hill. I wish that we had a Member for Parliament Hill in particular, namely, the Speaker, due to the manner in which employees are treated here, with lay-offs and the type of salaries they receive.

When the Hon. Member talked about indexing—which the Prime Minister (Mr. Trudeau) bragged about instituting because of its protection for those who cannot defend themselves against the ravages of inflation—he complained that it installed a structural rigidity. We now have 6 per cent and 5 per cent limits on pensions of Public Service and Crown corporation wages and salaries.

Would the Hon. Member tell us his view on implementing 6 per cent and 5 per cent on professional fees such as those of doctors, lawyers and chartered accountants? Is he prepared to say that under the next budget, 100 per cent of any increase in income over 6 per cent will get taxed back? Is he also prepared to say that management fees, management perks and consultant fees will also get taxed back 100 per cent for anything over 6 per cent?

Since he wants to do away with this structural rigidity, will he say that dividends, what he calls the owners of the private sector, will be held to 6 per cent and 5 per cent and the surplus profits will be reinvested into the economy?

Mr. Evans: Mr. Speaker, I suggest that the Hon. Member knows as well as I do that questions dealing with prices are not something that this Government can bring down in a budget.

Mr. Benjamin: I never used the word "prices".

Mr. Evans: The prices charged by doctors and lawyers. Those are outside of this Government's jurisdiction as he knows from the AIB period. It was done with the consent of the provincial Governments. We have been told quite clearly that the provincial Governments will not support any form of mandatory wage and price controls. Quite frankly, I do not support mandatory wage and price controls. I do not believe that they work. It is just another rigidity built into the system which is compounded on top of other rigid programs.

When we were talking a moment ago about the necessity to consider how we determine who takes what out of the system, I was not only talking about the workers. I talked about the managers and the owners, and I suggest that if you review what I said, Mr. Speaker, you will find that I was equally concerned about both sides, labour and management and capital and labour. We have to find a better way to split the rewards since it is not being done well at this time. That was the theme I was trying to make.

Mr. Baker (Nepean-Carleton): Mr. Speaker, I wish to ask the Hon. Member a question. He stated that the country had to make some hard choices. There has been an implicit criticism of the Government in terms of a myriad of policies on which the Government has not made tough choices.

The Science Council of Canada in its report entitled "Threshold Firms: Backing Canada's Winners" said that

backing the winners seems like a good objective for an industrial policy, but Canada's policies over the past years have been directed far more to propping up the losers in troubled or dying industries. Is my hon. friend advocating, either personally or on behalf of whomever he is speaking for today, that we should prop up, assist and support the high technology industries and other industries which are perceptibly emerging as winners and forget or withdraw support for the textile industry which is apparently losing and dwindling in Canadian industry, the automobile industry which is apparently in great difficulty at this point, and the small parts manufacturing industry which is apparently in great difficulty? Is he advocating that type of industrial strategy with that kind of tough choice? In other words, does he agree with the general thesis of the Science Council of Canada?

Mr. Evans: Basically, my response to that would be, no. To my understanding, the Science Council of Canada advocates an industrial strategy in which the Government would select winners and losers, cause the losers to go under and support the winners. While that is very laudable and sounds good—and basically it is what governments have tried to do—we wind up with a strategy which does exactly the opposite because in trying to help the winners someone has to decide. I would rather have the market decide and then have the Government assist society to make the transition. By looking at such things as the compensation system and job security, we would be much better able to help people affected by industrial relocation and dislocation than we are under the current system. Rather than propping up, let us help people, not the companies.

• (1550)

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, I am pleased to participate in the debate on the Opposition motion today because it focuses on some very real problems in the country. The motion of the Hon. Member for Rosedale (Mr. Crombie) outlines the callous disregard and tragic neglect of the dire economic and social plight of over 2 million Canadians who are unemployed today. Also it expresses concern for those Canadians whose jobs are at risk today.

The motion sets out five steps to restore the social and economic health of Canada, that is, by forging a social and economic national consensus, encouraging job creating investment, establishing a national productivity strategy and rebuilding the confidence of individual Canadians as they look into the future to what the country has in store for them.

The social impact of what is happening today is a very real one for all Members of Parliament. I should like to refer to some letters I have received from constituents who have been very seriously affected by today's slowdown.

The first one is from a fourth year chemical engineering student who indicated that due to the present economic situation it appeared that he would unable to find suitable employment in Canada. He is looking to pursue his career outside the country. A great sense of loss was expressed in the letter on the part of the young man who devoted 17 years of his life to educate himself and now finds that there is no work. Another was from the mother of a 16-year old young man who was unable to find employment. She indicated that her son, Joseph, wanted to work, that he would work at anything, that he just wanted to be working. She said that he haunted Manpower offices and scoured every available newspaper but that each time the answer was the same; "We will have to let you know". Also she indicated that she was worried about her son, that he might be on the borderline of crime. This lady has a great sense of frustration and concern because her son desperately wants to find work but is unable to do so. That last letter was from a young man who began his first post-secondary job a few months back and three months later was laid off. He has now found a job but it took him 3.5 months to find it. Upon reading the letter the sense of cynicism and despair is very clear about the way things are going. It is not only indicative of the situation with which he is faced, because he found a job, but of a number of his friends who have been unable to find work.

Also I should like to refer to a very poignant experience about a lady who came to Canada from Poland 17 years ago. She had worked diligently, not in a high-paying job, at something which was able to give her a means on which to get by and have a roof over her head. She was able to save and buy her own home, but for the past nine months she has been unable to find work. She has looked everywhere. She said something to me which was very important. She said that she came from Poland to Canada because she wanted to be independent and to have that sense of self-reliance that she could control her own destiny, own her own home and not have to rely upon Government. Now she desperately wants to find a job so that she can have self-reliance, and she cannot find it. She thinks she will have to turn to the Government. She does not want to do that. She does not want to lose her independence which was her primary objective in coming to Canada 17 years ago.

All Members of Parliament are experiencing these same things. For this reason we have to take seriously the intent and the direction of the motion before the House. It is imperative that Government Ministers listen carefully. Also it is imperative that those who are not present today read carefully the speeches that have been made. I think a very clear consensus has developed in the speeches I heard, and I think I will contribute to that consensus in some of my remarks.

Let me look at what has happened over the past little while, the experience to date and the outlook over the next few months. We need only look at the OECD economic outlook for Canada. It does not hold a very promising future for Canada over the next 12 months. It predicted marginal GNP growth, increased unemployment, a flat consumer market and unfavourable business fixed investment. Also it indicated that it appeared unlikely that a significant recovery in activity would occur during the projection period. The prospects are for some further fall in the volume of consumer outlays as continuing high unemployment will militate against a significant reduction in the level of savings. People are saving their money

because they are worried about their jobs. They are worried about the future and whether they will be able to maintain their homes and automobiles. This is why people are not spending today.

Since the level of unemployment will continue at the 13 per cent level, the outlook today is bad. It was bad all last year when OECD told us that Canada ranked twenty-fourth out of 24 industrialized countries. We are at a point today where we must take stock. We must understand where we are today and where we can go from here. I believe that over the past 30 years or so we have become less and less self-reliant, less inclined to seek the solutions we need but more inclined to look much more to Government. I believe this is the heart of the economic malaise of today.

Governments—not just the Liberal Government which has been in power for a good part of this period, but also a number of provincial Governments—have moved steadily away from the position where after the war economic growth and performance was the number one priority, to the point where there are a number of other competing factors which are usually described under the very seductive heading of "quality of life". In some cases they enjoy equal rank with economic performance and in other cases they have a higher ranking. We have reached a point where we must re-establish economic growth as the number one objective. We must never lose sight of those quality-of-life objectives. We must do our utmost to maintain that. In future we must constantly remind ourselves it is only through a healthy and growing economic climate that we can enjoy and maintain our quality of life. We must realize that it is conditional upon our success in achieving sustainable economic growth, higher levels of employment and stability in prices and interest rates. We must start now by establishing some new objectives and some new priorities for the country. I am not advocating any wrenching change in the system. Our economic system is basically sound. Nor am I proposing some sentimental return to the good old days, because I think we all know economically and politically that simply it is not possible. So my first objective for our country, and a very simple one, is to try to do a little better economically than our dominant trading partner, the United States. I stated this in one of my first speeches, after I was nominated for election in my riding some five years ago, and I must say that in the intervening period I have had serious second thoughts as to whether that was the right objective because that country was not doing as well as I thought it should do. But now that I see it improving and in many cases surpassing our economic performance, I think that is an appropriate objective for us to follow.

• (1600)

How should we measure this? I think we should be designing our economic policies to do just a little bit better than they do, in our economic growth, our performance with respect to inflation, employment growth, unemployment levels and in the whole performance of our competitive position, the value of our dollar.

As a second priority I believe we should establish a sound economic performance as our primary policy objective. Again, to repeat myself, while I would never relegate those quality of life objectives to a secondary position, I believe we must realize that these objectives are only obtainable on an ongoing basis if we enjoy a healthy economy. But put in its simplest terms, I may feel, and you may also feel, Mr. Speaker, that a cottage by a quiet lake in the country is the utmost in the quality of life, or a trip to Florida in the middle of winter, when it is cold as it is right now. But if we do not have the means to afford these things, if our economic performance is not good enough, our idea of the quality of life will bankrupt us, or at least will rob us of the necessities that we do need. That is the position that Canada has reached today.

My third priority is the key element in achieving the first two. This goes right back to the basis of the Opposition motion today. We must recognize that the way to achieve these goals is to build a social and economic consensus among our national partners, the provincial Governments, labour, business and the long-suffering, average Canadian.

I listened very carefully to what the Hon. Member for Ottawa Centre (Mr. Evans) was saying about his idea of the importance of achieving that national consensus, because I believe that the Ministers on their side of the House in recent years have done their best not to try to build that national consensus. Our federal leaders have tried to govern through confrontation and conflict. I just remind you, Mr. Speaker, about the recent trip of the Prime Minister (Mr. Trudeau) when, in response to a very simple question about the importance of human rights in trade negotiations, rather than answer that in an unprovocative way, deliberately tried to provoke—and I would say he could not help it because of his nature—a very important element in that debate. Because he has provoked those people, the people who hold, very sincerely and emotionally, a sense of the importance of human rights in these countries and the desire to link these two, it has made the ongoing debate on improving either, one, the human rights performance, or two, the trade performance, of these countries much, much more difficult.

I am not so naive, Mr. Speaker, as to expect that relations will change overnight. Nor do I expect our future relations between the different national bodies will be totally without conflict. But let us look at Japan, to which many have referred in the House this afternoon. Japan has succeeded through co-operation and through national consensus. The experts say this is just not possible in Canada, that the federal Government could just never achieve the strength that the Japanese leaders have been able to achieve. But because they say that, because we have a very diverse country, is that any reason why we should deliberately take the reverse approach and govern in a way which deliberately provokes differences and confrontation? That is the attitude that must change and it is the attitude which must change at the top, with the federal Government and with the Cabinet, if we are ever to come close to achieving the national consensus and policy so many of us

have talked about this afternoon and which is so important in meeting the very tough international world today.

My fourth objective must arise out of the conclusion which must be reached by national consensus. We must accept the fact that Government policy must build self-reliance. We must reverse the growing trend to more reliance on Government. Canadians, both individuals and business, must not constantly turn to Government for support and for a bail-out, and Governments must say no more often and must explain fully and honestly to Canadians why they are saying no.

Canada today is in a serious economic recession, and in this environment it is natural to expect that many Canadians will be looking more to Government for help. But we are also in a period of major industrial transition. People will lose their jobs; companies will go bankrupt, for reasons which are primarily related to this changing environment. The world is changing and it is changing fast. Many Canadians will adjust and they will make it through, but many will not. And the role in Government in this instance is not to bail out companies or to sustain jobs which can no longer be supported. Canadians understand that this change is upon us. We must accept it. We must adapt to it and we must maximize the benefit that will come from these changes.

The role of Government is to help Canadians meet this need for change. It must support manpower and retraining programs in a major way. It must assist and encourage companies to change, through incentives for research and product development. And it must maintain a safety net to catch and assist those individuals who are having trouble adjusting. Put in its simplest terms, Governments must help us all to prepare for the future, not relive the past. This will require a major change in attitude by Governments and by individual Canadians.

I think many Canadians have made the adjustment. I think they have accepted the need for that change, but I do not believe that Governments have moved nearly as fast as they should have done. This surely is an area in which Government must lead, not be drawn in to the future, kicking and screaming, after valuable time has been lost.

My final priority is very much consistent with my Conservative philosophy. We must move into this new world by placing primary reliance on the initiative and determination of the individual. I am convinced that the combined will, intelligence and energy of many individuals, acting in their own self-interest in building for their own future, is much more powerful and knowledgeable than a small coterie of politicians and bureaucrats making centralized decisions here in Ottawa.

For the very same reason, I have more confidence and faith in an economy built on a thriving, vigorous and self-reliant small business sector than one which is dominated by a concentration of Government-owned and large privately-owned companies. Our future must surely rely on this type of society and economy. It is the surest guarantee of those economic freedoms which are so fundamental to our way of life in Canada.

We are now entering a period in which there will be great pressures on individual Canadians, as well as on our economy and institutions. We must demonstrate great courage and determination as a nation and as individuals. We must tell Governments that they must not cave in and bail out the past. As individuals we must strive harder to get by on our own and to reawaken that spirit of enterprise that brought this country to its feet in its earlier days but which has slipped somewhat in recent years.

Now, those are the five objectives I have set out, and I want to move quickly into some of the specifics that I believe we can be looking at in addressing the specific problems of today.

Let me analyse the current problem in its simplest terms. We are in a vicious circle where we have a lack of business confidence because consumers are not buying and where we lack consumer confidence because they fear for their jobs. But because they fear for their jobs and they are not buying, business confidence falls because businesses are not selling things. We have to break out of that circle and we must, somewhere along the line, break the circle to improve the confidence of one of these elements. That is the biggest challenge of governments; how to stabilize that unemployment figure. I believe the way to do it is through new investment. This is not going to come from existing companies, because most existing companies have gone through a very wrenching experience in recent years in which they have tried to scale back to build a more productive enterprise. They will not be going out to hire people very quickly. We have to look to new business investment, small business start-ups and foreign investment. The small business organization recently submitted a report to the Minister of Finance (Mr. Lalonde) which deals with a number of these areas. I urge the Minister to consider these carefully when preparing his budget.

• (1610)

I also urge the Minister of Finance and the Prime Minister to look very carefully at the role of foreign investment in this country. In Question Period today he referred to the job-creation aspect of new investment coming in. I agree. For the last three years we have been pleading with them to take that into account. Also, let us not forget the fact that foreign investment brings new technology and a more efficient type of operation in some instances.

Let me make one final plea. Government Ministers and others talk about the need for a higher deficit to stimulate the economy. I draw their attention to the fact that in the past, month mainly because of the spectre of high deficits in the United States and high deficits in Canada, proportionately double what they will be in the United States, we have seen a levelling off in recent days, an increase in long-term interest rates. Higher deficits will snuff out economic recovery through higher interest rates. I hope that is the message the Minister of Finance is receiving from people in the community as he goes about conducting his pre-budget meetings.

In conclusion, I do not want to enter into a debate today on comprehensive policy. I tried to outline a broad thematic

framework of five key objectives which I think are critically important to us to achieve the national consensus we all are talking about today. I have alluded to some alternatives that should be considered at the time of the next budget. I believe that these are the key to economic recovery and the rebuilding of confidence in our country so we can have a strong and self-reliant future. That is the way we have to develop our country in the eighties.

Mr. Peterson: Mr. Speaker, I would like to ask the Hon. Member for Etobicoke Centre (Mr. Wilson) a question. It relates to his comments with respect to the effect that increased deficits would have on long-term interest rates. All of us concede there would be a crowding out and that might be part of it. I draw that to his attention in light of what was said by the Hon. Member for Rosedale (Mr. Crombie) who, in response to a question, indicated that he would be in favour of higher deficits at this time in order to help get our economy going and create meaningful jobs for those who are unemployed. Is the Hon. Member against higher deficits or is he in favour of higher deficits?

Mr. Wilson: Mr. Speaker, I think the Hon. Member's question illustrates the real problem of understanding we have in this country of what is meant by higher deficits and what is meant by Government stimulus. It can come in many different ways. If he had listened carefully, he would have heard the Hon. Member for Rosedale say that the direction we in this Party would be following would be increased incentives for training, investment and investment in new technology.

The direction which this Government has followed, and has followed to an increasing degree in the past three years, is to do this through a grant where big money is paid out to selected elements of the economy, selected companies, rather than through a tax incentive where all companies can take advantage of it if they are going to participate directly in some sort of investment which will create economic activity immediately.

The difference is that we believe the incentive approach would have a much more immediate economic impact. Another aspect of it is that it is an investment in the future through training, product development and increased research activity. We believe the result will have considerably less impact on the deficit than the high profile megaproject infrastructure spending that the Minister of Finance is talking about. We believe our approach will have less impact on the deficit than those things which the Minister of Finance has been talking about.

Mr. Peterson: Mr. Speaker, I take it that the answer to the question is yes, the Conservative Party is not against higher deficits as they relate to the attempts by the Government to deal with job-training programs.

Mr. Wilson: Mr. Speaker, we think that the impact on the deficit in a very short period of time will be that the deficit will drop because there will be investment in new jobs, in new plants and equipment which will create new jobs, and take people off unemployment insurance and welfare. I again underline that it is an investment to create new technology and training programs to help individual Canadians face the future in a more productive way. The results will be a lower deficit.

The Acting Speaker (Mr. Blaker): The Chair was prepared to recognize the Hon. Member for Kamloops-Shuswap (Mr. Riis). Perhaps there has been a change.

Mrs. Ursula Appolloni (York South-Weston): Mr. Speaker, I would have welcomed this debate infinitely more if the wording of the motion had been changed to reflect what I believe is an absolute necessity in this country, the necessity that we all get together as rational human beings without this unnecessary confrontation, and try to find among ourselves ways and means to end the unemployment situation which is reaching absolutely endemic proportions in all OECD countries. Instead, we are treated to such wording as blaming the Government for so-called "callous disregard and tragic neglect of the dire economic and social plight of over two million Canadians who are unemployed". That is palpably untrue and grossly unfair.

I will zero in on one sector only during my remarks, that is the unemployed youth, and quote some interesting statistics. The Minister already quoted a whole litany of programs put in place by this Government to help the unemployed.

As regards youth unemployment, Employment and Immigration Canada is spending about $2.5 million per day on youth aged 15 to 24 years through 20 different programs and services which provide either employment or employment development. Can that be called callous disregard? Obviously not.

Since the fall, special measures have been put in place for youth, specialized youth units in every Province of Canada, new youth out-reach projects and $10 million Canada community development projects.

I may stop at this point to remark on something which was said a little while ago by the Hon. Member for Richmond-South Delta (Mr. Siddon). He mentioned in particular the community development project as it is short-term and therefore, he implied, totally unworthy. Let me give one example of the kind of results that can be achieved through the various training programs put in place by this Government. I shall refer to one particular project that was funded by the community development program which happened to be in my riding.

The cost of the program over one year was exactly $100,000. We managed to get it repeated because of the success of the results. In one year and a half, that is since the inception of that project, the homes of 87 senior citizens and low-income people were renovated at a cost to the low-income owners of the materials only. A further 27 projects are already under way, and of prime importance to the young people of Canada, in that project alone, 21 young people have received training for which they have all now passed their apprenticeship aptitude tests. Two of those young people have themselves opened their own businesses and are in turn employing other

youngsters. This is the kind of thing which can be done with good thinking and co-operation of all members of a community. This project itself has been so successful, it is interesting to note, that the model is now being accepted by no less an institute than the Kennedy Memorial Foundation of Boston, which only last week sent people up to Toronto to study the model. I would heartily recommend it to any Member of Parliament who is more interested in providing innovative programs in his or her particular constituency than in just griping about unemployment in the House of Commons.

• (1620)

We spoke about the need, Mr. Speaker, for total co-operation, and in that respect I hope the media were very factual in quoting recently a statement from the Hon. Member for Kamloops-Shuswap (Mr. Riis). I have not got the clipping in front of me, but he said that if we are really concerned about unemployment we would sit around and discuss it rationally and constructively among ourselves, not just point fingers. We could put our heads together, put our good will all together, to stop this canker in our society. I fervently wish that more people would adopt the same attitude. I do congratulate the Hon. Member. Instead, what we have is emotion, such as has been handed to us today.

May I make another comment on the wording of this motion? I think it is indicative also of a certain degree of, shall we say, ambivalence which exists in the Tory caucus. Not one word of mention is given to job creation. We talk about encouraging job-creating investment, but we do not talk about job creation. I am led to wonder, does that mean that every Member of the Tory caucus would have the Government stop immediately all job-creation programs? If that is so, let them say it. If they are not against job-creation programs, will they at least tell us which ones work? Will they give credit where the credit is due and therefore return some kind of confidence to the people of Canada, who otherwise, listening to these debates, would think, my goodness, their tax money is just being thrown away? That is not true. I have already pointed out one particular program only in my riding, which has incidentally been repeated in other parts of Toronto. I have offered it also as a model to any Hon. Member of this House who wishes to repeat it in his or her own riding. Results can be achieved if we work together. Instead, we are told that the Government is to blame. The Minister, in his speech this afternoon, besides mentioning a long litany of programs which have already been put in place to curb unemployment, also mentioned a long litany of countries which, unfortunately, are also suffering the scourges of high unemployment. Interestingly enough, not one Hon. Member from the other side has dared to blame those other Governments for their high unemployment. Do the Tories blame the Thatcher Government for the enormous unemployment which exists in Britain at this moment? Of course not. Do they blame the Reagan administration for the high degree of unemployment in the United States? Of course not.

Now that I have mentioned the United States I will say that it was just last night, I believe, through radio and television, that we heard reports of the scandalous incidents which are now occurring in the United States. It has been documented there. I mention that because, God knows, perhaps they even exist in Canada. People do not even have a roof over their heads any more in the United States. Last night a man was found frozen to death in a telephone booth in a city in the United States. Is that the country we want to emulate? God forbid. Yet is Reagan blamed for these kinds of situations? Of course he is not, nor should he be, if we are going to be fair. But in Canada, if it rains, it is supposed the Government must have ordered a rotten forecast.

We have to build confidence in the country, in the consumers and in business, and I believe we have to start by building a little confidence in ourselves, first as individual Canadians. More important, my colleague, the Hon. Member for Ottawa Centre (Mr. Evans), mentioned the need to co-operate even in this House of Commons, to put aside at least some of the partisan barbs and sit down and, as my hon. friend the Hon. Member for Kamloops-Shuswap said, put our heads together and come up with some kind of remedy for the frightful situation we are in with the unemployed. Instead, unfortunately, Mr. Speaker, we spend our time sniping and criticizing each other, and really not getting on with the job at all. It is no wonder that the people of Canada are losing faith in this institution.

There is also another sector at which we must look very carefully. Are the media really doing a good job all the time in reporting the facts? Do they not also think that it is good, it is "with it" to be negative all the time? Whatever the Government may suggest has to be automatically wrong, because it was the Government who suggested it. Let me read from The Edmonton Journal, the edition, I believe, of January 18, 1983. The article is entitled, "The Marching Jobless". It mentions a suggestion made that to put young people in the Armed Forces would be in effect to ask them to mark time in the Armed Forces. In other words, keep them out of sight and out of mind. It then says that if the suggestions were adopted, it would undermine the already shaky morale of Canada's forces. I would tend to agree with that article, Mr. Speaker, if it were factual. I do not know what proposal they were discussing. It was certainly not the proposal which grew from this Liberal caucus in order to help unemployed youths in Canada join the Armed Forces, because at no time was the suggestion made that the criteria made for selection of those young people into the Armed Forces would be with any other Department except the Department of National Defence. We did not tell them what kind of people they should employ. We started by saying, all right, we have found probably 33,000 who are already eligible to go into the regular forces, who want to go into the regular forces. Let us start with that. Get those kids already eligible, if they want to join, and let us give the money to DND to do so. Instead, this has been distorted.

Of course, they might be speaking of another proposal, but certainly not one that came from this side of the House. Certainly, our proposal, which hopefully would employ as many as 50,000 young people over two years, would not be a

waste, either from the training point of view or the point of view of their earning money and helping the community at large, with the procurement program and the spin-off effects in the local community, because we are talking not only of presently existing bases; we are talking of probably 177 locations throughout Canada. Just think of that. Would that be a waste of money? But, unfortunately, when we come down to the cost factor, we have been told it would be an expensive program. And yes, in comparison with other programs, it would be expensive, until you think of the effect of getting immediately back into the Treasury the statutory contributions and other effects. However, if the Government were to accept not only this proposal but others—this flows from the question which the Parliamentary Secretary put to the Hon. Member for Etobicoke Centre (Mr. Wilson)—I wonder if the Tory Party, for one, would accept the idea of an increased deficit. Certainly from the answers and ambivalence we perceive in the Tory caucus, I am not sure.

• (1630)

We have been told in the past that deficits are the curse of present day society, depending on which economist you are following. I think what would spook me is not so much a higher deficit, but the continuing long unemployment of the people of Canada. In yesterday's *Toronto Star* we were told that industry, not the socialist Party or even some left-wing members of the Liberal Party, urges "billions for jobs". Even industry itself is no longer spooked by the thought of an increased deficit. I am not necessarily advocating a huge deficit; I would like it to be manageable. But if at the expense of increasing the deficit we can give hope to the unemployed people of Canada, certainly I am not going to object to that. However, I wonder what the Tory critics will say to that, people like the Hon. Member for York-Peel (Mr. Stevens) or the Hon. Member for Capilano (Mr. Huntington), the Member who has just spoken, or the Member for Mississauga South (Mr. Blenkarn). I wonder if they could withstand the shock of yet another increased deficit. We will never know.

We have heard Members of the Official Opposition talk about Government intervention. They think it is a dreadful thing. We have been told on several occasions, that businessmen think that Government intervention is a dreadful thing. Then how come it was the businessmen themselves who asked the Prime Minister of Canada (Mr. Trudeau) to go to the Pacific Rim countries? That is what I do not understand. Do they want Government intervention or not? If they do, how much do they want? How much intervention do they want in the job creation field? Will they accept a higher deficit? If so, by how much?

So far I have spoken of the Tory Party, but even the Leader of the NDP—again if media reports are correct—even he got squeamish at one stage about an increased deficit. So what is Government to do? Are we to be scared that if we do increase the deficit, the Tories will have a collective heart attack, or that the NDP will start having qualms? We do not know, but these are the kinds of questions that have to be asked.

The Tories talk about investment to create jobs, Mr. Speaker. Of course we on this side of the House would dearly wish to create a better climate for investment which would create jobs. But let us ask ourselves, is there enough money in Canada at the moment—even if it were all invested—to create all the jobs we need? I am not sure that the answer to that could possibly be yes. In fact, I am pretty sure it would have to be no, there is not enough money. So where do we get the investment money from? From overseas. Even today, in the midst of the unemployment crisis in Canada, in the midst of the sorrow which each and every one of us as Members of Parliament witness every week in our constituencies, with unemployed constituents, even with all that, there was a question today in the House from a Member of the NDP asking if the Government was going soft on FIRA. Here again we have to ask ourselves another question. On the one hand, we want investment in Canada to create jobs in Canada. On the other hand, we want an institution which is so tight that it frightens the daylights out of potential investors in this country. We cannot have it both ways. Perhaps that should be the sum total of this debate, Mr. Speaker. Because we cannot have it both ways, we have to get together in the spirit of co-operation, starting in this House, and talk about the realities of the situation, what can be done, and stop all this petty, petty bickering.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, first I should like to make a few comments on this idea of consensus and co-operation. The last speaker referred to this and said we should stop arguing amongst ourselves, that we should all co-operate. Everyone has spoken in favour of consensus, but what each individual means when he uses those words is that everyone should come around to his particular way of thinking, then we can solve all the problems. Well, Mr. Speaker, I really do not think that can happen. I do not know that it should happen. I think there always has to be room for dissent. The majority view, by and large, should prevail, but there should be room for dissent. The consensus by way of majority view will come about after the time of our next election. I have every expectation that there will be returned to this House a large majority Conservative Government after the next election. But there will still be room for dissent. There will be a handful of Liberal and NDP Members returned, of that I have no doubt. There might even be a dozen of them. I would not necessarily expect a high degree of co-operation from them. They will then be the voice of dissent and they will have every right to be heard. That is how majority consensus should operate.

I see by the consensus of Members here today that my time has been reduced from some 20 minutes to ten minutes. Therefore, what I will do is to give you a preview of a great speech I had intended to give, and probably will give at some future date. It had not been my intention to get into a great partisan debate, although the motion is phrased in a very condemnatory manner. I do not think it is necessary for me to condemn the Government; it has done that itself by its own actions and inaction. What I wanted to do was to look into the

principle, the cause and effect—I think that term was used by the Hon. Member for Ottawa Centre (Mr. Evans)—of the position we are in today and how we can remove those causes. The business cycle has been with us since the industrial revolution, and even before that when the world economy and the economy of nations was agriculturally based. I do not think we are going to get over the business cycle, not in the foreseeable future. What has happened is that governments, with all good intentions, have got into the act, but they have not solved the problem of the business cycle. They have changed its shape. Whereas in previous times the business cycle meant a great dip in economic activity, which would then spring back, we now have a prolonged period of recession. Whereas at one time the problem was acute, it has now become chronic.

Some of the good things that Government has done have helped to prolong the agony; the various income maintenance schemes, for example. That is one other reason why the free market in labour no longer exists. It might be very good if you are unemployed to be assured of that unemployment insurance, but what it means in the long run is that it takes a lot longer for the business cycle to recover. Other reasons that should be cited are the very nature of industry today, and the very large organizations and large unions that mean inflexibility is built into the system.

• (1640)

The degree to which Government is present in the marketplace is also being constrained. That does not allow the economy to rebound in the way it should. I could give as an example the Pine Point Mine in my constituency which is dependent on Government for transportation, through CN, and is dependent on Government for its electricity supply through the Northern Canada Power Corporation, which is a Crown corporation. These corporations are headed by reasonable people but they are so bureaucratic that they have to go all the way to Cabinet for decisions. The system is just not able to adapt. In Pine Point, the Northern Canada Power Commission charges 120 per cent of the cost of the power it supplies. When the mining company goes to the power company to ask for a reduction in the rate, it is told that the decision is up to Cabinet. If a private company were involved, rather than be put in the position of not selling any power, it would reduce the price. Certainly it would make a lesser profit but, all around, it would be good for the company, good for the mine and good for the employees involved.

There is a similar situation with the Dome mine in Yukon. It is so involved in discussing the bail-out it needs because it got involved with carrying out Government policy and is so dependent on top level decisions to be made by the Minister of Indian Affairs and Northern Development (Mr. Munro), that the normal flexibility in arrangements between members of the marketplace, just cannot take place. The Government of Canada owns the minerals in the Yukon. It is concerned with all the other great issues of the day, and what happens in the Yukon appears as the last item on the agenda for Cabinet meetings, I am sure. Cabinet probably never reaches it.

If the minerals were privately owned, things would be different. The owner would meet with the lessee, would meet with the representatives of the employers and with the customers to try to work things out so that he could continue to receive royalties. That is not the case when the Government is involved in so much of the action.

I wanted to say something about protectionism and how it can be avoided, Mr. Speaker. When there is a contraction in trade, everyone loses. Practically every country in the world is guilty of some form of protectionism. Japan has put restrictions on the importation of manufactured goods. The United States is trying to restrict the importation of competitively produced Canadian lumber. In Canada we protect industries such as the garment industry which is largely headquartered in Montreal. Then there was the fiasco on the West Coast concerning the importation of Japanese cars. We all share the guilt, Mr. Speaker.

The long-range solution to economic problems is the removal of constraints and international trade that is as free as is possible. When I get around to giving this great speech, Mr. Speaker, I shall deal with the things that we might do in the short term to alleviate unemployment. My main contention will be that we should concentrate on public works, on things of an investment nature, rather than short-term, make work, current account-type schemes that will have no long-term effects.

If we have to borrow money in the marketplace, if we have to resort to a certain amount of inflation and deficit financing, then we should put things in place that will pay dividends in the future. I think of roads, harbours, air strips. I could cite examples from the last Depression, such as the Grand Coulee Dam in the United States. Such things would pay dividends in the long run and are the type of thing we should be doing.

I am sorry I was not able to go into these matters in detail but I shall give the House the benefit of my advice for the long run at another time. In deference to my colleagues who wish to speak this afternoon, I shall now take my seat.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I want to say how much I appreciate the element of co-operation the House has shown this afternoon in allowing the maximum number of Members to participate in the debate. I think this is a very positive gesture and augurs well for the future.

I have two brief comments to make, one of which is perhaps of a slightly negative nature. I am pleased that the Hon. Member for Rosedale (Mr. Crombie) brought this motion to the House today. I respect his views and I know his intentions are positive and honourable. I cannot say that about all his colleagues, however.

As I listened to the speeches today I recalled one of my grandfathers who lived into his nineties. As he approached the end of his life his mind began to slip and the only things he could recall happened in his youth. For hours on end he would tell stories about what it was like to be a young man in Norway. Today, when I was listening to the Progressive Conservative speakers, I was reminded of my grandfather. They keep

thinking of the old ways and what happened in the nineteenth century.

Some of the policies they articulated might have been fine for Canada in the late 1800s or early 1900s but they do not apply to the complex world we live in today. Listening to some of the ideas put forward by the Progressive Conservatives, one has a sense of history. That is not a blanket condemnation of them all as one hears many progressive ideas in a debate such as the one we are involved in today.

I want to refer to some of the positive ideas offered by members of the New Democratic Party, some backbench Liberals, and even the odd Tory. There is an element of frustration in the land today, Mr. Speaker. By and large, people have lost faith in the political leadership of the country at the national, provincial and even the local levels. I wonder if it is not time for the Government to set aside a number of days when members of the New Democratic Party could lay out, in a creative, innovative and positive style, what they feel we ought to be doing for both the short term and the long term. We could forget about the way the Government and some Tory Provincial governments have erred and set out what we feel should be done in the short term and in the long term. We could even ask the Liberals to lay out what they think the long and short-term solutions to our problems are. Then, almost by definition, we would expect the Progressive Conservatives to tell the country precisely what they feel should be done in the long term and in the short term.

I have a difficult time trying to understand what the Progressive Conservatives think should be done. One Member says that we need to stimulate the economy, while the blue chip advisory committee of the Government says that it is time to abandon the six and five program and to stimulate the economy—not to the extent of hundreds of millions but, in the words of Ian Sinclair, to the extent of billions and billions of dollars.

The finance critic for the Progressive Conservatives says that they do not believe in deficit expansion. But, in response to a question, he said that they want to use the tax system to give tax advantages to corporations and to medium and small businesses in order to stimulate the economy. Anyone knows that when tax loopholes are provided for the private sector in order to stimulate the economy, it means less revenue will accrue to the Government coffers. It does not take much imagination to figure that out. When less corporate tax and less personal income tax is collected, it means that it is likely the deficit will increase. Do the Conservatives believe in an expanded deficit or do they not? One gets a different impression according to which Member one listens to.

In the last few moments available to me, Mr. Speaker, let me say something about foreign investment. We have heard a great deal about the need to stimulate investment, to encourage investment, both at home and from abroad. One of the problems when we talk about investment, particularly foreign investment, is that we do not differentiate between investment that comes in from loans and simply loans to Canadian corporations from the outside to encourage them to expand and investment from equity loans when foreign investors from Germany, Japan or the United States come here and buy equity in Canada, in other words, foreign control of Canada. I think it is time, if we are going to say that we agree or disagree with foreign involvement or "foreign investment", that we distinguish between equity involvement and simply loans.

• (1650)

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, I want to thank my colleague from the Northwest Territories and my friend from British Columbia in the New Democratic Party for allowing me to participate for a few moments in the debate this afternoon. I have sat in the House all day and listened to this debate. In some respects it has been an interesting one, interesting because we have begun for the first time a question and answer period. I hope for people who are watching the debate that it has been more stimulating than the usual debate when people read from texts, which may be necessary from time to time and when people make long speeches, such as those made by Ministers of Finance on budget nights, but which are not so necessary on other occasions.

I am impressed with the questions and answers from both sides of the House. I am equally impressed with the way in which the Chair has, in this first time that we have gone into the experimental period, handled itself in terms of fairness to everyone. I hope that we are seeing a new structure and some new form in debate which might be followed by some new substance.

There is one concern I have about Parliament. I am not alone. The Hon. Member for Willowdale (Mr. Peterson) feels strongly about this place, and I know the Minister of Veterans Affairs (Mr. Campbell), who is here, feels very strongly about this place, and the Hon. Member who has just spoken also feels strongly about Parliament. I am speaking about the issue of partisanship. I do not say this from the point of view of anyone who has never taken part in the barbs of which people speak. I have done that. We have all done that at one time or another. But what I call crass partisanship does not do this institution any good at all. Every time we call one another names, as we do from time to time, it does detract from the debate, which all of us are interested in promoting as a worthwhile Canadian exercise.

That is one of the purposes of the reforms. When I use the word partisanship, I think it is very important to understand what it means. If partisanship is to be meanness, crassness, calling one another sleazy or shouting across the floor of the House of Commons with a lack of civility, it is not the kind of thing which uplifts this institution. But if it is the clash of ideas, ideas that may be forcefully put, then I believe that kind of partisanship is a good thing and is the purpose of this institution.

Today we have had a clash of ideas. We have had a clash in the Question Period and a clash in the speeches that have been made by Hon. Members. I think this is one of the best debates we have had the opportunity to have.

The problem with this House is that there are some great issues which have to be discussed concerning Canada. How do we relate to the United States and the rest of the world? How do we relate to the Soviet Union? What is our attitude toward trading and the matter of disarmament? How should we look after our veterans? All of these things we address in terms of legislation. All of these things we address in the Question Period. Some of them we address when we take legislation to committees. But there is very little opportunity for the give and take of debate on the floor of this House of Commons which Members have managed to do in the Parliament of Great Britain. These allotted days for the Opposition, when the Opposition has the right to choose a topic, are one of those opportunities. If there is a clash of opinion or a clash of ideas, differences of points of view expressed forcefully but with civility, then I think that is a healthy turn of events. Today has been that kind of a day. When there are pleas for lack of partisanship, let us make sure that if we plead for lack of a certain kind of partisanship, a lack of meaningless partisanship, and can have instead the opportunity to engage in a clash of ideas, that we do so.

Someone said, I think it was the Hon. Member for Ottawa Centre (Mr. Evans) whose speech I enjoyed and I compliment him on it, that we have to come to consensus. If we can, we must come to consensus on objectives. We may not always agree. Some Parties in this House have a responsibility to lead. And we, as well as opposing from time to time, have a responsibility to suggest. But I think it was the Hon. Member for Ottawa Centre who said that we should come together. I accept that we should come together to discuss things far beyond just a debate like today. I think it would be important in this House if someone had thought that there might be ability, buttressed by appropriate staff in this Chamber, alone or in concert with the other place, to have done a great deal of the work that has been given to the Macdonald Royal Commission.

I mean no disrespect to a former Member of this House, but it seems to me that ultimately Hon. Members of this House, by their votes, the Government by the policy it presents, and the positions taken by others, are going to be judged. If it is the Government which decides that there should be a special committee on the economic opportunities in the short, medium or long-term for Canada, and what can be done about that, then that is a matter in which we should be able to participate. On that committee there would be that kind of clash of opinion. If we could come to grips with deciding for the country what is a true relationship between government and the private sector, government and business; what is the place of government in Canada, whether it is appropriate that we adopt from other jurisdictions certain things which may be fine for them but many not apply here, those too are matters that we should be prepared to discuss.

I think the structures are here. The people are here. I agree with the Hon. Member for Ottawa Centre that we are not tapping the potential of this House of Commons at all. Perhaps that is why there is such frustration among Members which finds itself displayed in other ways.

I have had only a short time, but I answer the challenge of the Hon. Member for Ottawa Centre in this way. Allow us to participate. My Party has advanced ideas over the years which may not all be agreeable, but we have found that Governments do not listen. We do not advance ideas for self-aggrandizement; we advance them because we are as interested in the progress of this country as anyone else.

Give us all a chance to participate, and perhaps all Hon. Members would be surprised at the consensus we could find.

[*Translation*]

The Acting Speaker (Mr. Corbin): Order, please. It being 5 p.m., it is my duty to inform the House that in accordance with Standing Order 62, the proceedings on the motion have expired. Accordingly, the House stands adjourned until Monday at 11 a.m., pursuant to Standing Order 2.

At 5 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, January 24, 1983

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

SUPPLEMENTARY RETIREMENT BENEFITS ACT (NO. 2)

MEASURE TO MODIFY BENEFIT INDEX

The House resumed from Thursday, January 20, 1983, consideration of Bill C-133, an Act to amend the Supplementary Retirement Benefits Act (No. 2), as reported (without amendment) from the Standing Committee on Miscellaneous Estimates; and the motion of Mr. Gray (p. 21886) and the motion of Mr. Baker (Nepean-Carleton) (p. 21889).

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I welcome this opportunity to take part with other Members of my Party in the debate on Bill C-133, which would have the very negative result of capping the indexation on Public Service pensions at 6 per cent for this year and 5 per cent for next year.

The amendment, which purports to increase this capping to 6.5 per cent and 5.5 per cent, is really no answer to the problem at all, proposing what would amount to a ten cents a day increase. However, it is the Liberal's approach by which they hope they can somehow save their electoral skins. I believe that the people and public servants of Canada are much smarter than to accept this miserable half per cent solution, because they recognize the basic principle involved here.

Basically, what the debate is all about is whether or not the Government should have the right to break contracts and promises, promises which were made several years ago, promises that the public workers entered into in good faith—

An Hon. Member: Paid for.

Mr. Manly: —and promises that they paid for, very definitely.

The Government sees pensions, I suppose, as being a privilege which it, in a paternalistic manner, can give out to public workers, rather than as being a right earned and paid for by these same workers down through the years. It is interesting to note that the Government has not always seen it this way. When it has suited its purposes, it has seen the virtue of indexing.

Perhaps the most eloquent statement of indexing was contained in a letter dated October 12, 1977, from the Prime Minister (Mr. Trudeau) to the President of the Union of National Defence Employees. The Prime Minister stated:

> In our society, pensions provide a means of sharing risk so that we can retire in reasonable security and dignity, without fear of the future. Protecting pensions from inflation by indexing them to increases in the cost of living should be an integral part of our pension schemes. Indexing does not give pensioners an increasingly larger claim on our economy's production, that is, more money to buy things they could not earlier afford. Rather, indexing merely enables pensioners to maintain, roughly, their same standard of living.

• (1110)

He goes on:

> Even a modest rate of inflation destroys, at a devastating rate, the buying power of people on fixed incomes. Pensioners are out of the workforce and cannot bargain or strike for larger incomes. They are not the cause of inflation; they are its victim. We have an obligation to help protect them.

Like so many of the other Government obligations, this is one they are reneging on. It is true that pensioners cannot bargain. They cannot strike. They have very little leverage with this Government except when it comes time to vote. We can be pretty sure how they are going to be voting the next time around, and it is not going to be for a Government which has introduced this kind of action. The actions of the Government at this time do not match the eloquence of the Prime Minister six years earlier.

When we look at the record of the Tories, what do we find? We find, as I mentioned earlier, that they are doing the hesitation waltz with the Government, the six and five hesitation waltz. When this proposal was first introduced in the budget last year, the Tories welcomed it. It is a step in the right direction. They moved in with that step. Then when they saw the implications this had for the voters they changed their tune and moved back a little bit. It was interesting to note last week that when they had a real opportunity to oppose this measure, they were right back in there with the Government. When they had a real opportunity to delay this legislation, they missed it. It is interesting to note that the Tories held up the business of this House for 15 days to defend oil company profits, but they were not willing to do so for 15 minutes for the rights of pensioners.

I have received a lot of correspondence from people in my constituency on this issue. As I mentioned earlier, the part of the world in which I live is a very attractive place for people to live and also to retire. The people who have retired in my area are not rich or well off but most of them do hope that they can retire in a modest degree of dignity and comfort. They find the

present actions of the Government seriously erode and undermine these hopes. One of my constituents on one of the Gulf islands wrote to me as follows:

> It is simply to remind those whom it may concern that as a civil servant I paid for an indexed pension out of my salary at the rate set by the Government and I had no choice. I did my part and feel I should be able to expect the Government, as my employer at that time, to come through with the pension as promised.
>
> Furthermore, I retired six years before I reached compulsory age for retirement, thus providing a job for another individual. I did not have to do this—if the Government renege on their promise, do I get compensated for this, I wonder?

Of course he does not need to wonder, because there is no compensation. Another writer says:

> If the trust and confidence which have protected the pensions of federal superannuates for a century are broken down on this occasion, what will stop the present Government or any future Government attacking pensions whenever they are short of funds? Don't change the rules of the game in the middle of the game.

I think that this writer, like others who have written to me and to other Members of this House, is right. He understands the basic situation. Here the Government is breaking promises, breaking contracts, and what guarantee do these people have that these contracts will not be broken again and again in the future?

The Chairman of the Victoria Organization for Indexed Pensions raised some interesting questions in a letter he wrote to me. He writes:

> If our pensioners were paid from the pockets of the taxpayer, the legislation might have some validity. This, however, is not the case. Since 1924 the sums deducted from the pay of employees and the interest on their contributions have been greater than the total payout in pensions and indexing combined. Federal public servants have always paid for their pensions through a 7½ per cent deduction on their salaries. Even without the matching employer contribution, the plan is self-sufficient and multiplying at a phenomenal rate.

• (1115)

> We public servants have willingly paid our high premiums over the years because we honestly felt we would receive a worth-while pension on retirement.

I say in conclusion, Mr. Speaker, that we oppose this Bill. The amendment is inadequate. The one-half per cent solution does not solve the basic problem. I urge the Government to withdraw this Bill from the Order Paper and, as our House Leader urged, get the committee out across the country to hear what the people have to say about it. Then the whole issue will be dropped altogether.

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, I welcome again the opportunity to speak on this piece of legislation, Bill C-133. There is no doubt that this Bill is unjust. In fact, the Government's whole six and five program is unjust and that fact will not be changed by the Government's amendment to Bill C-133, such that the limits on pension increases become six and a half per cent and five and a half per cent for the next two years. The Government's whole six and five program is a snow job.

It has been shown time and time again that inflation is not the result of the incomes of working Canadians or the incomes of pensioners. In fact, incomes have fallen behind the rate of inflation for the last four years, so what is the purpose of the six and five program? It is to save the Government's political hide by creating the impression that something is being done about inflation. At the same time it is to lead the way in attacking the incomes of working Canadians and of our old age pensioners, to free up more capital for the corporate brethren of the Liberals and Tories.

The Tories, those masters of political gamesmanship, have made a great show of opposing the six and five cap on pensions and Family Allowances. They know that to support what, in effect, amounts to pension cuts and cuts in Family Allowances is no way out of the political wilderness. How genuine is that opposition, Mr. Speaker? When the Government brought in the six and five program with its June budget last year, it was made all too clear that the six and five program would be more than just wage controls for Public Service employees. We knew then that the whole scope of this illusory anti-inflationary program would include a reduction in real pension incomes and Family Allowances over the next two years.

The Tories, anxious to gain the favour of their corporate bosses, eager to capitalize on the right-wing penchant for attacking Government employees, stood four square behind the Government's wage control program, and I suppose they reaped some good political mileage for doing that. When it comes time, though, to pay the price for that mileage, all of a sudden they have discovered a social conscience. The six and five program will mean a reduction, in real terms, for pensioners and for mothers. Now these Tories have found something they might be able to squeeze more mileage from. They decided to make a great show of their newly found opposition to the six and five program.

Last Thursday we saw just how far the Tories were willing to go in their opposition to capping Public Service pensions at 6 and 5 per cent. Our House Leader rose last Thursday to introduce an adjournment motion because he knew there was a chance to delay this Bill long enough to see at least one pension cheque go out with an increase which reflects the cost of living. But the Tories, who were only too eager to keep the bells ringing for 15 days last spring in order to come to the aid of their friends in the oil companies to ensure their profits, could not find their way to do something similar for old age pensioners. Fifteen days for oil company profits, Mr. Speaker. Fifteen minutes for old age pensioners. That is Tory priority for you. If they had stayed out for even a half an hour the pension cheques which will go out tomorrow would have been at the level negotiated by the Public Service employees and the Government. Half an hour, is that too much to ask? Instead, the Tories discovered a new desire to see Parliament respond quickly to the Government's desire to push through its legislation. I can only hope, Mr. Speaker, that the Public Service employees and pensioners, who were counting on strong opposition to this Bill which violates their agreement with the federal Government, have been able to see through the Tory posturing on Bill C-133.

• (1120)

The Government, with this Bill, is unilaterally breaking an agreement with its employees, the Public Service. More than

that, it has decided that it is appropriate, perhaps even desirable, to fight inflation on the backs of the weak and the poor. This, of course, is the thrust not only of Bill C-133 but of the Government's entire six and five program. This Bill will have the effect of driving retired public servants, if not into poverty as measured by Statistics Canada, then into near poverty, which amounts to basically the same thing for pensioners.

The average annual pension paid from the public servants' superannuation account is a paltry $6,900. True, some of those people will also qualify for Canada Pension benefits and the old age pension, but even taking all of that together—because we are dealing with averages here—we can be sure that there are some Public Service pensioners who will be receiving less than that $6,900 average. At least some of them will be living so close to the poverty line that it is unconscionable. The poverty line, Mr. Speaker, for a city like Winnipeg in my home Province is somewhere around $8,970.

Is there a contract being violated here? Of course, the Government denies this. It says pensions were not a negotiable item between it and its employees for collective bargaining. But what the Government is not telling us is that when it was preparing to enter into collective bargaining with public servants in the mid-1960s, it approached its employees to exclude superannuation from negotiations in exchange for an agreement that there would be no unilateral changes made to the superannuation plan. Well, this smells suspiciously like a unilateral change to that plan.

What does this unilateral reduction in the pensions of public servants say about this Government? It says more than just that the Government does not honour its agreements with its employees; it says that the Government of this country, regardless of all the pretty and fine statements it may make about pensions reform, believes, just like the worst, most backward employers, that pensions are a privilege and not a right.

Of course, the Tories have been attacking the Government for introducing this Bill because they, perhaps wishing to see the Government operate on a sound business practice basis, do not like to see contracts broken. But why did they not speak out against breaking the contracts of thousands of public servants when the Government introduced Public Service wage restraint? They did not speak out, not one bit. In fact, they could not contain themselves as they rushed to support Public Service wage control.

What about unilateral changes to private pension plans? Well, the Superintendent of Insurance in any of the Provinces of this country would normally reject amendments to private pension plans which, similar to the changes advanced in this Bill, had the effect of reducing pension benefits. But the Government, in hopes of saving its political hide, is not interested in the niceties of business practice. What is most important with this whole six and five program is that it appears to be doing something about inflation. So with this Bill it is Public Service pensioners who are expected to take it in the neck.

If we accept only for a moment that there is validity to the foundation of this Bill—the need to cut Government spending—I think it becomes clear that this is a particularly unjust way of doing that. If a similar move were put forward as a change to tax policy, if taxes were increased in order to reduce deficit financing, it would never be acceptable to increase the taxes of pensioners. The move would be attacked from all quarters, probably even by the Tories, as being grossly unfair, but by rationalizing what amounts to the same thing, by calling this an anti-inflationary measure, the Government hopes to lend some credibility to its plans. Reducing these pensions is the same thing as retroactive wage control.

• (1125)

Government employees agreed to put a portion of their wage package away in a pension plan. They could have decided, instead, to put some of their money in Canada Savings Bonds and perhaps that would have been safer. I do not think many Canadians would support a Government move to dip into money invested by employees in Canada Savings Bonds, even on the grounds of mounting an anti-inflation program.

The effect of this Bill on labour/management relations and on the Government will be devastating. For the last time, I call on the Government to remove this Bill and the rest of the six and five program from its proposals. It is just too hard on the people of Canada.

Mr. Leonard Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, as I start out to take part in the debate on Bill C-133, I want to say that the main issue in this Bill is one that looks very simple on the surface; but when one gets into the details and the subject matter behind the whole issue, one realizes it is very complex and virtually steeped in potential and real controversy. I did not speak on second reading because I did not wish to prejudice in any way my remarks on third reading of the Bill, or on any negotiations and discussions in the interim.

On July 6, 1982 I delivered a speech in the House on the great need for pension reform generally in Canada. It astounds one to think about all the billions of dollars that are in pension funds in this country today. At book value, at the end of 1980 there was $52 billion in trustee pension funds. There will be very little feeling of security, Mr. Speaker, in public and private areas of employment in our nation unless we, and other jurisdictions of Government, revamp and reform the diversity and the plethora of private and public pension plans across the country.

The reason Bill C-133 is before Parliament now is simply that we have failed to tackle the job of bringing in reform legislation to place the public sector pension plans beyond the reach of public criticism. This could be done by making some financial rearrangements within the system itself after employer-employee discussions and agreements.

There seems to be a large measure of agreement to unite the Public Service Supplementary Retirement Benefits Fund with the Public Service Superannuation Fund, the Canadian Forces Superannuation Fund and the RCMP Superannuation Fund;

but all this, of course, will have to be part of future discussions and agreed upon arrangements.

The Public Service Pension Fund should be placed on a solid financial administrative base and then taken out of the realm of politics and managed by a board of trustees representing not only the employer and the employees but also the pensioners. There would have to be very definite guidelines for them to follow, but if something happened to the viability of the fund, the trustees would be accountable and would have to take measures to correct the deficiency and not fall back on the taxpayers of Canada for funding. In this way, it would be removed from the realm of public issues. Any deficiency would likely only happen in times of extreme inflationary rates, but with changed, or amended, internal financial arrangements of the fund, it would in all likelihood not happen at all because the new guidelines would hopefully be very specific.

It is important to point out here that presently the Public Service Supplementary Retirement Fund is structured in such a way that every contributor and pensioner has his or her individual account. Now, some say, there is over a billion dollars in the Supplementary Retirement Fund. Why then, they ask, do you not take more money out of the fund instead of making up any shortfall out of the public treasury? One can readily realize why. You cannot take from Peter's account, who is still working, for example, to pay Paul, who is retired, because some day Peter is going to retire and he will want his supplementary pension.

● (1130)

On the other hand, the Public Service Superannuation Fund is not based on individual accounts, and it is also very wealthy. One can readily understand why some agreed upon reform measures for these plans can correct this straightjacket situation, which is the very basis of the problem. At the present time the Government picks up the difference between what the individual pensioners' accounts of the supplementary fund yield and the amount required for full indexation. It must also be recorded that the federal treasury picks up 100 per cent of the indexing costs for those who retired before 1970, because as we know, prior to that date no supplementary pension fund existed. I must reiterate that all these difficulties can be settled by constructive pension reform.

The Tomlinson-Alexander report, 1978, indicated that the Public Service Superannuation Plan could carry itself but that with proper investment the plan could be viable as well. I should point out that some Government agencies have their own pension plans, and CMHC is one of them. In Issue No. 109 of the Minutes of Proceedings and Evidence of the Standing Committee on Miscellaneous Estimates, page 34, for Monday, December 20, 1982, one of the witnesses gave a synopsis of the Canada Mortgage and Housing Corporation pension plan, and I will quote part of that evidence:

> We look at a pension plan such as the Central Morgage and Housing Corporation plan where the employer contributes his share to a fund along with the employees, and we see in ten years, from 1971 to 1981, a growth from $47 million to $170 million; an increase in pensioners of up to and about 980 pensioners. I think that sure as heck would cover their pensions and include the indexing. Perhaps if the Government feels, or the people responsible feel, they are unable to handle or control the pension plan, they should consider turning it back to a joint employer/employee committee who would, under restrictions such as Central Mortgage, be allowed to operate their own pension plan. Perhaps then, if something goes wrong with the indexing or the loss in interest accrued from it, we would have no one to blame but ourselves.

Later in the meeting the same witness said:

> Based on the very quick look I have had and from talking with neighbours and people who have worked at Canada Mortgage and Housing Corporation, I gather they are extremely pleased with their pension plan. And on looking into the facts and figures, I find that the employer which is the Canada Mortgage and Housing Corporation, contributes a certain percentage along with that from the employees. It is then under control by a board of directors and employer representatives, and they have restrictions as to how much they can invest in particular areas. For instance, they invest money in mortgages, provincial and dominion, or federal bond issues. Then they are allowed to speculate on the other 50 per cent in real estate and, I guess, chip stocks or whatever.

The reason I am talking so strongly in favour of reform of the Public Service Superannuation Act and the Supplementary Retirement Benefits Act, putting them on a firm financial base to pay indexing by changing the rules of financial administration therein and taking them out of public controversy, is that the federal Government can lead the way by promoting better pension plans for rank and file citizens in both public and private sectors across Canada. Indeed, this is in the Liberal tradition.

In his speech on second reading of Bill C-133, the President of the Treasury Board (Mr. Gray) said:

> The debate has also produced a great deal of confusion and factual error over the nature of the present indexation arrangements and I would like to deal briefly with some of the more common misconceptions at this time. Many of those who oppose the limitation on Public Service pension indexation argue that public servants have fully paid for their indexation through the contribution of 1 per cent of salary together with the matching direct Government contribution towards the cost of this benefit. This is not the case. Approximately 90 per cent of the indexation benefits paid to retirees are currently charged directly to the Consolidated Revenue Fund of the federal Government. The Consolidated Revenue Fund is in fact made up of moneys raised from the taxpayers of Canada generally. The balance of the benefit, that is approximately 10 per cent of those payments, come directly from the Supplementary Retirement Benefits account. This is the separate account set up to receive employee and employer contributions to provide for pension indexation.

That is the problem within about which I am talking. Surely this must lead someone to question the way the supplementary fund was set up in the first place.

I emphasize pension reforms in the public sector because they are the only answer to our dilemma, to the problem before us. As long as public funds are used in large amounts as an additional financial contribution, there will be controversy. The money should not be administered in such a way that embarrassing amounts are left sitting in the Public Service Superannuation Fund or the Public Service Supplementary Pension Fund. The administration of such funds should be flexible enough to permit the dollars to be used for what they were meant in the first place, namely, to pay the pensions and indexation of retirees. This is why there must be more flexibility and possible amalgamation of the two funds.

This is the alternative to the contentious issue of Bill C-133. It is important to note that all countries in the industrialized world are in financial straits because their financial base or taxation bases have been eroded temporarily. How does a

country like Holland handle its crisis? There is an interesting comparison here. Let me read a brief article from *The Globe and Mail* dated November 23, 1982.

Mr. Deputy Speaker: Order, please. I regret to interrupt the Hon. Member but the time allotted to him has expired. He may continue with unanimous consent of the House. Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: There appears to be unanimous consent.

Mr. Hopkins: Thank you, Mr. Speaker. The article is headlined "The Hague" and reads:

> The new Dutch Government formally announced tough spending cuts and a public sector wage freeze. The centre-right Government said it was aiming to reduce the official spending deficit and from a projected 11.9 per cent of national income next year to 7.4 per cent by 1986. To do this, it will push ahead with plans for about $5.64 billion in cuts next year, including a freeze on public sector wages and social security programs.

This is why I support the six and five program. Mr. Speaker, can you imagine what would happen in this country or in this House if there were a complete freeze? Last summer when the six and five program was introduced, all Members of Parliament accepted a 5 per cent pay cut and media stopped talking about it immediately thereafter. Then we went on the six and five program. This was done to set an example for others to accept only six and five in their pay. As far as the Simon Reismans of the world are concerned, I could vote early and often for this Bill, but I have a major concern for average and low-income pensioners who are lumped together with all others.

Let me cite some humanitarian examples of how the Bill will affect them. For example, I know of several cases where Armed Forces personnel retired several years ago and passed on much earlier than their life expectancy. When the husband dies the wife receives one half his pension. We know for those who retired from the Armed Forces eight, ten or more years ago, that the pension of a private, corporal or sergeant major was not very big. Even though his pension had been indexed over the years, the fact that the wife receives only half his pension following his death simply means she could well be cut back to the amount of pension income her husband received when he first retired. She may be 60 to 64 years of age or younger and, therefore, does not qualify for old age pension or for the Guaranteed Income Supplement. There are many cases where others, for example couples, are trying to get along on one pension and because of the economic downturn cannot find employment.

Throughout the hearings of the Standing Committee on Miscellaneous Estimates, we constantly heard remarks about reneging on an agreement and not keeping faith with pensioners who have paid into a pension fund during the course of their lives. On the other hand, Treasury Board continues to indicate that there is no agreement, that there is no contract, and that such charges are not accurate.

• (1140)

The two conflicting parties in this kind of dispute will continue to debate that issue, but my difficulty with this Bill is simply the fact that pensioners from the public sector, some Crown corporations, Canadian Armed Forces and the RCMP perceived, if not understood, that there was a commitment. They retired with the expectation that they would, in fact, receive full indexation on the basis that they had contributed to the Supplementary Pension Fund. Treasury Board has become very concerned because the Supplementary Plan does not carry full indexing and they have to pay a large amount out of the Consolidated Revenue Fund of Canada to make up the difference. Based on the figures that they have provided, this is the case. But my major concern about all this is that this problem has been well known for a long time and no reform measures have been concluded to correct it.

The Hon. Robert Andras, who was a very fine Minister in the House, made a very sincere attempt to do so when he was President of the Treasury Board and introduced Bill C-12 on March 23, 1979. That Bill was a result of many meetings of the Standing Committee on Miscellaneous Estimates and there was virtual agreement by all three Parties in the House. If this Bill had been passed, we would not be discussing Bill C-133 today nor would it have seen the light of day. However, Parliament was dissolved shortly thereafter and the Bill died with no chance of consideration. The Progressive Conservatives came into power after the ensuing election and they did nothing more about it. In fact, what we heard about most was the plan to lay off 60,000 civil servants.

Nothing further has been concluded since the election of the present Government in 1980, and I therefore do not feel that retired public servants, some retired Crown employees, retired members of the Armed Forces and the RCMP should lose out simply because successive Governments have failed to act on pension reform.

That is past history, unfortunately. I would urge the Government to proceed immediately to correct this situation so it will not arise again. There is no way that matters of this nature should be thrown into the public arena where bad relations with employees can be created.

The misconception is always thrown around in the media and among the public to the effect that all such pensioners are wealthy. There is a large percentage, about 68 per cent, of retirees of 70 years of age or more who receive less than $7,000 per year, and this is what bothers me tremendously about this Bill. There is a large number of these people in my constituency up and down the Ottawa Valley. I know many of them personally and I am aware of their situation. The major part of this group is here in the Ottawa Valley; the remainder are scattered across the country.

Mr. McKinnon: Mr. Speaker, I rise on a point of order. I hate to rise on this unusual point of order but we did give unanimous consent to the Hon. Member, we thought, to conclude his speech, not to go on to read the distorted and

tiresome view of history that he seems to have. I believe there are limits to these extensions, generally a couple of minutes.

Mr. Deputy Speaker: With all due respect to the Hon. Member, when the House gives unanimous consent for the extension of an Hon. Member's remarks, the Chair is not aware of any procedure in the rule book by which a limit can be placed on the time.

Mr. Hopkins: I appreciate the remarks fully, Mr. Speaker.

After several meetings of the Standing Committee on Miscellaneous Estimates, this Bill was returned to the House without amendment. This simply means that with the exception of the 6.5 per cent and 5.5 per cent change, the Government wants the Bill to remain in its original state.

I realize that the Minister in charge of the Treasury Board has a tough row to hoe in piloting this legislation through the House, but as he knows, I have talked with him on several occasions because I am one of those Members who has many people in my constituency who are affected by this Bill and they do not fall in the upper income brackets. For this reason, I still have great reservations about this Bill and I have had considerable discussions with my colleagues on this matter.

Therefore, it is with regret that I state now that I cannot support Bill C-133.

Some Hon. Members: Hear, hear!

Mr. Hopkins: I have arrived at this decision without malice, without any ill feelings, but certainly in all seriousness and sincerity. I want to thank Hon. Members for their patience.

Hon. Steven E. Paproski (Edmonton North): Mr. Speaker, I would like to say a few words with regard to the Supplementary Retirement Benefits Act, particularly after listening to some of my pinko friends to my far left who keep making these disparaging remarks about the Conservative Party. If they keep saying things like that, they will not be at five points in the Gallup polls, but they will be lucky if they have one point in the Gallup polls.

Mr. Deans: The Gallup poll is not necessarily a measure of the truth.

Mr. Paproski: While I am speaking I wish they were not talking about polls. There are a few Members over there who feel that they know what they are talking about, but when I came here at 11 o'clock this morning and listened to some of the nonsense, I could not believe they would make some of those ridiculous remarks in this Chamber after seeing the Gallup poll over the weekend.

The Hon. Member for Renfrew-Nipissing-Pembroke (Mr. Hopkins) recalled history during his remarks when he said that the Conservative Party was going to fire 60,000 civil servants. That is a ridiculous remark. We have gone through that routine and we would never have taken such action. It is fine for the Minister of Justice (Mr. MacGuigan) to say that, but we did not even have the opportunity to look at it, much less listen to such trash as that the Conservative Party was going to eliminate 60,000 top-notch civil servants in this country. I cannot believe anyone would even think of something like that.

I am surprised at this heartless Government's proposal to implement its six and five program on the backs of pensioners in this country, particularly civil servants. I cannot believe it would stoop so low at this time and take away the pension that civil service pensioners in this country have contributed to over the last few years. The Government is now telling them that it does not have enough money and pensioners will have to settle for a six and five agreement. It is breaking an agreement which it made with the pensioners in the civil service of this country. I suggest that this heartless Government is scraping the bottom of the barrel. I find it ridiculous that I must rise on January 24, 1983 to debate such a Bill as C-133.

I would like to repeat the remarks made by my colleague, the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie), as they appear at page 22018 of *Hansard* on January 20, 1983. At that time he said:

> The Conservative Party has steadfastly supported Public Service pensioners in their fight to defeat a Bill which takes $165 million away from pensioners, a segment which is often least able to defend its rights and protect its standard of living. The Conservative Party is well aware that public employees pay 7.5 per cent of their salary to support their pension plan. The private sector employee contributions seldom exceed 5 per cent and are frequently less.
>
> Benefits paid from the plan to date have been more heavily financed by employees than by their employer. Of $1,360 million paid out between October, 1981, and September, 1982, employees contributed $735 million compared to the Government's 625 million.
>
> The Conservative Government of 1979-80 was able to trim $500 million from the federal budget without any income penalties to retired civil servants or senior citizens in general. Approximately $445 million would be paid out of benefits this year, according to the Treasury Board, and $420 million will come out of the Consolidated Revenue Fund, with only $25 million covered by the contributions made by pensioners when they were employed. This is due to the fact that, while the plan was only implemented in 1979, the benefits are extended to all retired public servants whether or not they contributed to the fund.
>
> As time goes on, the drain on the CRF will diminish and the Supplementary Retirement Benefits Account will pay a larger share of the benefits.

He went on to say:

• (1150)

> The total cost of indexing the pension was approximately 4.5 per cent of the payroll from the regular public servants last year. Pensions for the Armed Forces and some other groups are administered separately.
>
> There is a paper figure of $15.5 billion in the Public Service Superannuation Account. The present employees' contribution rate of 1 per cent salary to the SRBA provides for only a 1.5 per cent inflation rate in the future, according to the Treasury Board.
>
> An actuarial analysis claims that the total surplus of $15.5 billion in the superannuation account is sufficient to meet future benefit payments and the accrued interest on this account, especially if it were invested at a high rate of interest, would be more than adequate to cover the cost of pension indexation. Records show that the public service employees have contributed more to the pension than their employer. I suggest that the Government-employer contributions through the PSSA and SRBA be investigated to determine if they have been adequate.

That was part of the speech of my friend, the Hon. Member for Winnipeg-Assiniboine, who plainly said it in four or five paragraphs.

I see no reason why I should carry on any further with regard to this matter. I think it is incredible that we should have to take up the time of the House on this particular Bill when it is such a ridiculous Bill. Naturally, I will be voting against it, I know that the whole Conservative Party will be voting against it. I hope some Hon. Members opposite—and I know that they will—will be voting against it. Maybe it will be an opportunity for us to defeat the Government, who knows? Maybe some great people like the Hon. Member for Ottawa-Vanier (Mr. Gauthier) will come up with some amendment so that we may be able to carry this matter on for another two or three months. If that is what the House wants, then maybe this is how we will carry on.

The Minister has taken away the full Family Allowance benefits by deindexation. Now the Government is affecting the senior citizens of this country. My, who will it be next? I cannot believe what I am seeing. The Government has even taken away lottery funds from the poor fitness and amateur sport people, the people in the sporting industry. The federal Government has taken $90 million from the Provinces' lotteries. Does Your Honour know where it put the money? It was put into the Consolidated Revenue Fund to look after other expenditures while the poor people in the sports organizations are looking for bucks. They cannot get their money. Moneys were promised for the University Games in Edmonton but have not been received. The Olympic Association is looking for money; it does not have any. If these events were being held in Quebec, let me tell you there would be a change and a different atmosphere over there. The moneys would be coming *tout de suite*.

Mr. Lapointe: No.

Mr. Paproski: Oh, yes. The Minister says "No". I know, because I see the way you guys operate—

Mr. Lapointe: You just show your bias.

Mr. Paproski: —over on that other side. Do not tell me it will not.

Miss Bégin: Racist!

Mr. Paproski: Do not call me a racist, either. Do not dare call me a racist.

Miss Bégin: Racism.

Mr. Deputy Speaker: Order, please. Remarks should be addressed to the Chair.

Mr. Paproski: Through you, Mr. Speaker, I will say that I do not want to get the Ministers, hot and heavy, but I have been around here long enough to know just exactly what happens. They who scream the loudest, and they who form the largest majority in the Party which governs, particularly my friends opposite from la belle province, do not hesitate to get their funds.

I will end my speech by saying that we intend to vote against the Government, and particularly against this Bill.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I would like to spend a few moments discussing the amendment to the Bill. As most people know, the Bill ignores the basic rights of civil service pensioners who have paid for the indexing of benefits and who thought they had a contract. Indeed, it was understood, in negotiations back as far as the 1960s, that a contract existed between the Government and civil servants with regard to pensions.

It has been pointed out by various unions for the civil service that in the 1960s it was suggested that superannuation be excluded from collective bargaining by the Government. In return, they were promised that there would be no unilateral changes to the program. An advisory committee was established and, up until the present time, the Government, under two different parties, has been keeping up those promises. However, we are now seeing a change in policy, a breaking of a contract, if you like, so that even though pensioners had paid for it, indexing to keep up with the cost of living would no longer be there.

Simply so that we can study the matter in its proper perspective, we should remind ourselves that indexing was always "after the fact" indexing. We waited until the end of the year to find out how much inflation had run amuck in the previous year and then, in the coming year, the pension would be increased by that amount. That basic tenet is being ignored in this Bill and an amendment which would not only break a social contract, but would also amount to a tax on senior citizens.

The Government of Canada should maintain the contract with pensioners of all types that there will be no excessive taxation of their benefits, because in the main they comprise a fairly low income group. In recent times of high inflation, it has been very difficult for pensioners to keep up with the cost of living. This kind of procedure would have the effect of adding what would amount to a tax on senior citizens, in this case pensioners who have previously worked for the civil service. It would amount to a tax because it would reduce the amount of money to which they were entitled, a tax deducted before they even received their pensions. The deduction would amount to the difference between the real inflation rate and the 6 per cent proposed in the Bill or the 6.5 per cent in the amendment.

The only place where the case of pensioners can be heard is in this House of Commons. That is why this Party has been holding up proceedings on the Bill. We say that this is the pensioners' last chance. Retirees do not have organizations or unions which can speak for them. They rely on their elected representatives to look after thir needs, and not all of them are paying attention.

I want to point out that we probably would not have found ourselves in this mess had we in the Opposition collectively, both Parties together, stood up more strongly against Bill C-124 which introduced the six and five set of guidelines in the beginning. There were enough votes in Opposition—

Mr. McKinnon: Nonsense.

Supplementary Retirement Benefits Act (No. 2)

Mr. Althouse: —when one adds the Liberal Members who decided to vote against the six and five proposal, to defeat Bill C-124; but our friends to the right chose, instead of standing up for a principle, to go on holidays. Therefore, instead of defeating the Government or at least defeating that particular Bill brought in by the Government, the Bill was passed, and we now have the imposition of six and five because of a lack of interest on the part of Tory Members.

Just this past week we have also noted an attempt, with regard to holding up the legislation, to raise the ire of most people across the country on the side of the pensioners, because while civil service pensioners, old age pensioners, baby bonus benefits and child allowance credits may be affected in a series of Bills coming before the House, we do not know what other low income group will be the next to suffer from the six and five imposition.

• (1200)

We have seen the way the Tories reacted last week when the motion to adjourn the House was offered by our party. They had an excellent opportunity to hold up this Bill and to carry on the delaying tactics so that this dreadful imposition would not be placed on our civil servants who are retired. Instead of giving it the good support that they gave oil company profits last March, when they stayed out for 15 days to protect oil companies, they would not stay out for 15 minutes to protect old age pensioners and civil servants.

The Liberal position has been varied. Mostly Government members support the Government, with a few notable exceptions. I was pleased to hear the Hon. Member for Renfrew-Nipissing-Pembroke (Mr. Hopkins), who spoke a few moments ago, say that he will be opposing this amendment and the Bill itself. I think more Ottawa Members on the Government side and, indeed, any Government Member who has a conscience and realizes the need for maintaining trust in contracts, should be voting against this Bill. I cannot understand why a Party that professes to be in favour of justice and a just society, in favour of maintaining incomes for low-income people, in favour of assisting people who are on pensions, could introduce such a Bill in the first place, but they have.

We have been watching, and so have civil service pensioners, the gyrations of some of the Members. I note the Hon. Member for Ottawa Centre (Mr. Evans) is in the House today. He is reported to have been at a meeting of civil service pensioners in Ottawa in which he said he would not allow such an inequitable Bill to go through the House. I have heard him make speeches in this House since that time saying that adding one half of 1 per cent to the six and five, as this amendment proposes to do, to make it 6.5 per cent and 5.5 per cent as it applies to civil service pensions, will bring about the kind of equity he can support, and I understand he is going to support it.

When you look at the kind of pensions that Public Service pensioners are receiving, he is being bought out for a fairly paltry sum. There are approximately 90,000 former contributors to the civil service pension fund that are taking home approximately $8,100 on average annually. In addition to those 90,000 there are 32,500 on survivor benefits who are receiving approximately $3,200 per year, making the average for all pensions paid in the order of $6,900 per pensioner. Just look at what that means. It means that for the average pensioner receiving the $6,900 per year, the extra one half of 1 per cent provides them with $34.50 per year more. This is a princely sum for the Hon. Member for Ottawa Centre to have—

Mr. Deputy Speaker: Order. The Chair regrets to interrupt the Hon. Member but the time allotted to him has expired. He may continue with the unanimous consent of the House.

Some Hon. Members: Agreed.

Mr. Deputy Speaker: There appears to be unanimous consent.

Mr. Althouse: Thank you, Mr. Speaker. I will finish rather quickly. I was pointing out that the average pensioner receives $6,900 per year, so the extra one half of 1 per cent means they will receive $34.50 per annum extra, which works out to about 66 cents per week. With that princely amount of money, the average retired civil servant who has retired in Ottawa has almost enough money to make a one-way bus trip downtown. It will not be enough to get him home, but if he adds a few cents he can get downtown. The knowledgeable economist from Ottawa Centre is willing to call this equity.

I think the case has been well made in this House. I will not speak any longer on the Bill. We in this Party will be opposing the amendment and the Bill itself, and we hope that more of the Members on the Government side will see fit to support this stance as well.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt motion No. 2?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

Mr. Deputy Speaker: In my opinion, the yeas have it.

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to section (11) of Standing Order 79, the recorded division on the proposed motion stands deferred.

Earlier in the proceedings the Chair ruled that an affirmative vote for the motion which has been deferred would deal with the motion standing in the name of the Hon. Member for Nepean-Carleton (Mr. Baker). Therefore, at this stage the Chair will proceed to the motion in the name of the Hon. Member for Ottawa-Vanier (Mr. Gauthier).

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa-Vanier) moved:

Motion No. 4.

That Bill C-133, An Act to amend the Supplementary Retirement Benefits Act (No. 2), be amended by adding immediately after Clause 2 at page 2, the following new Clause:

"3. This Act expires on December 31, 1984."

He said: Mr. Speaker, Motion No. 4 which you have just read proposes the following, and I quote:

"3. This Act expires on December 31, 1984."

The purpose of this motion is to establish without a doubt that Bill C-133 will expire on December 31, 1984.

In English this is call a sunset clause, an expression that is rather difficult to render in French, but I suppose it could be called an expiry clause or perhaps a twilight clause or a limited duration clause. I have been seeking advice on this matter, but there is no real agreement on the best translation. In any case, the purpose of my motion, Mr. Speaker, is to have this legislation repealed as of December 31, 1984, and since the bill itself does not contain any clauses limiting its duration, I think putting this motion does not raise more problems than it solves. Furthermore, other Members in this House have often put similar motions for other bills. I would have preferred to see Bill C-133 withdrawn, but since it will be passed, we must try and make the best of a bad thing.

We do not know what the future holds in store, Mr. Speaker. In politics as in so many other areas, the saying: A bird in the hand is worth two in the bush, is very apt. Adding to Bill C-133 a clause that it will expire on December 31, 1984 will show the legislator is acting in good faith by putting a two-year limit on this government policy. It also provides the assurance that neither politics nor the results of a possible election will prolong the effects of Bill C-133. Who knows, Mr. Speaker, who will be in power on December 31, 1984? I certainly do not.

Public servants have been told that there was nothing in writing on the indexation of their pensions. That is true. Because of exceptional circumstances, they have had to rely on the Government to manage the Superannuation Fund in the interest of present and future public service pensioners. It is also true that fifteen years ago, there was no public service union powerful enough to demand a more active role in the management of the Public Service Superannuation Fund.

If Bill C-133 is passed without amendment, public servants may be expected to demand an active role in the administration of their superannuation fund to protect themselves against their employer.

Legally, the Crown can impose the 6.5 and 5.5 per cent ceiling on public service pensions, there is no doubt about that. However, Mr. Speaker, it is another thing altogether, and not much can be said in its defence, when we realize that the employer, Treasury Board, can restrict and even defend such measures without breaking its word or infringing existing agreements. I find all this compromising, to say the least, and very damaging to employer-employee relations. It will probably take some time before a minimum of trust has been restored between present and future retired public servants and the employer, that is, Treasury Board.

That is why I am suggesting this modest step towards a reconciliation. Let us restrict the effect of this bill to two years and immediately start genuine consultations with the unions, and let everyone know that the legislator will keep his word. Let us amend Bill C-133, Mr. Speaker, to have it expire on December 31, 1984.

On the subject of consultation, Mr. Speaker, I would like to read to you a passage from *Hansard* of December 6, 1982, page 21301, and I am quoting the President of the Treasury Board (Mr. Gray):

Let me assure everyone that there will be full opportunity for consultation before any changes are decided upon and any proposals made to Parliament concerning the superannuation plans of federal Public Service employees.

By adopting motion No. 4, the Government will restore its credibility vis-à-vis federal public servants and particularly the retired members of the Public Service of Canada. In addition, Mr. Speaker, this amendment would reaffirm the Government's confidence in a 6 and 5 program aimed at bringing down inflation and promoting economic recovery. The motion would also confirm statements by certain ministers, especially the Minister of Finance (Mr. Lalonde) who indicated in his budget speech that the 6 and 5 program would be restricted to the next twenty-four months.

• (1210)

[*English*]

As a result of what has been said over the past weeks and months about indexing of public servants' pensions, I think it is quite clear that the tide of mistrust and suspicion that I see making its way across the Public Service cannot be stemmed by words promising a different tomorrow.

I find that pensioners are extremely skeptical over Government claims that the restrictions contained in Bill C-133 are temporary when the Bill provides that the restrictions to be implemented in 1983 and 1984 are also to apply after 1984. I repeat, the restrictions are to apply after 1984. Some pensioners also liken Bill C-133 to the camel in the proverb about the camel and the tent.

There is concern among some pensioners that C-133 is the first stage of a program that will lead to an ad hoc dismantling

of the indexing program, to be followed by its eventual elimination. The only chance I see of checking this tide is through positive action. One action that I believe would be particularly helpful would be to adopt motion No. 4, inserting a sunset clause in the Bill providing for the demise of the Bill on December 31, 1984.

Two conditions must exist if one expects compliance and trust. The rules must be reasonable and, second, those who set the rules must abide by them. The effect of amendment No. 4 will allow the President of the Treasury Board (Mr. Gray) to substantiate his claim that Bill C-133 is really a temporary measure. A sunset clause in Bill C-133 would also restore some credibility to the Government and to Parliament. It would show that the Government has confidence in its six and five program. In my view, it would re-establish a certain amount of trust which should lead to further consideration of pensioners with a view to restoring mutual confidence and understanding.

My colleagues can help restore some trust and improve somewhat the credibility which the public expects from its legislators. I invite my colleagues to vote for amendment No. 4 which will limit in time the unfortunate effects of Bill C-133.

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, I am very pleased that you looked at this side of the Chamber when it came to seconding the motion standing in the name of the Hon. Member for Ottawa-Vanier (Mr. Gauthier). I was very pleased to second it because I, too, read the budget speech. I, too, have heard the protestations that this is a two-year program. I think there is that wave of skepticism.

This skepticism is tinged with a great deal of apprehension and anger about a system that has been in force, supported unanimously within the country and within the Public Service, for many, many years. It is a system upon which thousands and thousands of public servants made their retirement plans and are making their retirement plans which, in a decent civilized society, also benefits the widows of public servants, who are included in the broad sector when we talk about public servants.

This very broad sector includes those who come under the President of the Treasury Board (Mr. Gray), members of the Royal Canadian Mounted Police, the Armed Services and some Crown corporations. It is interesting to note that it does not include employees of the Bank of Canada, which recently announced that they will index at 111/2 per cent, the going rate. The Act does not apply there. This is an indication of the ad hoc approach which raises the skepticism that my friend talked about. He is absolutely right.

We are approaching a watershed in Canadian pension history. If this Bill passes, it will be the first time that any federal Government had decided to diminish pensions, pensions which were bought and paid for. I want my friends opposite to remember this when they go to their constituents.

It is true that the Right Hon. Richard Bedford Bennett froze the salaries of public servants when he was Prime Minister. Although there was not a pension system in place for public servants of the kind we have today, there was a pension system in place during the regime of the Right Hon. Richard Bedford Bennett which was likely then described as generous. It probably was for its time. And yet in the depths of the Depression, with the prospects and position of its senior citizens, of its young people, the Government of the country of that day did not touch pensions. It dealt with salaries, and people will say dealt iniquitously with salaries. If I were living in that day I would likely say the same thing. But they did not touch pensions.

• (1220)

Therefore, anyone who votes for this legislation is participating in the first of what we all suspect is a restructuring which will have very serious effects. It is a precedent and anyone who proposes to vote had better remember that. This is the first time that the pensions of senior citizens, especially those who have bought and paid for them, will be affected.

I want everyone to know what is the effect of the amendment brought by the Hon. Member. He says, and I agree, that he wants to underscore that the Bill will cease to have any effect after the two years. He is saying to the President of the Treasury Board, to the Minister of Finance (Mr. Lalonde), to the Prime Minister (Mr. Trudeau), who made a representation some time ago: "Put your money where your mouth is. You have backed off from that letter in 1977 when you said indexing was meant to protect against inflation. All those sweet protestations in that letter which was circulated to the public servants by the Prime Minister meant nothing. You have broken your word on that. The latest word you have is it would only be two years. Put your money where your mouth is."

I want to know where Government Members stand on that. I think this is quite a reasonable amendment to support and I hope that the first speaker on the Government side will suggest that it be supported. It is not only of importance in that it underpins the pronouncements which have been made by Ministers, but it is equally important in another way. I believe that it is at least open to argument that when the amendment says this legislation expires on December 31, 1984, it goes beyond just the expiry of a Bill. In other words, I believe it is more than a sunset clause. In my judgment, it is at least open to argument that when it says this Act expires on December 31, 1984, it could mean, and will likely be argued that it means, that its effects expire on December 31, 1984. The House should know that at some time that case will likely be argued.

The Hon. Member for Ottawa-Vanier and I, in two amendments which were declared inappropriate for this House, put forward the proposition that the base should be restored at the end of the program. I think the argument will be made somewhere that that will be the effect of this amendment, that the base will be restored, that there will not be a permanent loss of pension base for the two years, which without expression otherwise would in fact occur.

One of the great injustices of this Bill, Mr. Speaker, is that the Public Service pensioner bought and paid for something for him or herself, widow or widower, or children, as the case may

be, which is not only denied for two years, but the base upon which all other future pensions are calculated has been diminished. And the figures are really quite significant. I believe it is open to argument , and I hope some day someone will argue—which is why I want this Clause supported—that when it expires, not only does it expire, but the status quo ante is restored. That is simple justice.

It is one thing to say that a person who is employed suffers a two-year diminution in his economic prospects, but that person knows through reclassifications and promotions, and a whole host of things which can be bargained for, that that person has at least a chance of recovery. But if this Act goes through as it stands, the persons to whom this Act will apply have no chance of recovering at all. And it is very important that we remember the effect of it.

Of course, the program should not go on any longer than two years. Is there anyone on the other side who will call the Minister of Finance a liar? I would not call him a liar. Is there anyone on the other side who would vote and, by implication, call the President of the Treasury Board a liar? I would not want that to happen. I want them to support the statements made by the President of the Treasury Board and the Minister of Finance and the blandishments which we have heard on other things and say, "Yes, Mr. Minister, we support this amendment. This will 'sunset' the Bill and the burden will not be further extended."

I say to those people in the Public Service who are interested that they ought to ply their books to see whether or not, if this amendment did in fact carry, there would be the opportunity to get rid of the injustice which is there if the Act stays unamended. I am proud to support the Hon. Member for Ottawa-Vanier with respect to this amendment, we will vote in favour of it, and I invite my hon. friends to join us.

Mr. Sid Parker (Kootenay East-Revelstoke): Mr. Speaker, I rise to speak on the amendment presented by the Hon. Member for Ottawa-Vanier (Mr. Gauthier) that this Act should expire December 31, 1984. I would have much preferred to have seen the date "December 31, 1982".

I would like to point for a moment to some of the remarks made by the Hon. Member for Ottawa-Vanier, where he suggested that some confidence would come back by having this amendment adopted. I want to know how he can possibly expect any confidence to come back from these people who are affected by this legislation. We will support the amendment, but we believe that this Bill must be killed. It must be written out in no uncertain terms.

I would like for a moment to speak especially about some of the comments which have been coming from the Conservative Party whose Hon. Members have been getting up in this House day after day and commenting that this Bill is a breach of contract, a violation of rights, a violation of contracts. I want the Conservatives to know that in my riding every railroader knows that the Conservative Party voted in favour of Bill C-124, and that was a breach of contract. Every public servant in my riding knows that the Conservatives supported Bill C-124, and that was a breach of their contract.

Every one of my senior citizens, pensioners, are going to know that on Thursday the Conservatives had an opportunity to save their indexing, that those cheques would have been mailed out fully indexed. I would defy the Government, in that case, to roll it back and take it away. But what did the Conservative Party do? They could not wait 15 minutes longer so that the closure Bill would have had to go over to the next day, and then there was no way those cheques could ever be mailed out in time and therefore would have had to go out fully indexed. But no, the Conservatives tripped over themselves to get into this House to accommodate the Government, to ensure that that legislation is now able to be put forward. That is what the Conservatives have done. They have the audacity to stand up in this House and talk about the Gallup poll. I want to tell you, Mr. Speaker, that public servants and retirees are not worried about the Gallup poll, they are worried about what is happening to this legislation in this House. Nor are we worried about the Gallup poll.

• (1230)

The social services of this country are being eroded, Mr. Speaker. They are being eroded in the fields of Old Age Security pensions, Family Allowances and Public Service pensions, by the Government opposite, accommodated and assisted by the Conservatives. The only credible opposition in this House is coming from the New Democratic Party.

Mr. Taylor: They said so themselves.

Mr. Parker: I would like to comment on some of the things which were reported by various groups at the committee stage of this Bill. Under Bill C-133, the Government of Canada is allowing itself to shirk its obligation to its retired employees. It is doing so in a manner which would not be allowed for the sponsors of private pension plans. The private firms could not do it but the Government of Canada is taking away what they have an obligation to fulfil. Retirees from the federal Public Service will suffer a decrease in their standard of living in 1983 and 1984 as the result of Bill C-133. They will not be permitted to make up the reduction.

One of the great promoters of this Bill, Ian Sinclair, Chairman of CP Rail, championed the Government's cause across the country. A constituent of mine from Field, British Columbia, wrote me a letter which I in turn wrote to Ian Sinclair about. I thought the House would like to know how Mr. Sinclair applies such dedication to his own business. Marathon Realty, the Canadian Pacific real estate arm, is increasing the lease cost of one of my constituents by 90 per cent and has announced that it will increase it by a further 12 per cent a year. The Chairman of Marathon Realty has written to me to say that the increases are fair and reasonable and they do not propose to make any changes. This is what is happening, Mr. Speaker. There is no control on prices or profits, but the Government is asking our senior citizens, old age pensioners and Public Service pensioners to try to live on a

6 per cent increase when the cost of living is anywhere between 11 per cent and 12 per cent.

The Conservatives, Mr. Speaker, have assisted this Government in a very hypocritical way. Those Members who have large numbers of public servants in their ridings, such as the Hon. Member for Nepean-Carleton (Mr. Baker), are standing up in this House and saying in a calm way how serious it is and how they feel for those pensioners. What I am trying to say, Mr. Speaker, is that their Party believes it is time to roll back social programs. Their Party is following the line of the Reagan administration. Make no mistake about it, every Canadian is watching what is taking place here because they know their social programs are under attack, not only by the Government but also by the Conservative Party of Canada.

Mr. Ralph Ferguson (Lambton-Middlesex): Mr. Speaker, I want to speak very briefly on this particular amendment today because the motion proposes that a sunset Clause be applied to this Bill. I should point out that, in effect, there is such a provision in the Bill and indexing is restored as of January 1, 1985. If we were, however, to allow a catch-up provision it would perhaps destroy other aspects of the six and five guidelines which appear to be working at the present time. In fact, over the last five months the rate of inflation in Canada has decreased dramatically.

Mr. Baker (Nepean-Carleton): Even before you passed the Bill. Marvellous.

Mr. Ferguson: It is down to a rate of 0.5 per cent on a monthly basis. In the U.S., of course, it is calculated on a monthly basis, but in Canada it is on an annual basis. However, if we look at it on a monthly basis in Canada we have been within the guidelines for the last several months, and if the present trend continues, those pensioners may even have a net gain in the upcoming year, although they would have had a loss in their pensions for the previous period which ended last September.

I would like to address very briefly some of the arguments advanced by critics of Bill C-133, namely the capping of the pension indexing amount and the confiscation of moneys already paid by public servants. The point is made that because the Supplementary Retirement Benefits Account requires a 1 per cent of salary contribution by the employees, it is matched by Government. Sufficient money has already been set aside to pay for full indexation. I would like to expand on the point already made in that regard.

I think it is most helpful to note that plan members only began paying extra contributions for indexing in 1970, consequently moving from 0.5 per cent of salary to 1 per cent in 1977. No pensioner who retired prior to 1970 made any additional contribution in the way of catch-up and the pensioners who retired since that time only made special contributions during the smaller portion of a 25-year career. Contributions by pensioners to date currently pay less than 10 per cent of the indexing payment being made, with over 90 per cent, that is $420 million in 1981-82, being charged against Government expenditures.

There seems as well to be a mistaken impression that there is more than enough money in the pension accounts to pay for full indexing because the accounts are growing each year and the amount of interest earnings exceeds benefit pay-outs. In response to this I would like to point out that the basic pension plan is designed to operate on a fully funded basis, so that the basic pension accounts are credited with amounts which are sufficient, taking into consideration future interest earnings, to meet the benefit payments earned by plan members to date, assuming that all actuarial and economic projections prove to be accurate. Certainly this has been very difficult to do having come through a period like the last few years.

The indexing account is, by legislation, operated on a partial pay-as-you-go basis, so there is currently not enough money in the account to meet all the future indexing benefits that will become payable in respect of benefits already accrued. For example, in the 1981-82 Public Accounts, an actuarial deficit of $5.5 billion was reported in respect of Public Service indexing benefits which become payable up to March 31, 1982. That deficit would exist if those benefits had to be fully funded. This amount did not include any liabilities for the future indexing of pensions being paid at that time, nor for the indexing of accrued pensions of current employees.

While I would suppose that the estimate of the actuarial deficit may be argued since it is very much dependent upon the actuarial assumptions used to calculate it, there is an actuarial deficit in the indexation account. Even if both accounts were combined, full indexation could not be provided without substantial Government contributions over and above its matching of employee contributions. Therefore, it cannot be said that the Government, by capping indexing, is cutting back on benefits for which sufficient funds have already been set aside.

• (1240)

Some people argue that the additional contributions paid by employees can be likened to insurance premiums where, in exchange for the premiums, employees are protected against the risk of inflation. I do not agree with the idea that the Public Service superannuation system is comparable to an insurance scheme where premiums are paid and benefits are received, no matter what the cost to the insurer, in this case the Government. As everyone knows, insurance rates are adjusted up or down depending on the experience with claims and no adjustment is applied to the payment of claims already made. If the same concept were applied to the Public Service pension plan in current economic circumstances, the contributions or premium rates for current employees could go up in relation to accruing benefits that could very well become payable in better economic times. It is seen, then, that the relationship between contributions and benefits would become somewhat fortuitous. In a sense, groups of pension winners and losers could be created.

I think the Minister put it very well when he said that he prefers to regard pensions as a long-term and flexible arrangement involving the employer and generations of employees, where changes can be made to reflect varying economic circumstances. This was the case in the early seventies when the Government adopted a policy of full indexing of Public Service pensions and applied that policy retroactively to persons who had paid little or no extra contributions.

The proposed modification of Bill C-133, as has been indicated, does recognize the contributory nature of the Public Service pension programs and specifically the indexing portion. The modification is designed to take into account the 90 per cent and 10 per cent ratio I previously referred to with respect to indexing payments charged against Government expenditures, and payments charged against pensioner credits in the indexing account. With this in mind, it is proposed that the indexing of Public Service pensions be increased to 6.5 per cent in 1983 and 5.5 per cent in 1984 from the cap of 6 per cent and 5 per cent currently set out in the Bill. In other words, moneys that have already been set aside by or on behalf of pensioners for indexing will not be confiscated but will instead be used, in effect, to increase the average pension increase that all Public Service pensioners will receive over the next two years.

In summary, then, I find that the argument that Bill C-133 amounts to a confiscation of moneys already set aside for Public Service pension indexing is not supportable. As I indicated earlier, with the current trend in inflation I should like to suggest that, even though pensioners would have incurred a loss for the year ended last September, in effect they could be winners in the year ahead.

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, I should first of all like to deal with that ridiculous final sentence in the speech of the Hon. Member for Lambton-Middlesex (Mr. Ferguson). Of course pensioners could gain, but only if the inflation rate this year is 1.5 per cent or less. The likelihood of the inflation rate in 1983 being 1.5 per cent or less is about the same likelihood as the Liberals being returned to office if they called an election. It is zero; there is no hope whatsoever. The Hon. Member should be ashamed of himself for making a statement like that.

I might mention to those who are paying attention to the debate that we are once more operating under closure. The Liberals have found it necessary to salve their consciences by trying to move the debate out of the House to a place where people will not hear about it. For that reason they have brought in closure.

I am astonished that the Minister of National Health and Welfare (Miss Bégin), who feigns a sincere interest in the welfare of pensioners, has taken no stand against this arbitrary legislation. If this Bill and its companion, Bill C-131, are passed, we will find that next year more and more old age pensioners and senior citizens retired from the Public Service will be living below the poverty level, because their pensions this year will not keep up with the cost of living. That is what this Bill and and Bill C-131 will do to the old age pensioners. They ensure that their pensions will not keep up with the cost of living and, therefore, their standard of living will go down. The fact that the Minister of National Health and Welfare, who feigns interest, has done nothing about this is shocking.

I do not know whether I should bother mentioning the NDP. I read in this morning's newspaper that 5 per cent of the people of Canada believe the NDP will form the next Government. They continue to make these silly remarks about bell ringing. They forget that they form a very small rump, a Party in one corner of this House. Major decisions are not made by little rumps in the corners of Houses, except on those very rare occasions when the people of Canada, probably with some other aim in mind, elect them as the controlling Party, in the case of a minority Government, between the major Parties. That has happened twice in my experience in this House. In 1972-74 they supported the Liberals. There used to be a daily caucus between David Lewis, the then Leader of the NDP, and the Deputy Prime Minister (Mr. MacEachen) of today. When the Liberals found themselves far enough ahead in the poll, they pulled the rug out from under the NDP without even a "thank you" for 18 months of support. In the next election the number of NDP Members in the House was reduced by about 65 per cent.

In 1979 the NDP again held the balance of power and wanted to show everyone how powerful they were so they voted the Liberals in and the Conservatives out. To that degree they are responsible for the situation we find ourselves in now. They are responsible for things like Bill C-131 and Bill C-133 because they put in the kind of Government that produces such outrageous legislation. Yet they pretend to be unhappy about these Bills, and they keep fussing about Bill C-124. We voted for that Bill, which reduced MPs' pensions. The NDP was opposed to that Bill which also cut our pay by 5 per cent. They spoke out against that Bill months after it was passed and they are still speaking against it, hoping it will be changed and the 5 per cent pay cut reinstated. Five per cent is an exact balance with their standing in the Gallup poll.

Bill C-124 dealt with people in the workforce who have some control over their lives, sometimes through the strength of their unions. The unions are strong. Anyone who has ever tangled with the postal union will realize that. The people affected by Bill C-124 have a bargaining position and that is the big difference between that legislation and Bills C-131 and C-133. These people affected by these Bills C-131 and C-133 have no bargaining position at all. Old age pensioners and senior citizens cannot withhold their services, nor can they enter into contract negotiations. There is a tremendous difference in the cases, although it is not obvious to the little rump on my left.

There is one place where the NDP shines, Mr. Speaker. Members of that Party make more noise per pound than Members of any other Party in the House. When this place is turned into a shambles, nine times out of ten it is because of that little group.

I should like to speak about the amount of money in the pension fund which the Hon. Member opposite mentioned. I

should like to quote from the Minutes of Proceedings and Evidence of the Standing Committee of Miscellaneous Estimates of December 15. The witness was Mr. Walter Riese, Chief Actuary, Actuarial Branch. This was the evidence of a senior Government adviser on actuarial matters dealing with pension funds. I should like to quote a few lines from these minutes:

• (1250)

MR. MCKINNON: When you say unfunded liability, you really mean it is a debt that the Government owes. Is that correct?

MR. RIESE: That is correct.

MR. MCKINNON: Who does it owe it to?

MR. RIESE: Well, it is, I suppose, really an accounting matter, because the liability of the Government does not really change, whether the liability is funded or unfunded.

MR. MCKINNON: To whom is the liability?

MR. RIESE: It is to the beneficiaries; to the members and the beneficiaries of the plan.

The Government owes a debt to the beneficiaries of the plan. The Government has been collecting money for many years. It now owes the Armed Forces fund something just over $10 billion and the Public Service fund something over $15 billion. One does not have to be a great mathematician to realize—and I will discuss the military one first—that if that $10 billion were invested at a very low rate, which is what the Government usually pays, say 6 per cent, one would get $600 million on an annual basis. If it were funded and invested as badly as that, that it only paid 6 per cent, $600 million would be coming into the pension fund. They paid out of that pension fund $281 million, the last year for which I am able to get any records. Therefore, where is the need for this clamping down on Canadian Forces' pensions or, for that matter, on the Public Service pension? I cannot see any need for it.

If the Government has any intention in its heart of ever paying any real recognition to the donations of both the employer and employee in this case, considering the funds which have built up in the superannuation fund it must realize that it is short-changing these people. The fund will continue growing indefinitely if the Government does not come up with any plan as to how to reach some kind of a plateau. When it gets up to $100 billion and its own actuary says that it is owed, perhaps that will be sufficient to stop people from worrying that there is too much money tied up there. In reality there is no money, but they think of it as money; they compute the interest on it and put out annual reports which, as was the case this particular year, indicate that for the Armed Forces it is now over $10 billion for a payout of $281 million. It just does not make sense. I wish the Government could explain it, but not in the convoluted, tortured and meaningless way as did the Parliamentary Secretary.

How is it, with $25 billion tucked away in these two funds, that the Government turns first to clamp the lid on the payout? I suspect Mr. Goldfarb took a poll which came up with the idea, accepted by the President of the Treasury Board (Mr. Gray), that people were not vitally concerned about indexed pensions for public servants and Armed Forces personnel. I suspect Mr. Goldfarb said: "Here is a good issue for you people to jump on. You can cut it. It will not affect too many voters, and you will look as if you are doing something real and determined." It seems to be ridiculous.

In the minute remaining I should like to suggest that there has to be a future for the fund. A bona fide pension fund should be considered. The present arrangement provides no guarantee of future financial soundness. It is too open to meddling from a Government which cannot keep its accounts straight.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I participated in the Committee which dealt with Bill C-124, and it was clearly indicated at that time that somewhere along the line those things that appeared in Bills C-131, C-132, and C-133 would appear.

At the outset I say that I will support wholeheartedly the amendment of my next door neighbour. I urge my colleagues and all Hon. Members to do so. His and my political views are widely divergent, but on this occasion the amendment is second best. The first would be to vote against the Bill. The second would be to eliminate as much as possible some of the negative and nefarious effects of this Bill.

The Hon. Member for Victoria (Mr. McKinnon) adequately dealt with the bleats which came from his co-provincial member who, I must confess, uses logic which leaves one totally in dismay, especially the convolutions in his thinking. It is as though New Democratic Party Members took the aura or halo and planted it so firmly over their heads that it went down over their ears and blocked them so that they all got fat between the ears.

There is a need for restraint; there was a great need for restraint. United States labour unions volunteered to participate in restraint, but here in Canada they decided that they would do otherwise—damn the torpedoes and full steam ahead! As far as they were concerned, they wanted to benefit from inflation in every way possible. On the other hand, this is one of the inherent problems the Government built into its entire fiscal planning back in the late 1960s and early 1970s. I recall the Prime Minister (Mr. Trudeau) boasting to the country that we had wrestled inflation to the ground. The only thing was that he had taken hold of a shadow; he had not touched inflation.

I was financial critic at the time. Time and time again we spoke about the Government's unwillingness to deal with inflation. I recall saying that this was a *pis aller*, that it was merely supplying a cushion or mattress against some of the effects of inflation. We must remember that it was not much to start with. There were only low, partial percentages. Nothing was done to deal with inflation. That was the problem. The Prime Minister said that we had wrestled it to the ground, but following the 1972 election the then Minister of Finance, when full indexing came in, the so-called Prince Charming—a nice fellow, personally we could not ask for a nicer man—inflicted on the country something we all remember. The budgets of 1973 and 1974 were inflationary. Government Members

said—and the NDP was with them for the 1973 budget—that it was for the good of the country. But by 1975 did we not have real inflation? Then, without even consulting his Cabinet Members, the Prime Minister announced the policy of wage and price controls, partly applied and badly applied.

May I call it one o'clock?

[*Translation*]

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

TRADE

INTERNATIONAL DEVELOPMENT INSTITUTION PROJECTS

Miss Aideen Nicholson (Trinity): Madam Speaker, as a trading nation Canada must necessarily take an interest in all international trade opportunities and markets.

Each year the World Bank and other international financial institutions sponsor capital project contracts to the value of some $10 billion. Canadians have the technology, the goods and the services to be successful in this lucrative market, and winning contracts for international development institution projects would, of course, bring valuable new business to Canadian companies and create jobs for Canadians. But to be successful in international bidding we must be competitive, and look toward raising our currently low profile in this arena of world trade.

International financial institution projects are new and attractive territory for much of the Canadian business community. The involvement of small and medium sized Canadian exporters could surely be facilitated by increased availability of information on forthcoming projects and Third World trade practices and procedures.

I would therefore urge the Government to take action promoting the participation of interested Canadian exporters in international financial institution project bidding.

* * *

INDUSTRY AND LABOUR ADJUSTMENT PROGRAM

SUGGESTED DESIGNATION OF OXFORD COUNTY, ONT.

Mr. Bruce Halliday (Oxford): Madam Speaker, one of the Government's job creation measures with the greatest unused potential is the Industry and Labour Adjustment Program,

ILAP, which can help to attract industries and permanent jobs to depressed areas of the country. Only 12 communities have been designated under the Program so far.

The people of Oxford feel that if the funds originally allocated to ILAP have been exhausted then the Program should be expanded to help other communities, including the County of Oxford. The Government knows that Oxford has suffered severely from the recession over the past year, experiencing record unemployment and, as a result, an unprecedented welfare case load. In the Woodstock area alone the increase in the number of registered unemployed from December, 1981, to December, 1982, equals the total number of registered unemployed in December, 1980. The local economy has worsened with the recent closure of La France Textiles and the impending closure of Gardner Denver.

Since Oxford County is an ideal candidate for ILAP assistance, given its economic distress and its tremendous potential for industrial development, thanks to its location, skilled labour force, transportation networks, and the great amount of land which is zoned for industrial development, I earnestly beseech the Government to respond to the repeated requests that the Ministers responsible for ILAP meet with the elected mayors and the warden of Oxford.

* * *

[*Translation*]

MARINE TRANSPORT

PORT OF MONTREAL—NECESSITY TO DREDGE ST. LAWRENCE—SAFETY OF SAILORS

Mr. Pierre Deniger (La Prairie): Madam Speaker, in 1982, the Port of Montreal registered a drop in traffic of 18 per cent but still made a net profit of $16 million, which is certainly something for Port administrators and employees to be proud of. However, I am extremely worried about Transport Canada's inaction with respect to navigational aids on the St. Lawrence ship channel between Quebec City and Montreal, and even more so between Montreal and Sorel. In fact, the bends in the channel are becoming more and more pronounced, thereby increasing the risk of accidents and possibly limiting the size of ship that can reach Montreal.

I think the Minister of Transport (Mr. Pepin) should immediately make sure that the channel is cleaned up and dredged between Montreal and Sorel, and that turning basins are dug to improve navigability and make the channel a safer place for all our seamen.

I may remind the Minister that even if he has the best facilities and the best managerial resources, ships will not be

able to get to the Port of Montreal unless the channel is dredged.

* * *

[*English*]

METRIC CONVERSION

ALLOWABLE USE OF IMPERIAL MEASUREMENT

Mr. Bill Domm (Peterborough): Madam Speaker, the Progressive Conservative fight against mandatory metric is winning despite Liberal Orders in Council trying to make imperial measurement illegal. One, wieners may be packaged in one-pound packages; two, the fresh fruit and vegetable sector retains 40-pound basket-size, and potatoes in 10, 20 and 50-pound bags; three, the canning industry retain six, eight and 12-ounce sizes; four, CP and CN Railway cars will retain dual metric and imperial markings; five, the Canadian industrial sector is free to choose its preferred units of measurement, as is the construction industry; six, gasoline at the Canadian Forces bases and Canada Post is being pumped to consumers in gallons; seven, post offices in Ontario are using imperial weigh scales; eight, Consumer and Corporate officials have removed the wire from gas pumps delivering gas by the gallon in Alberta and have dropped charges against retailers selling carpet by the square yard; nine, the cattlemen have won their fight to keep the stockyards imperial across Canada; ten, major department stores retain the use of imperial measure in advertising floor covering; and finally, all media can now use either metric or imperial in all their material content. Remember, our freedom to measure is a measure of our freedom.

* * *

IMMIGRATION

CAUTION URGED IN ADVERTISING FOR OVERSEAS WORKERS

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, during the latter part of 1981 Canadian Westinghouse advertised in Britain for skilled tradesmen. It used the facilities of Ontario House and Canada House in order to have those people come to Canada. They arrived in early 1982 and, by the end of 1982, 40 such families were among the ranks of the unemployed in this country.

I want to suggest to the Government that it should seriously consider companies which are advertising for people to emigrate to Canada to take jobs for which there are untold number of Canadians available who, if not already skilled to do the work, could be trained to do so.

I want to suggest as well that when government officials in either Ontario House or Canada House make commitments to people that there will be employment opportunities in this country, the Government must then assume responsibility to make sure that there are those opportunities and that those people do not become a burden to the unemployment insurance system or, in many instances, be forced to return home at their own expense.

In closing, I want to suggest to the Government that it is time that it reviewed the apprenticeship programs that should be in place in this country but do not exist, and that it make a special effort to deal with companies such as this by making it mandatory that, if they must employ people from outside the country, it should be on a temporary basis.

* * *

AEROSPACE INDUSTRY

PARTICIPATION OF CANADIAN FIRMS IN INTERNATIONAL CO-OPERATIVE VENTURES

Mr. Louis R. Desmarais (Dollard): Madam Speaker, international co-operation on major telecommunications contracts is a dramatic spin-off of the widely shared technology and instant communication which are features of the world in which we live.

Canada's participation in the international team approach in the space industry is evidence of the health and competitiveness of our own aerospace industry. Canada is working with the United States and France in the establishment of SARSAT, a global search and rescue network, which eventually will provide 24-hour international coverage of emergency signals from downed aircraft and vessels in distress.

Recently a Canadian firm won a satellite contract with EMBRATEL, the Brazilian telecommunications agency, which will be undertaken with the co-operation of France.

Such co-operation with other nations is indeed a hallmark of the space age and we look forward to seeing Canadian firms continuing and increasing their participation in international co-operative ventures in the aerospace industry.

* * *

AGRICULTURE

USE OF MONEYS IN PRAIRIE FARM EMERGENCY FUND

Mr. Doug Neil (Moose Jaw): Madam Speaker, almost two years ago, on February 3, 1981, Bill C-245, an Act to repeal the Prairie Farm Assistance Act, a Private Member's Bill, sponsored by myself, was debated in the House. That Bill would have set up a trust for the purpose of research into cereal grains and oil seeds fit for cultivation in the Prairie Provinces.

Initial funding was to come from the Prairie Farm Emergency Fund, which is a non-interest-bearing account of $9,060,000 made up of farmers' contributions under the PFAA. The account has been dormant since August, 1972.

In the debate two years ago the Minister of Agriculture stated that his own Bill on the matter was in the preparation stage, and he moved that the subject matter of Bill C-245 be referred to committee. Shortly after, the Minister indicated that he was prepared to turn the $9 million over to a foundation made up of representatives of farm organizations from western Canada.

Two years have passed and the money is still in the Prairie Farm Emergency Fund, used by the Government interest-free. In the meantime the Minister has announced cut-backs in research personnel in western Canada and an increase in research personnel in Quebec.

Research is vital if western Canada is to maintain its competitive position in grain and oil seeds exports. Unfortunately the Minister of Agriculture and his Cabinet do not understand this and refuse even to support a producers' self-help program at no cost to the Government.

Some Hon. Members: Hear, hear!

* * *

HUMAN RIGHTS

SUGGESTED ESTABLISHMENT OF PARLIAMENTARY ASSOCIATION

Mr. Stanley Hudecki (Hamilton West): Madam Speaker, part of the policy which Canada should pursue in order to promote human rights, not only in Latin America and the Caribbean but in other nations world-wide, is to adopt the House of Commons Sub-Committee on Latin American and Carribbean Nations' recommendation that a Canadian Parliamentary Human Rights Association be established to serve as a forum for discussion and promotion of international human rights. This concept is fully supported by Amnesty International, the respected human rights monitoring organization.

• (1410)

I urge the House and the Government to consider seriously the formation of such an Association by way of a sub-committee of the House of Commons Standing Committee on External Affairs and National Defence. Sub-committees such as this would allow parliamentarians to monitor periodically the human rights records of foreign countries as a means of focusing attention upon Governments which abuse the human rights of their citizens, and as a forum for making recommendations to the Government of Canada on policies toward these Governments.

I would also urge that the Standing Committee on External Affairs and National Defence be given additional researchers and funding to assist in this important task.

* * *

CANADA POST CORPORATION

EFFECT OF MAILING RATES ON SMALL BUSINESS

Mr. Stan Darling (Parry Sound-Muskoka): Madam Speaker, once again I want to try to make the point which I was addressing the other day when the egg-timer ran out on me. The point is that, while the new postal rates make volume discounts possible which will most benefit big business, and exemptions from the proposed surcharges for individual mailers, it is once again the small enterprises, the perennial bag-holders in the Government's airy-fairy schemes, which end up carrying the can.

The new rates, we are told, are to permit the greater use of automatic letter-sorting machinery and to encourage large mailers to pre-sort their mail, thus cutting down on the labour requirements of the Post Office. This is all very logical, except for the fact that, according to the figures given to me, in the period since March of 1981, the cost of first class postage looking ahead a month, has risen by 88 per cent, from 17 cents to 32 cents. The volume of mail handled has dropped from 6.5 billion to 6.1 billion, or over 6 per cent; and the number of permanent employees of the Corporation has risen from 53,465 to 66,121, which is almost 24 per cent. With statistics like these it is easier to understand why the Corporation seeks to limit its competition.

* * *

INDIAN AFFAIRS

REDUCED FINANCIAL SUPPORT FOR NATIVE STUDENTS AT SASKATCHEWAN COLLEGE

Mr. Simon de Jong (Regina East): Madam Speaker, there are more people of native ancestry per capita in my home city of Regina than in any other city in Canada. It is true that many live in an environment of alcoholism, welfare dependency, violence and despair. It is also true that they do not like it.

The Saskatchewan Federated Indian College at the University of Regina stands as eloquent evidence of that dislike. The College has helped to break down stereotypes. The young Indians who go there are taking advantage of the seldom offered chance to acquire the skills and knowledge necessary to obtain new opportunities. Now everything which has been so carefully developed over six years of hard work stands threatened. It stands threatened because of a directive from the Department of Indian Affairs and Northern Development which would deny continuing financial support to one half of the students at the College. Is this any way to recognize and support the efforts of Indian people to break their dependency on welfare and the Department of Indian Affairs and Northern Development? No, it is not. The Minister should immediately commit the Government to supporting those students.

The Saskatchewan Federated Indian College and its students must be allowed to plan for their future. We must stop speaking with forked tongues. We must not only talk about equal opportunities for native people; we must also provide them.

Some Hon. Members: Hear, hear!

Oral Questions

IMMIGRATION

ENTREPRENEURIAL SKILLS OF IMMIGRANTS—INFORMATION ON GOVERNMENT AID PROGRAMS

Mrs. Ursula Appolloni (York South-Weston): Madam Speaker, it is often said, and it is no less true for the frequency with which it is said, that this country has been built by immigrants. At the leading edge are new Canadian entrepreneurs, many of whom I have seen arriving in my own riding with savings in hand and plans in mind to establish business operations in this country.

A recently published report testifies to the initiative and enterprising spirit of these ethnic business owners, most of whom employ fewer than 20 employees and generate growth revenues of $100,000 to $500,000 per year. These are individuals who clearly have a valuable contribution to make to the Canadian economy and have chosen to make it, yet the study to which I have referred would indicate, and I have found it to be true from my own experience, that new Canadian business owners might well benefit by more familiarity with Government programs in place to assist them.

I would therefore recommend that the Government consider ways by which information on its assistance to small businesses might be made more accessible to new Canadian entrepreneurs.

ORAL QUESTION PERIOD

[*English*]

LABOUR CONDITIONS

LOSS OF CLERICAL AND SALES JOBS—NECESSITY FOR WOMEN'S RETRAINING PROGRAMS

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, in the absence of the Minister of Employment and Immigration I will direct my question to the Minister responsible for the status of women. It concerns the increasing number of women who, because of the depressed state of the economy, are being laid off jobs in the clerical and sales areas, the very areas where jobs are being transformed by the microchip revolution. These women cannot get into retraining programs to upgrade themselves for the jobs of the future because all of the retraining programs are full. In fact there are long waiting lists.

I would like to ask the Minister why the Government did not anticipate this urgent need and provide for more retraining programs. There are 2,400 such women unemployed in the Kingston area, and only 150 retraining places.

Hon. Judy Erola (Minister of State (Mines)): Madam Speaker, I hate to refute the figures brought forward by the Hon. Member for Kingston and the Islands, but the fact is that the unemployment figures for women have not risen substantially. That does not, of course, answer the question concerning the plight of women in the country. However, let us get the facts straight.

I really do welcome this opportunity to respond to the Hon. Member for Kingston and the Islands, because the kind of examination which I have suggested is the kind which I would have thought the Hon. Member would have endorsed and urged. The role of women in the economy is one which I think requires a very close examination. I am frankly very disappointed that she has not endorsed that kind of examination and really examined the plight of the poor in this country, the women and the children.

Mr. Jarvis: They need jobs, and that is what they want.

Miss MacDonald: Since the Minister very casually denied the question or addressing herself to it, I can only consider that she is not concerned about the great number of women in clerical, stenographic and sales positions who are being laid off.

REDUCTION IN PROVISION OF RETRAINING PLACEMENTS

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, unemployment is increasing. I would like to point out to the Minister that the bottom line is that the number of CEC retraining places in this country has gone down from last year. At this time last year there were 293,000 training places. This year there are 271,000, and yet unemployment has risen 50 per cent, in case she had not realized it. I would like to ask her why, when unemployment is approaching the two million mark, there should be fewer retraining places than there were at this time last year.

Hon. Judy Erola (Minister of State (Mines)): Madam Speaker, the budget is $1 billion. I should like to point out to the Hon. Member, who has taken a very superficial approach to the problem concerning women in this country, that there is a fundamental problem which goes far deeper than retraining.

Mr. Nielsen: The Government.

Mrs. Erola: It is the absence of training in science and mathematics at the earlier level which prevents women from entering the retraining program.

I would suggest to the Hon. Member for Kingston and the Islands that she take a much more fundamental and realistic approach to the problems of women in this country.

Some Hon. Members: Hear, hear!

Mr. Clark: You are a farce.

Miss MacDonald: I would hope that the Minister responsible for the Status of Women would only argue the case for women in Cabinet instead of ignoring it all the time.

Some Hon. Members: Hear, hear!

Mr. Lewis: She has lost her status.

PLIGHT OF WOMEN CUT OFF UNEMPLOYMENT INSURANCE BENEFITS

Hon. Flora MacDonald (Kingston and the Islands): I would like the Minister to tell us what she is recommending with regard to a woman on unemployment insurance benefits who offers to pay for a retraining course on her own and is then cut off unemployment insurance benefits if she does. Such a woman cannot pay for the course and then be left with no income.

I would ask the Minister to consider a woman on unemployment insurance who—

Some Hon. Members: Question.

Miss MacDonald: —offers to work perhaps two days a week as a volunteer but is cut off unemployment insurance benefits when she does. What is happening to such women? Why must they be penalized, with their UI benefits taken away, because they either offer to pay for retraining courses on their own or do voluntary work in the community?

Hon. Judy Erola (Minister of State (Mines)): I repeat, Madam Speaker, that the Hon. Member for Kingston and the Islands is taking a very piecemeal approach to the fundamental problem concerning women.

• (1420)

I spent an hour with women from the Outreach Program in London, Ontario, on Friday, and they pointed to the real problem of women in our society. The problem is much deeper than the one the Hon. Member has referred to; it is training at the very early level. I was talking to women, and I talk to women regularly. I suggest to the Hon. Member that she sit down and examine what is the true plight of women in our society, and I suggest to her that the women who are attending university cannot even deduct tuition fees from their income tax. These are very real problems which the Hon. Member refuses to address.

Miss MacDonald: You are the Government.

* * *

[*Translation*]

NATIONAL DEFENCE

PURCHASE OF F-18 FIGHTER AIRCRAFT—IMPORTANCE OF RELATED BENEFITS TO QUEBEC

Hon. Roch La Salle (Joliette): Madam Speaker, my question is directed to the Minister of National Defence. On November 3 last year, in answer to a question I asked the Minister about the F-18 of course he gave me the assurance in this House that the Province of Quebec, a province he knows quite well, would without a doubt obtain 48 per cent of the economic spin-offs. Last Friday, according to a report which the Minister of Supply and Services had ordered, it seems that Quebec is getting only 24 per cent of the projected spin-offs. Could the Minister, to reassure those who are worried about this—and they are not on this side alone inform the House today—that he can confirm that 48 per cent of the economic spin-offs will go to the Province of Quebec?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I think the allegations made by the Member for Joliette may be somewhat confusing, where the Hon. Member mentions the figure of 48 per cent, for instance. First of all, I may say that my main responsibility in the matter of the F-18 was to select a plane that would give our pilots the best possible defence in case of an armed conflict. That was my main responsibility as Minister of Defence.

Mr. La Salle: That is not the point.

Mr. Lamontagne: My second—I know that is not the point here, but I felt it was proper to mention what our responsibilities were. Madam Speaker, as the Member for Langelier and being from Quebec, my responsibility was also to see to it that Quebec maintained its position in the aviation industry, which at the time meant 48 per cent of the industry's activity across Canada. The figures projected at the time by the Ministers of Industry, Trade and Commerce and Supply and Services were $1.573 billion worth of economic spin-offs for Quebec and $1.296 billion for Ontario. This is where we got the percentages that are in the news today, since the sum of $1.573 billion represented 48 per cent of the economic spin-offs, for Quebec, and $1.296 billion represented 41 or 42 per cent of the economic spin-offs, for Ontario. This is what lead to the conclusion that because historically, 48 per cent of Canada's aviation industry was concentrated in Quebec, it would be normal to expect the F-18 spin-offs to be apportioned in the same way.

Madam Speaker, I do not think the F-18 battle is lost. I think we can still win the war, that is, ensure that Quebec gets the percentage that reflects its position in Canada's aviation industry, and that is exactly what we intend to do.

REQUEST THAT REPORT BE TABLED

Hon. Roch La Salle (Joliette): I have a supplementary, Madam Speaker. Today, the Minister seems to be unwilling to stand behind a minimum of 48 per cent. He keeps mentioning figures. There is a report that came out in one of the newspapers. First of all, is the Minister willing to make this report public? I think it would be of interest to all concerned. Second, is the Minister now refusing to consider this basic 48 per cent which is important to many Quebecers and many Liberal Members from Quebec? Is the Minister now refusing to give us as Quebecers the assurance that a 48 per cent portion of spin-offs is feasible? That is my question as a Member from Quebec, and I am speaking not only on behalf of many Quebecers but also on behalf of many Liberals on the other side of the House who are afraid to speak up themselves. I think the

answer is of some considerable importance to the Members of this House today.

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I have never felt that I myself as a Minister from Quebec, nor the Quebec caucus, nor the Cabinet or other Quebec Ministers in the Cabinet, have ever wished to shirk our responsibility with respect to the F-18. I think that our past statements and projections are still valid. The figures are still there, and not only do I have the impression but I am certain that Quebec will maintain the position it held in Canada's aviation industry when the F-18 contract was signed, namely 48 per cent, and we shall do everything necessary to make it so.

* * *

[*English*]

HOUSING

CONSTRUCTION OF SOCIAL HOUSING UNITS

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, my question is for the Minister responsible for housing. The Minister will know that housing starts in 1982 were even lower than the pessimistic projections put forward by the previous Minister, and I am sure he will agree with the previous Minister when he identified one of the major problems facing the housing industry as the growing number of Canadians who pay more than 30 per cent of their incomes to provide shelter. One of ways to ease that situation, and one of the ways to ease the situation for the growing number of Canadians who are homeless, is to provide more money for social housing. Will the Minister explain to the House and to Canadians why at this time the Government has chosen to cut back social housing to the tune of 2,500 units?

Hon. Roméo LeBlanc (Minister of Public Works): The Hon. Member, Madam Speaker, should ask for information before he asks questions. In 1979 the level was set at 25,000 and almost every year since then it has exceeded 25,000, always with the provision that, when the situation improved, we would pay back to the Department of Finance the borrowing we had made. In the light of the present situation I have asked my colleague, the Minister of Finance, and have had discussions with him, to put off the date when these units will be restored and, in fact, to continue at a level of 25,000, if not more, for the current year, and that decision is pending.

Mr. Riis: Madam Speaker, I do hope the Minister of Finance listens to that suggestion, and I would ask that he even consider what our party has proposed, namely, to add $500 million to that section of the budget, which would provide 50,000 additional units, and in addition create 100,000 new jobs in Canada.

PENALTIES CHARGED BY BANKS FOR RENEGOTIATION OF MORTGAGES

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, my supplementary question is directed to the Minister of State for Finance, the previous Minister responsible for housing. Considering that some of the banks have been paying no income tax for 1982, in spite of profits in the $300 million and $400 million range, and that banks are still asking people to pay an incredible penalty, often to the tune of many thousands of dollars, in their efforts to renegotiate their mortgages to take advantage of the falling interest rates, is it not time for the Minister to stop this process that the banks are presently involved in, and ask them to reduce the penalties they are charging Canadians to allow Canadians access to these lower mortgage rates?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, the representation made by the Hon. Member is one that has been made to the Minister of Finance. The Minister has indicated that, given the opportunity, he intends to raise this subject with representatives of the banking industry.

REQUEST THAT GOVERNMENT MAKE REPRESENTATIONS TO BANKS

Mr. David Orlikow (Winnipeg North): Madam Speaker, my question is a further supplementary to the Minister of State for Finance. Given the fact that mortgage interest rates have come down by as much as 6 per cent in recent months, why should the Government not take immediate action to say to the banks and mortgage companies that when they were assessing a penalty of three months' interest for prepayment of mortgages they were already asking too much? Now that they are asking even more and increasing the penalty, they would be told that what they are doing is usury and that it is time they stopped it and gave a chance to the ordinary people of Canada who cannot make the kinds of profits which the banks have made, and who have to pay much higher income taxes than the banks pay.

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, I have great difficulty with the premise of the Hon. Member's question, and that is the assertion of the untoward profits of the banks. The Hon. Member probably does not know because the Members of his party who started out with the Special Committee on Finance which studied that subject abandoned the other Members of this House of Commons on that Committee. The result of that study dated July 27, 1982, did not at all support the assertion of the Hon. Member that the profits of the banks had been untoward.

• (1430)

PIPELINES

ALASKA GAS PIPELINE—FAILURE OF COMMITTEE TO MEET

Mr. Arnold Malone (Crowfoot): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. Bearing in mind that the Alaska gas pipeline, if completed, would be about an $80 billion project, would create between 150,000 and 200,000 jobs and those jobs would be effective in places like Sudbury, Hamilton, places where the iron ore could be mined and rolled, plus all of industrial central Canada, why is it that presently, with continuing rumours coming out of Alaska that there is a move toward shipping it the 800-mile route from Prudhoe Bay via the Port of Valdez into Japan as LNG Gas, we still do not have the Committee on Northern Pipelines meeting? Is there a disregard on behalf of the Government of Canada for protecting that enormous capacity for the production of jobs in Canada?

Some Hon. Members: Oh, oh!

Mr. Malone: I wish the Members of the NDP—

Madam Speaker: Order, please. The question of the Hon. Member is unusually long.

Mr. Malone: It is unusually good too.

Some Hon. Members: Hear, hear!

Mr. Malone: It deals with jobs for Canadians. Can the Minister report to the House of Commons whether he is going to call upon that Committee to meet, and what is it that Mitchell Sharp, his Liberal friend is doing? Do we have any—

Madam Speaker: Order.

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, the question of committees of the House is not the responsibility of the Minister, it is the responsibility of the House. If the Hon. Member is a Member of that committee, he should talk to the chairman and request a meeting. I have no objection to a meeting. Nobody has asked me.

The problem with the pipeline is not that Canadians have not played their part. Hon. Members will recall that some years ago Parliament sat a full summer in order to pass the Bill. We authorized the pre-build of a large section of that. The problem is vested with the American section of the pipeline because they cannot find the financing or the market. As far as the project of former Governor Hickel is concerned, to have the gas delivered to Valdez, it is a project that was put forward exactly at the time of the discoveries in Prudhoe Bay. There is nothing new to it. When the Americans are willing to build their section of the pipeline, they will just do what Canada has already done.

CANADA-UNITED STATES AGREEMENT

Mr. Arnold Malone (Crowfoot): Madam Speaker, I will direct my supplementary question to the Prime Minister. In view of the fact that Senator Bud Olson in the other place who is in charge of this very important job-building task, stated on July 17, 1980, that the risks were minimal, the project was going ahead, that the former Energy Minister gave an iron-clad guarantee that the job was going ahead, and added on July 17 "is reasonable time"; and we have the assurance on July 21, 1980, of the Prime Minister, does the Prime Minister in fact have some kind of agreement with the United States that he can share with this House? Will he table that information? Will he give us whatever there is so that we in Parliament and the people of Canada might know that this enormous megaproject, with billions of dollars of job-creating capacity across the country, is in fact onstream and that we did not build the pre-build for naught? Will he give us that assurance?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the agreement I have is the one that was made publicly by President Reagan when he came to this country. He made it quite clear that his administration was committed to the building of that pipeline, and that remains the case.

* * *

ENERGY

FEDERAL-PROVINCIAL PRICING AGREEMENT

Mr. Harvie Andre (Calgary Centre): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. The National Energy Program of October, 1980, and the energy-pricing agreement of September, 1981, were predicated on the assumption of steadily rising world oil prices. Not only have world oil prices remained flat since then, but since yesterday, as a result of the collapse of the OPEC meetings in Geneva, it is widely believed that we in fact will see decreasing world oil prices. In view of these developments, is the Minister prepared to reopen discussions with the producing Provinces in order to find pricing and taxing regimes more appropriate to these changing circumstances, since obviously the circumstances are totally different from those which existed then, or those that were thought to exist now?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, we have an agreement signed with the Provinces for five years. There have been no requests from the different Provinces asking me to reopen the agreement. Therefore it is a purely hypothetical question at this time.

Mr. Andre: My suggestion was that the federal Government, this Government, show some leadership.

REQUEST FOR RE-EXAMINATION OF PRICING STRUCTURE

Mr. Harvie Andre (Calgary Centre): Madam Speaker, I have a related question. Press stories over the weekend confirm

that United States consumers now pay in the order of 15 cents a litre, or 60 to 70 cents a gallon Canadian currency, Canadian gallons, less for gasoline and heating oil than Canadians. Americans are not protected from the world price. They pay world price while we in Canada are supposedly protected from high world prices by this made-in-Canada creation of the Minister's predecessor. Obviously, either the pricing regime put in place by the Minister's predecessor is not working properly, or the Government is perpetrating a fraud on Canadians, because we are paying 60 to 70 cents a gallon more for gasoline in Canada today than are Americans who are paying the world price.

In view of this reality that the scheme is not working, or fraud is being perpetrated, does the Minister feel an obligation to re-examine that whole structure, and either admit that the Government was mistaken in what it promised and committed itself to, or else make changes to keep the promises that were made in the last election and since then?

[*Translation*]

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I think the Hon. Member's statement was not quite accurate, because he forgot to mention that prices in Canada are sometimes higher because of provincial taxes which vary enormously from province to province, and considerably increase the national average. In some provinces there is no sales tax, while in other provinces, the tax on gas may be extremely high, thus raising the national average. As for the base price paid to Canadian producers, we pay the international price for imported oil, about 75 per cent of the international price for old oil and the international price for new oil. The problem is therefore not our basic policy but the sales tax which varies across Canada.

* * *

[*English*]

THE ADMINISTRATION

REPORTED STATEMENTS BY MINISTER OF ENERGY, MINES AND RESOURCES

Hon. George Hees (Northumberland): Madam Speaker, I would like to direct a question to the Prime Minister. As the Minister of Energy, Mines and Resources advised a group of American Congressmen who were at a dinner here in this building on Friday, and was quoted as saying:

> I don't know how long we'll be here, we're in terrible shape.

I would like to ask the Prime Minister if he has any plans for improving the terrible shape which the Hon. Minister so correctly described the Government as being in. If so, when will those plans be made known to the Canadian people?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, knowing the hon. Member's political acumen I thought I would not have to explain to him, but the Minister of Energy was really trying to ensure that the present Tory Leader would be confirmed at this week's convention.

Some Hon. Members: Oh, oh!

APPRAISAL OF POSSIBLE LEADERSHIP RACE

Hon. George Hees (Northumberland): Madam Speaker, as the Right Hon. Prime Minister knows, also in that speech, a very eloquent speech by the way, the Minister is directly quoted as saying:

> If I run hard, Trudeau will say: 'Chrétien, out of the cabinet'.

Does the Prime Minister not think this is being hard on his colleague, a very good and old friend, in view of the fact that many of his colleagues are running very hard at the present time, both here in Ottawa and in Toronto?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the only conclusion that the Hon. Member should deduct from the alleged quote of the Minister of Energy is that he too has political acumen.

Some Hon. Members: Hear, hear!

* * *

• (1440)

PENITENTIARIES

CANCELLATION OF UNIVERSITY COURSES

Mr. Svend J. Robinson (Burnaby): Madam Speaker, my question is for the Solicitor General. Last week it was announced that the Minister intends to cancel post-secondary university education courses in the federal prison system. These important programs which are offered at four B.C. institutions by the University of Victoria, as well as at three other Canadian prisons in Manitoba, Ontario and Quebec, have been by far the most successful rehabilitative programs within the federal prison system.

Will the Minister explain the incredible decision to axe this successful program, which is supported across the board by citizens, advisory boards, guards, prisoners, wardens and after-care agencies, and which has been described by his own Director of Academic Education as the finest program of its type in North America?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, there were 232 inmates among the 10,000 in our system who were benefiting from those programs. I do not agree they have been proven to be particularly rehabilitative because post-secondary offenders tend to recidivate much less than the general population in any event. But they were good programs and I was very proud of them. I regretted very much having to do that. They were the best in North America. But we also have the most expensive correctional service system in North America and I am responsible for restraining expenditures within the Correctional Services of Canada, as elsewhere.

These programs cost $3,500 per inmate per year. That is a high amount. My hope is that post-secondary education can still be brought to them by self-help, by group sessions and by correspondence courses. I believe that, if those inmates really want to have the benefit of post-secondary education, they can develop it in some way that will cost the taxpayers less money.

Mr. Robinson (Burnaby): Well, Madam Speaker, this is just an exercise in colossal correctional stupidity. It is going to reinforce the "warehousing" concept that this Government seems to support and which is an expensive failure in the present prison system.

REQUEST THAT DECISION BE DEFERRED

Mr. Svend J. Robinson (Burnaby): My supplementary is directed to the Solicitor General. The Warden of William Head Institution in British Columbia, as well as a number of other wardens across the country, has said that if the Minister persists in axing this successful program there are going to be very serious consequences within the federal prison community. In view of the widespread support for the program, will the Solicitor General at the very least agree to defer a final decision on the matter until he has met with university and prison officials who are directly affected by this fundamentally mistaken decision?

Hon. Bob Kaplan (Solicitor General of Canada): No, Madam Speaker, my decision is a final one, but I make it believing that the slightly over 200 inmates who have been benefiting from these programs can find other ways within our system of getting a higher education. It is totally wrong to characterize the Correctional Service of Canada as a "warehousing" system, and the Hon. Member knows that. It is the best in North America, and he knows that also.

PROVISION OF FREE UNIVERSITY TUITION TO INMATES

Mr. Maurice A. Dionne (Northumberland-Miramichi): Madam Speaker, perhaps the Minister would explain to the House why inmates of the correctional service, who are being paid for by the taxpayers of Canada, should receive free university tuition when the children of those taxpayers do not?

Hon. Bob Kaplan (Solicitor General of Canada): Madam Speaker, I believe we do have a responsibility to rehabilitate offenders who are behind bars, and we will continue to exercise that responsibility, but when programs across the country are being cut back for people who are not in prison, I think inmates, and others who support inmates, have to understand that restraint has also to be applied within the Correctional Service as well.

ABORIGINAL RIGHTS

GOVERNMENT POLICY FOR CONSTITUTIONAL CONFERENCE

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Madam Speaker, I have a question for the Minister of Indian and Northern Affairs. Last week the press published a leaked Government document written by a certain Denis Morantz of the Federal-Provincial Relations Office outlining a possible government policy for the Constitutional Conference on Aboriginal Rights scheduled for March 15 and March 16. Since the document suggested a policy and tactics which are manipulative, cynical and insincere, will the Minister say whether that document represents the policy of his Department and, if not would he assure this House that he will take an open and co-operative approach in planning for that conference?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Madam Speaker, I, for one, have not seen this alleged leaked document, but from what my hon. friend says it is some type of memo from one official to another and, as the Hon. Member knows, having been a Minister in the Government previously, officials' memos do not form government policy. The Cabinet certainly is not contemplating any approach which would be cynical or have any of the other attributes which the Hon. Member identifies; rather, we are approaching that conference with the best of intentions to do the very best we can for the native people of Canada.

* * *

AGRICULTURE

EFFECT OF PROPOSED SPOUSAL TAX EXEMPTION—MINISTER'S POSITION

Hon. Bill Jarvis (Perth): Madam Speaker, my question is addressed to the Minister of Agriculture who, I am sure, in common with all Hon. Members of this House, will have received various forms of communication arising from the statement made by the minister responsible for the status of women regarding spousal exemptions under the Income Tax Act. The Minister will know that many farm wives have not had the option to enter the work force because, to preserve and enhance the integrity of the family farm, they, of necessity, have had to stay on the farm, where they are, in my view, true partners and true contributors to the preservation of the family farm. I wonder, because of the Minister's responsibility for the family farm and its operators, would he indicate to us what his position is with regard to any changes to the spousal exemption under the Income Tax Act.

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I have received no letters from any farm organization or any farmers' wives, to my knowledge. Once we have received representations I will have discussions with the Minister concerned, dealing also with our concern about joint ownership, joint partnership in farming. We know, and the

Hon. Member knows, fairly well, the contribution which farmers' wives have made. We have passed special laws and regulations for the Farm Credit Corporation giving them equal rights.

REPORTED RESPONSE BY MINISTER

Hon. Bill Jarvis (Perth): I am sorry, the Minister did not choose to answer, because my information, and I hope he will correct me if I am wrong, is that he has communicated to his colleagues saying he was unable to support these changes at the time, and went on to say, "I did not say anything in Cabinet or Caucus but this is one of the roughest issues yet. They are mad." This is on his ministerial letterhead. I ask seriously, was this simply an expression as a private Member of Parliament concerned about his constituents, as I am concerned about mine, or is that the official position of the Minister of Agriculture of this Government?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I misunderstood what the Hon. Member said. I thought he said "from organized farmers, or farmers' organizations." We have received several letters from people concerned about what my colleague has stated, et cetera, and we have answered those letters.

* * *

NATIONAL SECURITY

POSSIBILITY OF LAYING CHARGES AGAINST FORMER RCMP CORPORAL

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, my question is for the Minister of Justice. Early in November, only as a result of prodding, the Solicitor General asked the Minister of Justice for an opinion on whether ex-RCMP Corporal James Morrison of the Security Service could be charged for betraying, for money, a potential Canadian agent to the Soviets. Twice since then the Minister of Justice has stonewalled my questions in the House. Now, two and a half months after the matter was put in his hands for an opinion, could he tell us whether Morrison is to be charged and, if not, why not?

Hon. Mark MacGuigan (Minister of Justice and Attorney General of Canada): Madam Speaker, I have to admit that I have not yet received an opinion from the Department on that to forward to the Solicitor General. I appreciate the interest of the Hon. Member and I will press the Department again for action on this matter. Perhaps there may still be facts which are not available to them to enable them to complete their opinion.

FORGING OF FORMER SOLICITOR GENERAL'S SIGNATURE

Hon. Allan Lawrence (Durham-Northumberland): Madam Speaker, my supplementary question is about a clear case of forgery of a former Solicitor General's signature to documents of which the Minister, I understand, has full knowledge because of briefings which have occurred. Can he also tell us if any consideration is being given to a prosecution in relation to the forging on documentation, purportedly official Canadian Government documentation, of a signature of a previous Solicitor General?

Hon. Mark MacGuigan (Minister of Justice and Attorney General of Canada): Madam Speaker, I have myself recently asked the question whether this is covered by decisions which have already been made, or whether this is a matter which we still have to decide. I still do not have an answer to that question.

* * *

RAILWAYS

CROWSNEST PASS RATE—CONDITIONS PREREQUISITE TO CHANGE

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, my question is directed to the Prime Minister and is with regard to Government policy on changes to the Crow rate. The much touted ministerial announcement on the Crow rate which was slated for last Friday in Winnipeg, was cancelled with no real explanation.

• (1450)

Since the Canadian Wheat Board Advisory Committee voted an overwhelming seven to two to reject the Gilson proposal, which I submit accurately reflects producer opinion since they were just elected last month by grain producers all across the Wheat Board Region, would the Prime Minister tell the House if the Government has now decided to interpret correctly the overwhelming opposition to the Crow change proposals, and does the Government now recognize that the consensus among farmers, which the Prime Minister has always claimed would be a first condition to any Crow change, does not in fact exist?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the situation in the West is rather special. We have the Saskatchewan Federation of Agriculture which could not make up its mind and decided to go back to a previous version of its policy. We have the Manitoba Farm Bureau which is in favour of the Gilson approach. Then we have Unifarm which is in favour of the Argue approach. They all met the other day at the Western Agricultural Conference and their first vote was 17 in favour of the Argue approach, 11 for the Gilson approach, and five abstained. Then the next day they had another vote and decided to leave it to the Government to make the decision.

Mr. Althouse: Madam Speaker, I think that answers the allegation that there is no consensus, but it does not answer the question about what is the Government's policy.

REASONS FOR GOVERNMENT POSITION

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, the second reason raised by press observers for the cancellation says that it was done to avoid conflict with the media coverage of the Tory Convention in Winnipeg. Does this mean that the Government's consensus-forming strategy on the Crow has veered away from its focus on farmers toward concentration instead on reinforcing the more natural alliance between the Government and its allies, those Tory Governments and railways which have a vested interest in breaking the old contract at the expense of the farmers of the country?

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, as the Hon. Member just realized, even the Tories find the question preposterous.

* * *

HUMAN RIGHTS

JAPANESE CANADIANS INTERNED DURING WARTIME

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my question is for the Prime Minister. In the United States the Congressional Commission on Wartime Relocation and Internment of Civilians will be reporting and will recommend that President Reagan establish a federally financed education foundation for Japanese Americans, and that the Government should compensate each camp survivor or immediate heir. Is the Canadian Government considering similar assistance to our citizens of Japanese extraction who were interned during World War II?

Hon. Mark MacGuigan (Minister of Justice and Attorney General of Canada): Madam Speaker, there was, of course a commission in Canada under which compensation was paid to Japanese Canadians involved in that very unfortunate experience. Naturally we will look at the situation in light of the kind of recommendations my hon. friend refers to as being likely to be made in the United States.

REQUEST FOR COMMITTEE REFERRAL

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I think the actions of our Government during World War II are a serious blot on the country's record of respect for minority rights and human rights, as the Minister will understand.

Would the Minister be agreeable to this subject matter, including the U.S. experience, being referred to the Standing Committee on Justice and Legal Affairs so that a representative group from the House will have an opportunity to examine the possibilities in Canada with respect to this initiative?

Hon. Mark MacGuigan (Minister of Justice and Attorney General of Canada): I am certainly prepared to consider that, Madam Speaker, to the extent that it is possible in accordance with the other responsibilities of that committee.

* * *

AIRPORTS

MIRABEL—SALE OF EXPROPRIATED PROPERTIES TO CROWN CORPORATION EMPLOYEES

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I have a question for the Minister of Public Works regarding the six properties at Mirabel which were sold by the Government's Crown Corporation to employees of that Crown Corporation. Can the Minister tell us whether the original owners of those properties were, in any case, offered the first right to purchase those properties?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, I am not familiar with that detail and I will inquire. I doubt very much, as the Right Hon. Member knows, that those who were occupying farms or residences at one point were offered the possibility of purchase. What the Right Hon. Member suggests would, in fact, be a second expropriation. For example, a farmer who has consolidated into a large and successful enterprise would suddenly find that, out of his 400 acres or 300 acres, a good part of his land would be excised like a doughnut. If the Right Hon. Member defends that thesis, I would like to hear how he would apply it.

Mr. Clark: Madam Speaker, I find it curious that the Minister should have such a ready defence of a position he does not know whether or not has been taken. I also find it rather surprising that the Minister, having been under questioning in this House for four days on this matter, and having said this particular question had been studied with particular care, would not know whether the original owners were offered the first right to purchase.

REQUEST THAT COMMITTEE STUDY SALE OF PROPERTIES

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, let us bring the matter into the public domain. Will the Minister agree to have all details of the disposition of those six properties sold to employees of the federal Crown Corporation, including copies of any representations given by any Liberal Member of Parliament, or anyone else—will he allow that to be studied without limitation by a Standing Committee of this House?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, the Estimates of the Crown Corporation involved will be up for review in the natural course of events and it is open to the Right Hon. Member to have his representations heard then.

Oral Questions

REQUEST FOR PRODUCTION OF DOCUMENTS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, in light of the unusual circumstances here where the Government took away land from the original owners, some of whom had it in their families for generations, set up a Crown Corporation, and then had the Crown Corporation sell that land to the Government's own employees without giving the original owners an opportunity to bid, a reckless abuse of Government power, will the Minister not agree to make a special reference of all the information available respecting the sale by a Crown Corporation to six employees of that Crown Corporation of those lands? Will he make that information available now, immediately, so that the House of Commons can study each detail, including any representations or any record of representations made by Liberal Members of Parliament? Will he not do that now, immediately, so that the matter can be cleared up?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, the Right Hon. Member, having found that his legal position was not a position—

Mr. Clark: That is not true.

Mr. LeBlanc: —now goes into a supposed conspiracy of secrecy. The Crown Corporation in question is open to be examined in any committee, and I am quite willing and quite happy to recommend that this avenue be explored.

* * *

AGRICULTURE

METRIC LABELLING OF FARM CHEMICALS

Mr. Doug Neil (Moose Jaw): Madam Speaker, my question is for the Minister of Agriculture who is probably aware of the problems encountered by farmers as a result of metric labelling of farm chemicals. He has probably received representations from individuals, and I imagine recently he has received representations from the Ontario Farmers' Union. I would like to know the Minister's position with respect to metric labelling of farm chemicals.

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the Hon. Member, I think, is referring again to representations made concerning dual labelling; they want it in both imperial and metric. We have written back to them stating our position, and I am sure that if my letters are available on other things I have written about, these also ought to be available.

Mr. Paproski: What is it?

Mr. Whelan: It says that we are considering some of the ramifications of dual labelling, including the danger of doing that if it is misinterpreted. Our officials are telling me that the danger is very great, as their studies show. Also, there are available small calculators with which people can immediately translate metric into imperial and imperial into metric, whichever their machine is manufactured for.

Mr. Neil: Obviously the Minister does not credit the farmers with much intelligence when he says they might be confused about dual labelling.

REQUEST THAT REGULATIONS PERMIT DUAL LABELLING

Mr. Doug Neil (Moose Jaw): Madam Speaker, would the Minister be prepared to talk to the Minister of Consumer and Corporate Affairs and ask him to change the regulations in order to ensure that there is dual labelling? This is what the farmers are asking.

• (1500)

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the Hon. Member says I am challenging the farmers' intelligence. Already 67 per cent of farmers have changed to metric. They lead the nation in the change. For years they have used metric when doctoring their animals. At the present time 85 or 87 per cent of all agriculture has changed to the metric system. Hon. Members opposite want us to take a retrograde step—to go backwards. Instead of stepping into the Twentieth Century they want us to go back to the Eighteenth Century. We do not intend to do that. Most of the farmers whom I know have the intelligence and know-how to use the metric system, and they are using it.

Hon. Members opposite point to mistakes in the metric system, but mistakes were made in the old imperial system which were just as bad as anything ever reported to me. In my career as Minister of Agriculture, in my career as a farm leader, and in my career as a farmer, I have used all these products on my own farm. If the Hon. Member opposite ever used any on his farm, I challenge him to show that they are not now used in a safer manner than they have ever been used in our lives.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

MR. GREENAWAY—OPPOSITION TO BILL C-85

Mr. Lorne Greenaway (Cariboo-Chilcotin): Madam Speaker, it is my duty to present a petition signed by 256 citizens of the interior region of British Columbia protesting Bill C-85. In addition, I have a Telex from the Peace River Regional Cattlemen's Association, representing 350 cattlemen, also voicing their opposition to Canagrex. Previously I presented a petition signed by 293 of my constituents on this issue.

The purpose of this petition is to express the clear and strong opposition of the citizens of British Columbia to Bill C-85, the

legislation to establish Canagrex. In particular, the petitioners protest the buy and sell provisions of Canagrex as well as its wide-ranging powers.

The nature of the petition is to halt passage of Bill C-85 and prevent approval of Canagrex at third reading, and thereby prevent the establishment of Canagrex.

The petitioners hope that in your examination of the petition you will find it in order, that the Government will take heed of opposition to Bill C-85 among those in the agricultural sector and will withdraw this ill-conceived legislation.

MR. MUNRO (ESQUIMALT-SAANICH)—PUBLIC SERVICE PENSIONS

Mr. Donald W. Munro (Esquimalt-Saanich): Madam Speaker, I have a duty to present a petition entitled "SOS—Save our Superannuation" on behalf of more than 60 residents of the constituencies of Esquimalt-Saanich, Victoria, and Cowichan-Malahat-The Islands, all members of the International Association of Machinists and Aerospace Workers, Lodge No. 456, asking the Government to honour the commitment it gave almost a decade ago when it agreed with public servants that an additional 1 per cent and, later, 1.5 per cent be added to their pension deductions to take into account the excessive inflation in the country which the Government has done so much to create.

These petitioners do humbly pray that in your examination of the petition you will find it in order, will give full weight to the urgency and strong commitment of their plea and will use the discretionary powers vested in your office to allow discussion of it at the earliest opportunity.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Jack Burghardt (Parliamentary Secretary to Minister of Communications): Mr. Speaker, the following questions will be answered today: Nos. 4,269, 4,584, 4,626 and 4,632.

[*Text*]

TREASURY BOARD—CODE OF BEHAVIOUR

Question No. 4,269—**Mr. Crosby:**

1. Does the Treasury Board have written rules or regulations governing the conduct or standards of behaviour for employees of the Secretariat and, if so, are they embodied in a Code of Conduct or other specific document and is the Code or document available to the public?

2. In the five years preceding April 1, 1982, were any employees of the Secretariat disciplined by way of suspension, dismissal or otherwise for violations of any rules or regulations governing the conduct or standards of behaviour for departmental employees and, if so, in each case, what was the name of the employee and the date of the disciplinary action?

Hon. Herb Gray (President of Treasury Board): 1. The Treasury Board has written rules or regulations governing the conduct or standards of behaviour for employees of the Secretariat. These are the Conflict of Interest Guidelines that could be made available to the public upon request, as well as some other documents such as the Employee Information Booklet and the Manual of Internal Administration.

2. Based on records, the reply is as follows:

	Written reprimands	Suspensions	Discharges
1977-1978	—	—	—
1978-1979	—	—	—
1979-1980	—	1 (5 days)	—
1980-1981	—	—	—
1981-1982	—	—	—

The period of suspension was from February 18 to 22, 1980 inclusive.

To be consistent with the provisions of the Canadian Human Rights Act, we are not providing names.

PAMPHLET "KEEP THEM SAFE"

Question No. 4,584—**Mr. McCuish:**

1. Did the Government publish a pamphlet entitled "Keep them Safe" and, if so (a) what was the total cost for the design, production and distribution (b) how many copies were printed and distributed to date (c) who was responsible for the design and production?

2. Was the contract awarded outside the Government and, if so, in what manner was it awarded?

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Transport Canada advises as follows:

1. The pamphlet entitled "Keep Them Safe" was developed and produced jointly by the Department of Health and Welfare and Transport Canada. (a) $57,843.72, (b) 3,852,540 inserts printed; approximately 3,777,000 inserts distributed to date, (c) the insert was designed by Ove Design, and printed by Interweb, Boucherville, Quebec.

2. The design contract was established from a standing offer which was issued on the basis of a competitive tender. The printing was done under a one-year contract for cheque inserts which was based on a competitive tender.

PURCHASE OF $100 GOLD COIN BY MINT

Question No. 4,626—**Mrs. Cossitt:**

1. Did the Royal Canadian Mint recently purchase a 1978 $100 gold coin which it had minted and, if so (a) did they purchase it from Mr. Tom Swadrow of Ottawa (b) what was the purchase price (c) what was the price of the coin in 1978 (d) for what reason did the Mint purchase the coin at this price?

2. Has the Mint bought any other Canadian minted coins in the past five years and, if so, what were all the details, including the cost of purchase, the original cost of the coin, the name of the seller, the date of purchase and the reason for the purchase?

3. Does the Mint keep an inventory of every coin it has minted and, if not, for what reason?

Hon. J.-J. Blais (Minister of Supply and Services): The Royal Canadian Mint informs me as follows:

1. Yes, the Royal Canadian Mint purchased a 1978 numismatic $100 gold coin. (a) it was purchased from Coin Centre

of Canada, (b) the purchase price was $300 plus provincial tax, (c) the price of the coin in 1978 was $150, (d) the coin will be used in an exhibit and paid at market price.

2. Numismatic coins purchased by the Mint in the past five years are as follows:

Denomination	Year Issued	Issued Price	Purchased Price	Seller	Year Purchased
$ 1 (silver)	1935	$ 1	$ 16	Silver Dollar Reg'd	1982
$ 1 (silver)	1939	$ 1	$ 16	Silver Dollar Reg'd	1982
$ 1 (silver)	1949	$ 1	$ 16	Silver Dollar Reg'd	1982
$ 1 (silver)	1958	$ 1	$ 12	Silver Dollar Reg'd	1982
$ 1 (silver)	1964	$ 1	$ 11	Silver Dollar Reg'd	1982
$100	1978	$ 150	$ 300	Coin Centre of Canada	1982

The above coins will be used in an exhibit which is being prepared and which will tour Germany for the next three years.

3. No, the Mint does not keep an inventory of every numismatic coin struck. One of each is transferred to the Bank of Canada National Currency Collection on a permanent loan basis. A small quantity of each numismatic coin struck is kept for a limited period following the issued year as potential replacement for coins returned by customers or coins lost or damaged in transit. Afterwards, the remaining numismatic coins are melted.

CANADIAN GENERAL STANDARDS BOARD

Question No. 4,632—**Mr. Fretz:**

1. Was non-confidential information from the Canadian General Standards Board recently sent out by registered mail at a cost of $3.85, when the logical choice for such material would have been first class rates of 60 cents, and, if so (a) for what reason (b) how many envelopes were mailed at these rates?

2. Does the Minister feel these costs were justified, given the current economic climate?

Hon. J.-J. Blais (Minister of Supply and Services): 1. (a) The Canadian General Standards Board sends letters by registered mail when the nature of the contents indicates that this method is necessary. Most of the registered mail concerns the insulation contractors certification listing program. It involves information on applications for listing, examination information, certificates, notices of quality defects, legal documents and other notices. Since this mail affects a contractor's livelihood, it is important that CGSB knows whether or not the mail was received. It is particularly important at the early stages since some companies change addresses.

(b) The Canadian General Standards Board mails many thousands of letters per year, of which about 10 per cent are registered, for the reasons outlined in 1 (a). It is not possible to determine exactly how many letters are registered.

2. Yes, in view of the points noted in 1 (a).

[*English*]

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

Madam Speaker: The questions enumerated by the Hon. Parliamentary Secretary have been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

SUPPLEMENTARY RETIREMENT BENEFITS ACT (NO. 2)

MEASURE TO MODIFY BENEFIT INDEX

The House resumed consideration of Bill C-133, an Act to amend the Supplementary Retirement Benefits Act (No. 2), as reported (without amendment) from the Standing Committee on Miscellaneous Estimates; and the motion of Mr. Gauthier (p. 22129)

Hon. Marcel Lambert (Edmonton West): Madam Speaker, before lunch I referred to the complications that had arisen when the Government of the day in 1972, 1973 and 1974 introduced budgetary measures inspired by the so-called "Crown prince of the Liberal Party", John Turner. In my view and in the view of many people, he was responsible for the deep roots of inflation over those three years of heavy Government spending and for other measures that resulted in the partial wage and price controls of 1975.

The Bill before us is the Government's attempt to rectify some of those complications but it is directed at the wrong sector. With Family Allowances, social security and with the cap on the increase in the personal allowance in the Income Tax Act, nothing has been taken from the recipient, as is the case with this Bill. Under the Bill before us, the Supplementary Retirement Benefits Act, a contribution of 1 per cent and then 1.5 per cent of salary is called for. It does not matter whether it is .25 per cent, an annual contribution was set down. A contract was established in law between the Crown of Canada and those particular classes of pensioners for a full indexation of pensions. Now the Government, acting unilaterally, wants to wipe that arrangement out for two years, to start with. After that it may want to continue with the 5 per cent cap. I say that is a distinct breach in law as well as a moral breach.

When the proposal for indexation was introduced, Old Age Security was the first to be affected. In 1973 we had the

increase in the personal allowance under the Income Tax Act. With this, the Government gave a solemn promise to take care of the taxpayers of Canada and save them from the ravages of inflation. At that time inflation was only 6 or 7 per cent. In 1981 it was 12.8 per cent and last year it was somewhat less. The obligation remains, however. The Government could certainly find the few millions that would be saved by these methods in some other way. Some departments are moving to bigger and better and more prestigious buildings deemed better suited to the dignity of a local regional director, notwithstanding the fact that leases already exist on other buildings. Such cases can be documented.

I see that you are quite anxious that I conclude my remarks, Mr. Speaker, and my time is up. I will vote in favour of the amendment of the Hon. Member for Ottawa-Vanier (Mr. Gauthier) and I will vote against the Bill.

• (1510)

Mr. Rod Murphy (Churchill): Mr. Speaker, I wish to speak on the amendment of the Hon. Member for Ottawa-Vanier (Mr. Gauthier). The New Democratic Party caucus will vote for the amendment, but of course we will vote against the Bill. We will vote for the amendment because it basically indicates that the Bill will not continue after its term. In itself that sounds rather obscure, but I should like to refer to what we have learned during the couple of months of debate in Committee and in the House.

We have learned that the Government cannot be trusted. We have learned that Ministers of the Crown promised that the pensions of retired Government workers would not be affected, touched or altered without consultation. We were told this by pensioners, by unions representing present Government workers and by the association which represents retired Government workers. We have learned that the Government broke its word. No matter what we do with regard to the amendment before us at this time, I have the feeling that if the Government feels like breaking its word in the future, it will do so again.

When the Government wanted something from its employees in the past, it went to them and said: "Please do not negotiate pensions; it would create a bit of an administrative headache for us because there are a number of unions involved". The Government gave its word to the various unions and its employees, including Armed Forces and RCMP personnel, that those plans would be protected and that the only way they would be touched would be if the Government consulted with them. That did not happen. To my way of thinking, if we pass this amendment today and the Bill later this week, retired and present Government workers will still not have any protection; the Government will still be in a position to change its mind if it thinks it has a reason to do so in the future.

We have learned through leaked Government documents that the whole six and five program was a public relations effort. It was recognized that it would do nothing for the economy. Also it was recognized by certain Liberals in Cabinet and certain Liberal Senators that it would have a public relations value for the Government by making it look like the Government was doing something about inflation, but if two or three years down the road the Government decides again—whether it is Liberal, Conservative or any other Government—to break its word with its employees, it could do so.

To support my contention, I refer to the first six and five legislation, Bill C-124, supported by the Conservative Party and by the majority of the Liberal Party in the House. In that Bill the Government not only broke a gentlemen's agreement, which is what it referred to when it talked about pensions, but it broke contracts and collective agreements that it had signed with hundreds of thousands of Canadians. It broke agreements which the Government itself had negotiated and signed. Not only does the Government break gentlemen's agreements, but it breaks signed, collective ones. There is no reason to believe that the Government would not also break laws passed by Parliament. While we support the amendment, we are very cynical about whether or not the Government would obey the amendment if indeed it were passed by the House.

We learned a lot in Committee as we studied the Bill. We wish that closure or time allocation had not been invoked by the Liberal majority in the House. If more Canadians found out the real effect of this Bill, I believe there would be an outcry which would result in not just another Liberal deciding to vote against the Bill in addition to the three Liberals who earlier indicated their opposition to it, but in a number of Government backbenchers, not only from Ottawa and Hull but from Cape Breton, Sydney, Halifax and various ridings in New Brunswick, Ontario and Quebec, and perhaps the two who were elected from western Canada, doing so.

In Committee we discovered that we were not hurting people with pensions of $20,000, $30,000 or $40,000 per year; we are hurting pensioners who receive on the average pensions of $8,000 per year from the Government and the surviving spouses of deceased Government workers who have average pensions of $3,100 per year. These are the people who are being affected by the Bill. Also we found out that the vast majority of people are at the bottom end of the pension fund and that those people will be hurt by this legislation. We discovered that there were over $15 billion in accounts attributable to the pension plans of Government. So there is money available.

Also we found out that the Government has benefited from these plans in the past because it did not have to go out on the bond market and borrow at prevailing rates. In effect, it is stealing blind the money of present and retired Government workers. The Government of Canada has saved money on pension plans in the past because it has not had to borrow at commercial rates. Now these people are suffering doubly because they cannot even get the money in the plan.

The former President of the Treasury Board, the Minister of State for Economic Development (Mr. Johnston), composed a song. He plays it on his piano, and with the good graces of Senator Keith Davey and certain unknown Liberal friends, a record is being distributed which praises six and five across the

land. I think this makes our point for us. If this were a Government program designed to fight inflation and to get the economy going again, we would not have stickers, posters, pamphlets, fancy books, or the song that Senator Keith Davey and others in the Liberal machine are pushing down the throats of Canadians. If this were a Government program for job creation, there would not be all this hoopla and election gimmickry at the present time. The Government would be taking the issue seriously and talking seriously rather than pushing its little jingle.

There is a story about a certain Roman emperor who fiddled while Rome burned. Now we have a Liberal Government which writes songs and plays pianos while Canadians are burning from their lack of economic planning. We need serious planning and a Government program which fights inflation and creates jobs, but we have another public relations gimmick by a Government, as the Hon. Minister of Energy, Mines and Resources (Mr. Chrétien) said, which really does not deserve to be around any more. We need real programs. We need more than just the token support of the Conservative Party. We need the Conservative Party to rise in the House and fight this Bill. We do not need a 15-minute walk-out by the Tories; we need them to fight this Bill to the same degree they fought for their friends, the oil companies. That is what Canadians need.

• (1520)

Mr. Peter Lang (Parliamentary Secretary to President of Treasury Board): Mr. Speaker, the amendment to Bill C-133 which is before us today is a sunset amendment. I want to address this point very briefly because the amendment is essentially unnecessary since the Bill itself is self-limiting. It will apply, in 1983 and 1984, a 6 per cent and 5 per cent restraint measure to the indexing of Public Service pensions. However, in the Bill's present form, we will revert to indexing in 1985 according to the full Consumer Price Index. Therefore, the amendment put forward by the Hon. Member for Ottawa-Vanier (Mr. Gauthier) is considered by the Government to be redundant and unnecessary since it will not improve the present legislation in any way.

I would like to respond to a few of the remarks made by Hon. Members opposite with regard to the impression they may have left with people that there was a negotiated contract between the Government and the Public Service sector unions. This simply is not the case; there was no negotiated contract between the Government and the Public Service sector unions.

Mr. Murphy: Did the Government give its word?

Mr. Lang: I challenge those Hon. Members opposite who have referred to this contract—some of them stating that there was a written contract—to table the contract.

I would like to refer to the argument made by some Hon. Members that this Bill represents confiscation. Those Members are alleging that the Government is capping funds that have been contributed by public servants to the indexation account. The Government has indicated with its amendment that it will not cap the contributions made by public servants and matched by the employer to 6 per cent and 5 per cent. The Government has recognized the contributory nature of the indexation program with this amendment and I urge Hon. Members opposite to support the amendment.

As you are aware, Mr. Speaker, in supporting that amendment they will be negating an amendment moved by the Hon. Member for Nepean-Carleton (Mr. Baker). His amendment is very puzzling in view of the Official Opposition's supposed—

Mr. Deputy Speaker: Order. I call to the attention of the Hon. Parliamentary Secretary that the amendment being debated is in the name of the Hon. Member for Ottawa-Vanier (Mr. Gauthier).

Mr. Lang: Mr. Speaker, I just found it difficult to understand the Hon. Member's position on this Bill. In general, I find it difficult to understand the Opposition's position on the Bill as well as their position on the amendment of the Hon. Member for Ottawa-Vanier, because all I have heard from the Opposition is the importance of restraint and bringing down the deficit, their support for controlling inflation, and their support for Reaganomics.

While they support restraint in general terms, they do not like to see restraint when the Government decides to exercise it in a particular area. We then see the fiddles come out. They support restraint as long as they can keep it general and do not have to put their money where their mouth is or support an unpopular restraint measure. The Government is not afraid to proceed with legislation that may not be popular to everyone when it is in the best national interest.

The legislation does two basic things. First, it is an important and integral part of the six and five program to reduce inflation. Even the official critic for the Opposition was quoted last weekend in the media as saying yes, the six and five program has contributed to reducing inflation in Canada.

Mr. Baker (Nepean-Carleton): No, he did not.

Mr. Lang: Yes. How has it done this? This has been accomplished in two ways: by restraint and by reducing inflationary expectations. We are in an inflationary recession. Clearly, inflation is not being caused by an increase in total aggregate demand, as some Milton Friedman disciples might try to argue, because total aggregate demand is clearly down in a recession. Therefore, we know that the inflation forces that are acting at this point are cost-push inflation forces and inflationary expectations. The six and five program deals with both of these aspects of inflation, cost-push and inflationary expectations. The program is working. In the last month, the month-to-month change between November and December saw zero inflation.

The second result of this legislation is the saving of money which the Government can put toward job creation. Therefore, the two basic results of this program are a reduction in inflation and a savings being put toward job creation. This is the kind of legislation that I believe most Canadians have asked for and support, as indicated by the polls.

The last point I would like to make concerns the argument presented by the Hon. Member for Nepean-Carleton, as the official critic for the Opposition, with regard to the amendment moved by the Hon. Member for Ottawa-Vanier. He indicated that this amendment was a catch-up amendment or could be argued as such. This would defeat the purpose of the legislation in a major way. A catch-up amendment would eliminate a reduction in inflationary expectations which, in turn, would defeat the purpose of the legislation.

In conclusion, I would ask Hon. Members to support Bill C-133, which fights inflation and produces funds for job creation.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I listened with a good deal of attention to the extraordinary logical path followed by the speaker who just resumed his seat. I do not see how he can live with his conscience, let alone his logic, in coming out with such tripe.

There have been a number of references today and earlier to a letter which was written by the Prime Minister (Mr. Trudeau) to the Chairman of the Union of National Defence Employees, which is a member of the Public Service Alliance. There has been the odd reference to it throughout *Hansard*, but I think it would be helpful to Members on both sides of the House as well as to those in the general public and the pensioners who are being hit by this particular legislation to have in total, without interruption, the depth of the commitment made by the Prime Minister to Joe Power, President of the Union of National Defence Employees on October 12, 1977. For that reason, with your permission, I would like to read this letter from beginning to end. It states:

● (1530)

Dear Mr. Power:

Thank you for your telegram of September 27. I have noted your concern that the indexation of government pensions be maintained.

In our society, pensions provide a means of sharing risk so that we can retire in reasonable security and dignity, without fear of the future. Protecting pensions from inflation by indexing them to increases in the cost of living should be an integral part of our pension schemes. Indexing does not give pensioners an increasingly larger claim on our economy's production, that is, more money to buy things they could not earlier afford. Rather, indexing merely enables pensioners to maintain, roughly, their same standard of living.

Even a modest rate of inflation destroys, at a devastating rate, the buying power of people on fixed incomes. Pensioners are out of the workforce and cannot bargain or strike for larger incomes. They are not the cause of inflation; they are its victim. We have an obligation to help protect them.

I have asked my staff to send a copy of our correspondence to the President of the Treasury Board, the Honourable Robert Andras.

Yours sincerely,

Pierre E. Trudeau

That is the integral text of a firm commitment given by a Prime Minister in 1977 to one branch of the Public Service Alliance of Canada, the Union of National Defence Employees, which was worried at that time that there would be an attack on pensions through some modification of the indexation formula.

It has been mentioned by the Parliamentary Secretary to the President of the Treasury Board (Mr. Lang), who last spoke, and I take the point, that no one has yet managed to come up with an agreement between the Treasury Board and the Public Service Alliance of Canada or other negotiating sections of the Public Service that, without fail, the pensions of retired public servants would be indexed in accordance with changes in the cost of living. I do not have a copy of that agreement available at my fingertips. For my purposes, I consider an undertaking by the Prime Minister to be just as binding a commitment. I am glad that we, at long last, have an integral text of it on the record for all to see what this same Prime Minister's Government is now doing to Public Service pensioners by reneging on an undertaking, given in 1977, in the so-called interests of the six and five formula.

I wonder if anyone has ever delved into the mathematics of this situation. There are two aspects which I think deserve commentary at this stage. One is that something in the order of 150,000 Canadians are at present drawing pensions from the Public Service and Armed Forces which they assumed would be indexed by the CPI. In addition to those 150,000, there are 40,000 widows of public servants and members of the Armed Forces. I am sure that Your Honour is aware that widows of serving officers and members of the Public Service do not draw full pensions. This is one of the most iniquitous aspects of this particular measure. The six and fixe formula, despite the commitment given by the Prime Minister five years ago, will hit more than 40,000 widows of those who served in those two services alone. Their pensions are to be reduced this year and next year in accordance with the 6.5 and 5.5 formula which has been devised. The .5 concession, the concession to something more than just 6 per cent and 5 per cent, is a cosmestic operation by the Government, as far as I can see. I think many of the widows of these public servants, whether they served in uniform or in civilian dress, should be maintained so that they can keep pace as best they can with changes in the cost of living.

I just heard the Parliamentary Secretary to the President of the Treasury Board suggest that the six and five program is working. If it is working, I do not see any point in imposing this iniquitous legislation on 150,000 Canadian pensioners and widows of another 40,000 Canadians who served the Government faithfully throughout their working lives, who were given this undertaking by the Prime Minister and who understood that the cost of living index would be applied to their pensions. If, as the Parliamentary Secretary so confidently predicts, the 6 per cent this year and the 5 per cent in 1984 will be the end of it, then they will readily accept those shifts in the cost of living index applied to their pensions. However, it is totally unfair, a breach of faith, to take away from them that which was offered to them in a solemn undertaking and accepted in trust.

One further matter must be considered. I have not been able to attend all the debates nor have I read all the transcripts concerning this particular matter. However, there is one aspect which worries me. After the six and five guidelines are lifted, if

they ever are lifted, if there is a change in 1985 or 1986 under the provisions of this law, on what base will the new cost of living be set? Will it work on the base of the reduced 5 per cent? I suggest that there is room for another amendment. Unfortunately, I will not be able to move it, but I do suggest to the Government that it carefully consider the matter. I want the Canadian people, particularly public servants and serving officers of the Armed Forces, to bear in mind that their pension base is being eroded. I would suggest that a suitable amendment would be that if the six and five formula is applied, and the Government is all too likely to impose its will, the real cost of living index, whatever it is, should be applied to their pensions as of today for the next two years and should be a base for the application of the cost of living after that time. This would at least preserve the base.

Miss Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I would like to suggest to the Parliamentary Secretary to the President of the Treasury Board (Mr. Lang) that he, in his speech a few moments ago, as much as admitted that the base would be permanently reduced by the amendment which is before the House.

Mr. Baker (Nepean-Carleton): That is what I heard. You are right, Pauline.

Miss Jewett: The only recourse for the Government now, surely, is to say, "We have made a mistake. We did not really wish to fight this battle on the backs of retired public servants and retired Armed Forces personnel and we will gain very few dollars from this battle". However, those very few dollars which will be gained by the Government are, to the people concerned, extremely important dollars. This has been emphasized many times by members of all Parties, including some on the Government side. Indeed, if only about three or four additional Members on the Government side would act really in accordance with their own, I am sure, deeply held convictions, there would be no way this Bill would pass the House. I think it would only take perhaps four or five additional Members from the Government side to join us on this side and we would be able to dispense with the present amendment, and then defeat the Bill.

• (1540)

I find it particularly sad that those who suffer the most, and of course all the superannuates will suffer, are the surviving spouses of superannuates, of whom I believe there are 32,500, practically all of whom are women. Their average pension benefit now amounts to about $3,200, based on normal indexation with inflation, $3,200 which in many cases is the totality of the pension received, or is almost the totality, that is to say, the Old Age Security when added to it makes the totality of the pension received. This is what a great number of superannuates' spouses are trying to live on, yet the Government, by reducing the 11.5 per cent indexation that would normally be given this month to 6.5 per cent, has caused a loss to these superannuates' spouses of $160. With the 11.5 per cent indexation, they would have got an increase from $3,200 to $3,568. They are now going to get an increase to only $3,408. That goes into the base, that $160 loss. In 1984, the second year of this program, whereas the normal indexing base would have been $3,568, with 10.5 per cent indexing, which would have been the normal indexation, that would have been raised to $3,943. Now, with the 5.5 per cent indexation, the raise is only to $3,595. That makes a loss of $348 to the surviving spouse in 1984.

The combined loss to a surviving spouse who gets an average pension now of $3,200, over the two-year period, will be $508. That is a very large amount of money when the base is only $3,200. There is nothing in the Government's proposal that will ensure that the base will ever be restored to where it is now and, as the Parliamentary Secretary to the Treasury Board (Mr. Lang) himself said a moment ago, the amendment we are discussing at the moment will not ensure that the original base will ever be restored to the present base.

The numbers of people I am talking about now is not large. As I say, surviving spouses of superannuates number about 32,500. The total amount of moneys from the Government's point of view, or anyone's point of view, that would be going to the surviving spouses had the 6.5 per cent and 5.5 per cent not been introduced are not large amounts of money. However, a loss this year of $160 and a loss next year of $348 for a combined loss of $508 is, as I have said, a very significant amount of money to the surviving spouse when one is already living, as many are, below the poverty line.

It would not take very much, it seems to me, for Members on the opposite side, to say to their consciences and eventually to the House as a whole, that a mistake has indeed been made, and that it is not only a breach of moral contract to be reducing the indexing, because everyone must agree that it is that, but it is not in any way necessary for the so-called fight against inflation.

As has been pointed out many times, for reasons that have nothing to do with six and five, the cost of living is coming down. It is coming down because of the deepening recession, and there is no need therefore, even if they put it forward not on the grounds of morality but on the grounds of need, to index at six and five or at 6.5 and 5.5, the pensions of the retired public servants of this country and their surviving spouses. Neither on grounds of morality nor of need is this legislation necessary. It may be, in the case of the Conservatives who originally voted for six and five in Bill C-124, that they have now realized there is no need. They are late coming to this realization, but it may be that they have realized it, and all that is left now is for the Government to realize it.

The superannuates associations across this country have been trying in recent months, as hard as any group of people could, to impress upon the Government both the lack of morality and the absence of need for this legislation. I want to put on record at least one of the messages I have received. Like others, I have received hundreds of messages from individual pensioners and groups of pensioners. In my area there is quite

a large group named the Fraser Valley Branch of the Federal Superannuates Association which, of course, is a branch of the national association, which has sent a telegram to me saying:

> The Executive of the Fraser Valley Branch Federal Superannuates National Association and our four hundred members are counting on your vigorous support of our demands that Bill C-133 restriction of indexing of public service pensions be withdrawn or defeated in the House. We shall be watching with interest your efforts on our behalf and hoping that they will be successful.

What I am suggesting, and many are suggesting, begging the Government is that in all good common sense it withdraw this Bill and if it does not withdraw it, begging at least a half dozen Members on the Government side to join us in defeating this Bill.

● (1550)

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, I rise again on this infamous Bill C-133. We have another amendment which has come from the Government side. To my surprise, Government Members are speaking against it. It is an amendment by a caring Member on the Government side which says, let us by statute end this Bill on the date that the Government, when bringing in the Bill, said it would end. Now the Government is speaking against it. It will be interesting to see how they vote on it when it gets right down to the push and shove.

This Bill clearly cuts the pensions of retired civil servants. We are not talking about those presently in the system. They are subject to the six and five restraint program, Bill C-124, that those in this Party, at least, voted for. The whole country is in favour of restraint. This Bill does not have anything to do with restraint. This Bill has to do with the treatment of retired civil servants and the spouses of former civil servants who have now died.

The sole issue on which we are going to stand in this House and vote is to break a contract. Most Government Members will stand and vote against the interests of their constituents. It clearly is in the best long-term interest of all of us as citizens that Government should honour contracts. When Government Members vote to break a contract, that is a very serious matter, not only in the short term but in the long term. They will stand to break a contract for one year.

There is no doubt that because inflation is dropping for 1983, the natural formula will drop the indexing of pensions of retired civil servants to the rate of inflation. There is no doubt that pursuant to the contract, in the year 1983 retired civil servants are entitled to over 11 per cent. They will only get 5.5 per cent or 6.5 per cent, depending on where they are.

That is wrong. It clearly is a situation where the Government is going to break a contract. That really does not surprise me. I will go on later to explain why the grassroots supporters of the Liberal Party have lost control. It has been a progressive loss of control since 1968.

The Cabinet now running the Liberal Party and the strategists behind it are not the Liberal Party that you, Mr. Speaker, fell in love with and joined. It is not the Liberal Party that a lot of young people in the fifties and sixties decided to support because of what it stood for, the concept of liberalism, the individual versus the state. That is totally switched around. Now the controlling mechanism in the Liberal Party clearly are statists. They believe the state is more important than the Canadian citizen. They are centralists. They like to bring power into Ottawa rather than leave it.

For example, in taxation the philosophy of this Party is to leave money with Canadians, let them decide how to spend it. They are the people getting black lung diseases in the mines and emphysema on the farms. Let us leave the money with them and let them decide. However, the new Liberal philosophy is no, Canadian citizens are not wise as to how to spend their money, therefore we had better tax it away from them. Those in the Cabinet and the bureaucracy will decide how to spend the money because they believe they know better.

Throughout the seventies, they took us into a huge deficit situation. A deficit is really a form of taxation, as is inflation. It means that questions on redistribution are not decided by individual Canadians in the sense of which charity to support or which product to buy. It is done by a central bureaucracy which taxes it away and decides who will get it by way of grants, not tax deductions which leave the onus on the citizen. They decide that if you do this, they will give you a grant.

Essentially, that is socialism. In terms of economic philosophy it is socialism. We see other people suffering under that same type of Government. Every citizen in Quebec now knows in full measure what it is to live under a socialist government where a bureaucracy and a Cabinet decide what is best for the citizens. In that Province, the Government is taking away 20 per cent from its on-line civil servants. It gave them an enormous raise trying to buy a "yes" vote in the referendum. Now they are having to eat crow and are taking it back.

From the citizens' perspective, what did they do wrong? The Government offered them money and they, of course, took it. Now it is being extracted from them. In the meantime they bought houses, have mortgage commitments, and they bought cars. The 20 per cent cutback is truly a serious matter for the individual citizen in Quebec. That flows back. It is a logical result of a Government saying it knows better what the citizens should do than the citizen himself.

The United Kingdom is a classic example. Since the Second World War, they have nationalized coal and the shipbuilding industry. All of the major industries were nationalized under Labour Governments. Again it was increased taxation with the bureaucracy deciding how to spend it. We know where Britain is as a result. They have lost their standard of living.

We know what has happened in Canada. In 1968, comparing ourselves with the 24 western industrialized nations, we were second. On an individual basis, we had the second highest standard of living. Now that has slipped to thirteenth. Under some measurements in comparison, we have dropped to the absolute bottom of the list. We are essentially prisoners in our own land. That is what inflation does. Compared to citizens in other countries, we are thirteenth rather than second.

Why is it the Government would bring in a Bill to break a contract? We know the reason. It is because the national debt

is probably in the area of $150 billion gross. The yearly deficit is something like $30 billion. That is in spite of all the enormous tax increases since 1980. When you look at those tax increases, they are almost all on the direct taxes which affect the poor far more than the rich.

Take the gas tax and all of the sales taxes that have been imposed as compared to the so-called progressive tax system where the rich are supposed to pay more. In spite of all those tax increases, we are still in the position where the deficit is going up enormously. Revenues are plummeting, yet the costs, the so-called safety nets, are bringing it up. The amount for interest alone just to service that debt is something like 30 per cent of every dollar of revenue coming in.

In past years we would go to Canadians every year and say that the deficit is rising, that it will hurt us. In every election campaign those in this Party at least would say, "Look, friends, the deficit is getting so high that we believe Government has to be cut back". The Liberal Party with all of its strategy would have all of its Members go out and say, "No problems, folks, the amount to service the debt is only 5 per cent". Then it went to 10 per cent, 15 and 20, and now it is over 30 per cent of tax revenues just to service the debt. That does not pay it back. It just services it. That money concentrates into the hands of our fellow Canadians who already have wealth. Therefore, the rich become very rich and the poor very poor. That will turn us into a Third World country. It is not the fault of the citizens, except that they fell for the election platforms. It is the fault of Governments which think they can do things they really cannot do. I see my time has expired, therefore I will resume my seat.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, it is also my intention to be fairly brief. I do not want to become repetitive. There have been a number of speakers on this amendment. I will be very pleased to support the amendment put forward by the Hon. Member for Ottawa-Vanier (Mr. Gauthier), a gentleman who obviously has the best interests of his constituents at heart.

The amendment before us would put a definite cap on the legislation, Bill C-133, that has been proposed by the Government. Some Members opposite have argued that a cap is contained within the Bill. I am not so sure whether that is true in the strict legal sense, but if this amendment were to carry, the Act would expire on December 31, 1984.

• (1600)

I, like my colleague, have difficulty with the way in which the Government has reneged on its contractual obligations. This Government has developed the habit of ripping up, when it suits it, any contract which is outstanding. We witnesse this, for instance, with Bill C-48, the Oil and Gas Act, when existing leases which had been entered into in good faith by the lessees were ripped up by way of Bill C-48 by the lessor, who was the Government of Canada. I notice on this occasion the New Democratic Party, because it suits its political purposes, has been critical of the Government for doing just that, but I ask, where were they on other occasions when the Government did precisely the same thing with contracts of a different nature?

We, on this side, Mr. Speaker, do not at all like the idea of legal contracts being ripped up, reneged on by the Government by virtue of Bills introduced into this House, and we have said so on occasions such as in Bill C-48, when one set of Canadian citizens were involved—on that occasion lessees of oil and gas rights—and we have said so again today and on previous occasions with respect to the pensions of public servants. In my opinion, Mr. Speaker, contracts of this nature should have the sanctity of the law apply to them. They should be allowed to expire if the Government wants to change them. They should not be changed in the middle, so to speak.

There is a difference between promises of a general nature and contractual obligations. When the Liberal Party in the 1980 election promised "Vote for us and we will keep the price of oil and gas low", I suppose you could call them morally responsible for the way they have not kept that promise. But I do not think the majority of Canadian citizens thought it any more than just another Liberal promise, and when the Government broke the promise, of course it mattered, but not in the same way as if it had been a contract negotiated and entered into by two sides.

I believe, rather than using a great amount of parliamentary time just to address this one specific issue, the question of pulling back Public Service pension rights, we should rather be using the time of the House to address the whole question of pensions, Canadian pensions. Any pension scheme, whether it be public or private, should be governed by the principle of actuarial soundness. If we talk to the actuaries today we will find that many pension schemes, especially public schemes, are no longer actuarially sound. If we study the population forecast for Canada, if we address ourselves to the aging population, the number of people over 65 who will be in this country some 20 years from now, and the number of people of working years, we find that we will very shortly come up to a real bind.

There has been some preliminary thought put into this by Government Departments, by Members of this House, members of the Senate and a lot of other people, and we find that there will be some hard decisions to make in the future. We want a system of pensions in Canada which will allow people, once they have retired, to live in a manner to which they have been accustomed during their working lives, to enjoy the benefits of those later years. It then becomes necessary to have a radical change in the amount of national income or personal income which is put into the pension scheme during the lifetime of the people who will eventually become pensioners. I believe the figures are something like three times what we presently put into pension schemes. I would hope that when that is done there will be a system of pensions compensated for inflation.

I do not think the Government's six and five per cent solution is going to work. We have heard that it is very much of a public relations gimmick, and I am inclined toward that way of thinking. If a pension is not indexed, it very rapidly

erodes away. I know a number of pensioners in my constituency and across Canada who throughout their working lives have done everything they should to look after themselves in their declining years, for want of a better word, and they now find themselves almost destitute because they paid in good money for bad pensions, or what turned out to be a bad pension because of inflation.

Inflation has not been wrestled to the ground, and what has been going on at the present time will result in another great bout of inflation once the economy recovers. We are guaranteeing that by the continued high deficits and by the Government's financial policies. I believe the action of the Government in putting before us Bill C-131 is despicable. It should not be done this way at all. We should have a public debate on all pensions. We should not single out the public servants to be harassed in the way which has been done by the present Liberal Government. We should try to ensure, Mr. Speaker, that all Canadians can avail themselves of pensions which will enable them to live in dignity once they pass through their working years. They should have the best pensions we are able to afford.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, when some years ago Liberal Governments of the day brought forth legislation which provided for the indexing of the old age pension, Family Allowances, Public Service pensions and the Canada Pension Plan, and when the Parliaments of that time approved those proposals, what they were establishing was not the principle that people receiving the benefits under those programs would get increasingly generous assistance from those plans, but rather what they were adopting was the principle that even if the cost of living went up, as it has every year since that legislation was passed, those people would be secure. The real benefits, the real standard of living of the people receiving the old age pension or the Public Service pensions, or Canada Pension or the Family Allowances, would continue at the level and the rate they obtained when they became eligible for the programs.

Therefore, Mr. Speaker, when the Government now proposes to change the rules, to put a cap of 6 per cent and 5 per cent on old age pensions, Family Allowances and Public Service pensions, what they are saying in effect is that the real standard of living of these people will be reduced because the cost of living is still rising at substantially more than the six and five figures the Government talked about. There is no indication that it will be much less than 9 per cent in the coming year. Indeed, there is every reason to believe that in fact the cost of living may rise rather than drop.

• (1610)

In his speech a little while ago, Mr. Speaker, the Parliamentary Secretary to the Minister of Finance (Mr. Fisher) tried to argue that there was no contract with respect to Public Service pensions between the Government of Canada and the organization representing public servants, and therefore the Government was quite proper in bringing forward this legislation. I am not going to repeat the arguments or quotations from letters written by the Prime Minister (Mr. Trudeau) which indicate there certainly was the implication by him that the Government would maintain the indexing of Public Service pensions. However, I suggest the Parliamentary Secretary does not have to look very far to see that the Government does not mind at all breaking contracts negotiated with its employees. After all, it was a Liberal Government of Canada which gave the public servants the right to collective bargaining on wages and salaries and other questions. It was the Government of Canada which reached agreement with all public servants on the wage and salary increases they would be entitled to this year and next, by free collective bargaining. Nearly all those agreements called for increases of more than 6 per cent and 5 per cent, yet the Government has unilaterally brought in legislation which limits pay increases, as it limits pension increases, to six and five.

Members of the Opposition have been accused by Government Members of opposing these proposals for partisan political reasons. Nothing could be further from the truth, Mr. Speaker. It is not that we are not partisan; the essence of a democratic system is that there should be differences of opinion between various groups and parties. However, in opposing the legislation we are dealing with today, we are not alone. I am sure Liberal Members of Parliament have had hundreds of communications from retired public servants or their widows telling of the difficulties they will have. We know there may be a few retired public servants, like the former Deputy Minister of Finance, Mr. Reisman, whose pension is quite generous. But thousands of pensioners, particularly the widows of former Public Servants are drawing pensions of $1,000 or $2,000 or $3,000 and they are living in real poverty.

I have spoken on this Bill before and I do not want to repeat what I have said on other occasions. In any case, I could not say anything about this Bill nearly as eloquently as were the comments made about this kind of legislation and other Government policies in the statement released a few weeks ago by the Canadian Conference of Catholic Bishops. Speaking about the Government's policies dealing with the real economic and social crisis in which we are living at the present time they say this, amongst other things:

> In developing strategies for economic recovery, we firmly believe that first priority must be given to the real victims of the current recession, namely—the unemployed, the welfare poor, the working poor—pensioners, native peoples, women, young people—and small farmers, fishermen, some factory workers and some small businessmen and women. This option calls for economic policies which realize that the needs of the poor have priority over the wants of the rich; that the rights of workers are more important than the maximization of profits; that the participation of marginalized groups takes precedence over the preservation of a system which excludes them.

If there ever was a marginalized group, Mr. Speaker, it is the kind of people I have been talking about, those who are living in real poverty by any standard which any Member of this Parliament wants to establish. They go on to say:

> —greater emphasis should be given to the goal of social responsibility in the current recession. This means that every effort must be made to curtail cut-backs in social services, maintain adequate health care and social security benefits, and above all, guarantee special assistance for the unemployed, welfare recipients, the working poor and one-industry towns suffering from plant shut-downs.

They are talking about social security benefits, and they are so right, because this particular Bill and the others deal with pensions. That is part of our social security system. In a not too distant future this federal Government and provincial governments will be taking steps to cut back on the fundamental structure of health care and hospital insurance we have established over the years. Then, in dealing with the present strategies of Government, the Bishops say:

> The means for curbing inflation are such austerity measures as the federal 6 and 5 wage restraint program and cut-backs in social spending (e.g. hospitals, medicare, public services, education and foreign aid) rather than controls on profits and prices. These measures, in turn, have been strengthened by a series of corporate tax reductions and direct investment incentives for such sectors as the petroleum industry. In effect, the survival of capital takes priority over labour in present strategies for economic recovery.

That is how they analyse the thrust of this Government's policies. They go on to say:

> At the same time, working people, the unemployed, young people, and those on fixed incomes are increasingly called upon to make the most sacrifice for economic recovery.

That is precisely what the Government is doing, Mr. Speaker. People on fixed incomes are our pensioners and they are being asked to carry the can, to pay the price for the mistaken policies we have had in recent years from this federal Government. The Bishops talk about alternative approaches and they say:

> An alternative approach calls for a re-ordering of values and priorities in our economic life. What is required first is a basic shift in values: the goal of serving the human needs of all people in our society must take precedence over the maximization of profits and growth . . . alternative strategies are required which place primary emphasis on the goals of combatting unemployment by stimulating production and permanent job creation in basic industries; developing a more balanced and equitable program for curbing inflation; and maintaining health care, social security and special assistance programs.

I am not a member of the Roman Catholic Church, Mr. Speaker, but I say that the ideas expressed in this statement are principles which could be adopted with great benefit to Canadians regardless of their religion. I urge the Government to reconsider what it is doing, and to realize it is shifting the burden of the difficulties we are in to precisely those people who can least afford to live with the kind of decisions this Government is making.

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, in rising to speak to this latest amendment on Bill C-133; the matter of trust, which was raised continuously in succeeding submissions in committee, once again comes to mind. It strikes me as somewhat odd that the Liberal Member concerned should show such obvious lack of faith and trust in the word of the Party and the Government to which he belongs, as to deem it advisable for him to introduce an expiry amendment which sets out clearly what the Government says is already the case. If a Member of the Liberal Party acts independently to bring forward an amendment which says he does not believe that bunch over there, so he wants to nail it down to make sure there is no mistaking it—what are those in the Opposition to think? What are the people of Canada, who have been given so many reasons to dispute the good faith of that Liberal Government, to think? A lot of questions need answers, Mr. Speaker, but we have not received them from the Government in this debate.

• (1620)

It was with a great deal of regret that last Thursday, my colleagues and I in the NDP watched the Official Opposition Torries rush in with undue haste in an effort to help rush this legislation through. Their opposition has been token. It made us question the motivation of that Party once again. They did not understand the Government's game plan of compulsion and compulsory restraint that was presented in the budget of June 1982, and again, they dealt with Bill C-124, the parent of the six and five legislation, in isolation. They supported it although they put on a public display of opposition to the companion Bills, Bill C-131, Bill C-132 and Bill C-133 which grew from Bill C-124. Their protest today lacks credibility.

The antics of that Party make me think of a young man who gets a girl in trouble and then takes off when he sees the progeny. That is the kind of game the Conservative Party has been playing. They were all in favour of Bill C-124, all in favour of compulsory restraint, all in favour of breaking written contracts, but now they have the unmitigated gall to pretend opposition to the legitimate offspring—perhaps the illegitimate offspring—of the parent Bill.

I do not believe that many people in the country think kindly of a young man who gets a girl in trouble and then takes off, out of town, and does not live up to his responsibility. But that is the kind of contempt that the Conservative Party deserves for their behaviour regarding this matter. If the people of the country decide on a shotgun ceremony and insist that the other two Parties in the House get together, then no one should be surprised.

Mr. McKenzie: Leave that to Svend Robinson!

Mr. Kristiansen: Another analogy came to light in Committee.

Mr. Reid (St. Catharines): I hope it has more substance than the last.

Mr. Kristiansen: It has more substance than some of my PC colleagues on my right appear to have. Their lack of consistency suggests that they have very little.

I can visualize an avalanche, Mr. Speaker, where the Prime Minister (Mr. Trudeau) and the Leader of the Opposition (Mr. Clark) stand at the top of a hill and roll a stone down, which is Bill C-124. They work together, cheering on the wolves of compulsory restraint against pensioners and public servants, but as the stone rolls down the hill it gathers momentum. Under it are not only the Public Service employees who are being crushed by C-124 but the mothers and children suffering from Family Allowance restraints, the old age pensioners suffering from restraints on Old Age Security and now the public servant retirees who are being crushed by the onslaught. The Leader of the Opposition claims that he only rolled the first stone. But that is how an avalanche starts, Mr. Speaker. Anyone in public life ought to know that.

The Conservatives have attempted to deny their part in this fiasco, and that is contemptible, Mr. Speaker. I do not think any other word can appropriately describe their actions.

At the Standing Committee on Miscellaneous Estimates which studied Bill C-133, I put some questions to a Mr. Potter who represented the Economists, Sociologists and Statisticians Association, regarding remarks he had made in earlier testimony. I wanted to know the difference in what was accruing to the indexation fund at the present time and what would accrue if a properly managed plan was in existence. The committee report for December 14 shows Mr. Potter answering as follows:

The idea is that the pension account and the indexing account collectively earn less interest than a fair return on a well-managed private pension plan by about one percentage point, according to Tomenson-Alexander. In addition, the basic pension plan is in 20-year bonds which are particularly unresponsive to inflation in the sense that very few of them come up new, get a new money interest rate credited to them. There is a great lag in the response to inflation in the weighted rate, and this is not a prudent way to manage a pension account in an inflationary environment.

He then referred to a question that had been asked of the Treasury Board on April 21, 1982, and commented on it as follows, and the question was:

—how much the indexing account would be if the PSSA, the Canadian Forces account and the RCMP account were all credited with the five-year bond rate the indexing account gets, in the same way it is done there, and in addition got monthly interest credited and a 0.125 per cent representing the saved transaction costs of not having actual investments. The answer was that the indexing account as of January 1, 1981, would be $6.305 billion.

This is the answer of the Treasury Board. The actual amount of the indexing account was $807 million. If the extra interest were credited on account of the term of the bonds and the way it has worked, if the excess interest resulting from such a crediting was on the excess interest principal, transferred for indexing, there would be $6.3 billion for indexing on that date compared to $800 million. Because of recent high interest rates and the way five-year bond yields move, it is probably much higher now. They did not give us a figure on what would happen if you credited 1 per cent extra, à la the Tomenson-Alexander Report, and also transfer that on an excess interest basis, then one would guess the updating and the extra 1 per cent Tomenson-Alexander identified, would bring the figure well over $10 billion.

The Government has been misallocating this money by its misuse and mismanagement of those pension funds and indexing funds for its own purposes. Certainly those are also the purposes of the people of Canada, but it is a misallocation and misplacement of trust. The Government has no moral or ethical right to deny the public servants of this country what they have paid for and what their payments would more than cover.

In certain joint pension funds in the private sector, conditions are imposed. In the IWA Forest Industry Plan there is a provision that funds from that plan cannot be invested in the industry so that there will be no conflict of interest. Perhaps we need something like that to ensure that neither this Government nor any future Government may misspend, misallocate, misadminister and mismanage the pension funds of the people of this country or its own employees.

Mr. Fred King (Okanagan-Similkameen): Mr. Speaker, I am pleased to add some words of wisdom to this debate after the statement made by my colleague on my left.

In the real world which exists outside the confines of this city, I find that Canadians in general do not feel great resentment against the Government for the six and five program. There is broad resentment for the Government which produced the economic circumstances in the country by its neglect of basic principles for many years. There is broad resentment because the Government has simply resorted to rhetoric and attacks against one segment of the population and because it carries on as if all things were normal. It has shown no spending restraint in its efforts to advertise its self-perpetuation and glorification.

• (1630)

It is the breaking of faith with the people of Canada to which I should like to speak briefly today. Also I should like to compare the record over the years with what might be accomplished by the Government if it had good faith and accepted its responsibility to the people.

I should like to refer to an article written by George Bain which outlined the history of rhetoric by successive Ministers of Finance in this particular regime. It indicated that they have been mouthing restraint but have produced nothing but the opposite in the final result. According to the article, Edgar Benson, the first Minister of Finance of the Prime Minister (Mr. Trudeau), said on October 22, 1968:

We should not delude ourselves into thinking the choice is between either policies of fiscal ease to counter unemployment or policies of fiscal restraint to fight inflation. In our present circumstances, unchecked inflation would precipitate the kind of economic disruption in which unemployment would surely increase and we would end up with more of both evils.

How often have we heard this lately? Also, according to the article, the Prime Minister said in February 1982:

Experience both here and elsewhere has shown us that you cannot have real, long-term economic development and generate lasting employment unless you are first prepared to deal with the problems, like inflation, which stand in their way. There is no way of avoiding the requirements of self-discipline . . . We . . . have chosen our course: It is one of restraint in our own finances.

This statement by the Prime Minister of Canada stands in stark contrast to what is going on in the country. It is no wonder that resentment has built up because the Government of Canada chooses to attack one particular group of people. Also, according to the article, John Turner, when he was finance minister, said:

The Government proposes to set an example of restraint.

Then it indicated that Donald Macdonald said:

Restraint has been an integral part of our anti-inflation policies.

The Minister of Energy, Mines and Resources (Mr. Chrétien), when he was Minister of Finance said the following, according to the same article:

Expenditures by all levels of Government have been brought under tight control.

I should like to read more from the article. It continued:

—Liberal Governments over all that time have said that restraint of Government spending is the specific for inflation, that reducing inflation is prerequisite to "lasting employment," and that restraint has been, is being, and will be applied.

Against all that, there must be put the fact that Government spending has gone only up.

Supplementary Retirement Benefits Act (No. 2)

Also it read:

—a 356 per cent increase in the size of the economy, a 545 per cent increase in Government spending.

As recently as 1980, the present Prime Minister said, while speaking in Windsor during the election campaign:

—the Liberal Party puts people first, and it's on that basis that we will worry about the deficit after we finish worrying about the unemployed.

This is the type of rhetoric which the Government, the Prime Minister and Members opposite use in an election campaign. This rhetoric is demonstrated in such acts as the introduction of Bill C-133. The Bill was simply designed as an example to which the Government could point to show that the depression it produced in fact wrestles inflation to the ground.

We now pay as much in interest on public debt in a year as we used to set aside for total budgetary expenditures in the late 1960s. Its record of non-achievement is very pertinent to this debate.

In my allotted ten minutes last Tuesday I was able to begin the basis of the argument which I believe goes to the heart of the issue and accurately describes the sentiment of a vast majority of Canadians. If we look at the Gallup poll results today, we will see that statement carried out in statistics. Canadians believe in restraint. Canadians believe that the Government should show responsibility in its spending habits. Canadians have experienced that and they know that when there is no recognition of the gross results produced by overspending in deficits, catastrophic tragedies await the citizens of Canada. In this situation the vast majority of Canadians are prepared to bite the bullet and to share in the sacrifices which must be made by all to right the madness which has happened within the nation under the direction of the Liberal Government.

I am fully convinced that as a whole Canadians are begging the Government to show leadership and an honest effort to reform its ways. Were honest and generous leadership shown in restraint, I am sure the outcry against Bill C-133 would be much less intense. Even though it is a breaking of faith, if all people were contributing equally to the attack on inflation, the outcry would be less.

One reaction against the Bill is that the Government of Canada has singled out one group of Canadians, namely, superannuates, from its employe, to bear the burden of carrying the Government's facade of restraint. As a legitimate result, the cry is going out against this unworthy action. In light of this record, considering the total lack of evidence that the Government has any intention to mend its ways, and considering the documented undertakings of the Government to its employees on many occasions—that is from the Prime Minister to the former President of the Treasury Board—to maintain indexation and not to change the provisions without consultation, the only honourable step for the Government to take is to withdraw totally Bill C-133.

In conclusion, failing this, surely the Government has an obligation to accept the amendment of the Hon. Member for Ottawa-Vanier (Mr. Gauthier) so that the Act will expire on December 31, 1984. Surely former servants of the Crown deserve at least that consideration and more.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I want to say a few words in support of the proposed amendment of the Hon. Member for Ottawa-Vanier (Mr. Gauthier), that the Act terminate on December 31, 1984. I suppose that the only difference I would like to see is that it terminate on December 31, 1982 instead of 1984. I say that because I believe that this Bill, like the other two capping Bills, is a very regressive piece of legislation. It is unfair. It is not equal. It hits the ordinary and low income Canadian much harder than those who are more highly paid in society.

• (1640)

For example, people who make $10,000 a year and receive an increase of 6 per cent will have their wages increased by $600 this year and $500 next year, with a 5 per cent increase. Those who receive $50,000 and receive an increase of 6 per cent and 5 per cent will have an increase of $3,000 this year and $2,500 next year. I say that is unfair and economically immoral and simply not just in the twentieth century.

We saw a report from the Bishops which was issued on January 5. In their report on economy they said that our economic moral standards are lacking, and they called upon the Parliament of Canada and Canadians to think more about equality and justice in this country's economy.

I want to call upon the Government to implement some of the ideas and ideals of the Bishops of this land. I think we all know of the problems this nation is facing. We are all aware of the tremendous unemployment rate in Canada which stands at about 1.5 million. We know about the high inflation rate and the high bank rates which we have had for the last several months.

I suggest that the piece of legislation before the House today, along with the other capping Bills, will do nothing to bring down inflation or help the Canadian economy. They do not form part of an economic strategy but, indeed, form part of a political strategy for the Liberal Party as a result of the troubles in which they find themselves in this country.

At a time when we have economic difficulties in Canada and need to create jobs for Canadians, I have never been able to understand why the wealthy who have investment funds need to be stimulated by incentives and various tax write-offs in order to invest their money and contribute to our society while the ordinary worker, in order to make his contribution, has to tighten his belt. I do not understand why the poor have to tighten their belts while the rich need incentives in order to make a contribution in this country.

Mr. Benjamin: They have the power.

Mr. Nystrom: My friend is absolutely right. They have the power.

If one reads the Bishop's report, they refer to the fact that the upper 20 per cent of Canadian income earners are making some 42 per cent of the country's national income while the

bottom 20 per cent are making only 4 per cent of the Canadian income. What inequality! Yet the Prime Minister (Mr. Trudeau), when he was elected in 1968, crusaded this land talking about a just society and a more compassionate society. He talked about a society in which those who have would help those who have not. Instead, the gap has widened, and we now see legislation in the House today that will widen the gap even further by putting a 6 per cent and 5 per cent ceiling on the increase in pensions for retired public servants. The Government will do the same thing very soon to other pensioners in Canada and to Family Allowances. I say that it is unfair.

I believe the Government should rather be devising methods to stimulate the Canadian economy. We should realize that the current recession in Canada is very serious and world-wide in its consequence and nature. We are not simply experiencing a slowdown in demand, a crisis created by OPEC or a crisis created by armament expenditures, although these are all important factors, especially the spending on armament in the world. More important, however, we are experiencing a tremendous technological shift in our world where many of the older and more stable industries, such as automobile, steel, rubber and construction industries are going down. Even with a recovery in the world's economy these industries will still leave tens of thousands of people permanently out of work as a result of technological change revolutionizing the work force.

Unless we devise an economic strategy and alternative direction for this country when recovery is achieved, Canada will be left far behind. There will not be enough jobs to go around.

If we look at the world today, we find that the Japanese in particular, but the French, Germans, Dutch and other Europeans as well, are putting more of their funds and investment into productive industries. These are the new advanced technologies for which they are modernizing their plants and factories. Those countries will have the jobs. I suggest that the Government has not prepared for this technological change. This is why it has been condemned by Stuart Smith, Chairman of the Science Council of Canada. He is a former Liberal leader from Ontario who recently said in his Science Council report that our country is falling far behind in the field of advanced technology and that we will not have the jobs or control in this country to keep our people working in the years ahead. I suggest that we have already seen the ramifications of that.

For example, I have a portion of a study which was conducted by an economist in Montreal recently which tracks the average income in several industrialized countries over the last 20 years. We find from this study that the average income in Canada has fallen drastically in the last 20 years, as it has in the United States and in Great Britain.

In the 1960s, the United States was the wealthiest country in the world in terms of average per capita income. Canada was number two, Sweden was third, Switzerland was fourth, Britain was sixth, Germany was seventh, the French were ninth and the Danes were tenth. In the last 20 years, between 1960 and 1979, Canada, the United States and Great Britain have fallen far behind the western European countries. We find, for example, that Switzerland has moved up from fourth to first place. Denmark has moved from number ten to number two in terms of their standard of living in the world. The Swedes have remained at number three, while Germany has moved from seventh to fourth place. Belgium has moved up to number five, the Netherlands have moved from number thirteen to number six. France moved from number nine to number seven. The average standard of living of the United States has dropped from number one down to number eight. Canada has dropped from second to tenth place between the years 1960 and 1979, in terms of the average standard of living among the industrialized nations.

According to an article written by economists in 1981, based on 1979 figures, Canada is no longer first, second, third or fourth. It is now number nineteen in the world in terms of the average standard of living.

Mr. Kelly: That is not true.

Mr. Nystrom: It is number nineteen according to the economists. We have Liberals saying that is not true. I would like to see anyone in the House tell us that Canada's standard of living is higher than that.

Mr. Kelly: I am telling you right now.

Mr. Nystrom: I hope the Hon. Member gets up to put the figure on the record.

The average income in Canada in 1979 was $8,376. In the United States the average income was $9,637. Ahead of us are countries like Switzerland which ranks number four in relation to all the countries in the world, with an average income of $13,987. I suggest that this is a damning testimony of the bungling we have seen in this country during the last 20 years. In terms of our standard of living, we have fallen from being one of the wealthiest countries in the world, one with tremendous promise and hope, to a country whose average income has dropped to nineteenth in the world according to the economists, or number ten among the industrialized countries of the world. I believe that sums up the record of the Government across the way.

The Science Council of Canada, many economists around the world, the OECD and others are saying that Canada is having problems now. Unless we change our strategy and come up with an economic plan or vision concerning the future, we will be even poorer in the next five or six years than we are now. That will happen despite the fact that we have a country with tremendous people, all kinds of resources, training and technology and much potential to produce massive quantities of fuel. We have all kinds of resources, such as energy, oil and hydropower resources, which European countries and Japan do not have. We have so much, but we still lack the vision to put all of it together for the ordinary citizen. Instead, we get crazy programs like the six and five program, which will sacrifice more income of the poor and the workers, the ordinary people, so that a few fat cats at the top can jet around the world and have a good time at their expense.

• (1650)

Mr. Denis Ethier (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, it was not my intention to participate in the debate, but I thought it was my duty to put on record my opposition to the amendment of my friend and colleague, the Hon. Member for Ottawa-Vanier (Mr. Gauthier) and to register my support for Bill C-133.

Your Honour will recall that at the second reading stage of this Bill, the media had reported the actions of all Hon. Members from the capital area and who, it was claimed, were most concerned because of the proximity of their ridings. I was absent during that vote and I justified my absence very well. I very seldom miss votes in the House, so I do not think the media needed to put my name in the paper and state that I did not bother to vote. It will be noticed how I vote on the Bill.

I totally discard the idea that we should be only concerned for the regions. I would hope that the Hon. Member for Nepean-Carleton (Mr. Baker), as well as my colleague, the Hon. Member for Ottawa-Vanier, would rise above regional concerns when discussing or debating a matter as important and vital to all Canadians. I submit that Bill C-133 is just that. It is legislation which would permit us to reduce the inflation rate and, by the same token, would create an economic climate which investors will favour, and will result in the creation of more jobs for the unacceptable number of Canadians who want to work in the country.

Regrettably, the critics of the Bill never refer to the positive effects of the six and five program but, rather, only to the inflation rate in such a short period. On the contrary, the critics continue to refer to high unemployment rates and, of course, they never add the declining rate of inflation. They continue to amplify the problems of unemployment, and never do they dare refer to the much more serious problem of still higher unemployment that there might have been had we not taken the serious and courageous corrective measures such as those found in Bill C-133.

Our critics say that we are fighting inflation at the risk of increasing unemployment.

Mr. Baker (Nepean-Carleton): You are beginning to understand that.

Mr. Ethier: They justify their argument by flashing the current unemployment figures. I say that this is wrong and grossly unfair.

Mr. Riis: What evidence?

Mr. Ethier: It was not so long ago that the same critics were united in requesting that we introduce measures to reduce inflation. This is what the critics were saying then: investors will not be attracted or inclined to invest and create jobs in an economy where inflation is 10 per cent, 12 per cent or 13 per cent. The same critics were even questioning how long Governments could guarantee the jobs of their civil servants in such an inflationary economy. They were seriously questioning how long Governments could pay the pensions of their retired employees, not to mention indexation.

It was precisely in answer to those many critics from different groups in our society that our program of six and five was introduced. Indeed, it is difficult and requires courage from those of us who have the responsibility to govern during these difficult economic times the world is going through.

[*Translation*]

The situation is a difficult one, and we must be brave in these times which are difficult for the economies of Canada, the United States, Europe and the entire world. I said the situation was a difficult one, because we needed the support of the private sector and municipal and provincial governments to introduce this particular piece of 6 and 5 legislation, Bill C-133. Up to now, we can say that our problems have become fewer, since a number of provinces have shown that they agreed with our programs. The private sector has also indicated that it is in agreement with these austerity measures. Above all else, we must not be afraid, even if we are not always going to be very popular with our employees if we ask them to accept pay increases below the rate of inflation, and even less so with all retired public servants if we ask them to accept indexing below the inflation rate. Even the most inexperienced politician realizes that supporting such measures is not going to be very popular. However, we cannot afford to dwell on that now. We must now show that we have the courage of our convictions.

That is the message I want to bring to my colleagues here in Ottawa and to all Canadians. We must be brave. We must ask Canadians to support our efforts. If I did not have the conviction that these measures will have a positive effect on our economy, that they will attract investors and will eventually lead to creating more jobs, I would not be supporting this bill, and we would not be considering the motion put by my colleague who is worried about the measure being effective for longer than two years. I really wonder what my colleague from Ottawa-Vanier (Mr. Gauthier) had in mind when he proposed this amendment. Does he support Bill C-133, but does he not want it to be in effect for more than two years? If that is the case, I can assure both him and other Members on the Government side that it will not last for more than two years. Personally, I shall vote against the motion and I shall support Bill C-133.

[*English*]

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I am pleased to have the opportunity to raise a point or two in today's debate on the amendment put forward by the Hon. Member for Ottawa-Vanier (Mr. Gauthier) to Bill C-133. There is certainly some merit in the suggestion that it would be appropriate to set forth an expiry date for the Bill, the expiry date being December 31, 1984, so that there would at least be some certainty as to when this rather simplistic program would end. It is a rather light-hearted gesture but a positive one, despite its lightness.

One must consider it a sad day when one hears an Hon. Member from the Government side doing his best to bail out the Government from one more ill-conceived scheme to rescue us from this economic dilemma. I listened with interest to the Hon. Member opposite and I know that he was serious when he said that it was because of the nation's concern about the level of inflation that the Government introduced the six and five program. However, I want to challenge a couple of points he raised. He said that the dropping of the inflation rate will give investors the needed incentive and encouragement to start to invest. I have also heard that when the interest rates come down to their present level, or maybe even a bit lower, that that too will give the automatic signal to Canada's investment community that the good life is ahead and it should start investing hard-earned money, and to the savers of Canada that they should start investing their savings.

I will venture a guess that there are very few investors today who are motivated enough to risk any of their hard earned savings in the present political and economic climate in Canada. However, if the interest rates come down another two or three percentage points, that confidence will still not be there. If inflation comes down two or three percentage points, for whatever reason, likely because we are in a depression, but regardless of the cause or reason, I do not think that will make a difference.

Recently, just in the last few weeks, I had occasion to speak to virtually every chamber of commerce in my constituency, every board of trade, every municipal council, large or small, and to informal gatherings of businessmen, again representing large corporations and small corner stores, virtually. I did not speak with one single individual who said that he or she was prepared to invest anything in this climate of uncertainty. Canadians have totally lost faith in the Government.

On the weekend the Minister of Energy, Mines and Resources (Mr. Chrétien) was reported as saying that, yes, indeed, the Liberals are in a hopeless situation as a political Party and that the people of Canada are now prepared to turf them out. Of course they are. It does not take any genius to figure that out. One could walk down the street and ask any five people, and four of those five people will say that this political Party providing so-called leadership in Canada today has to go.

• (1700)

Until there is a dramatic change in policy on behalf of that Government, or the Government disappears, there will never be any investor confidence or consumer confidence occurring in our country, which is needed to get a real recovery under way.

Today we are dealing with Bill C-133. No matter how you describe this Bill, it is a Bill which breaks the contract that the public servants of Canada have had with the Government of Canada. Of these retired individuals there are 120,000 in the Public Service, 32,000 in the Canadian Armed Forces, 2,000 in the RCMP, and when you include those people who will be retiring in 1983 and 1984 and the surviving spouses who would receive benefits, we are identifying about 200,000 people in Canada. They have made their retirement plans, knowing what their incomes will be, based on their pension programs, and they have made personal plans, investment plans and so on, assisting their sons and daughters, their grandchildren in education, and planning holidays that are well deserved. They have made plans for their futures. All of a sudden, to have those future plans curtailed because the Government of Canada broke a contract—broke the clear understanding they had with the RCMP personnel and Armed Forces personnel—how can the people of Canada have any faith in a Government which is, by a motion in this House of Commons, going to break a contract?

Member after Member has stood up to say that they support the breaking of this contract, that they think this motion is in the best interests of Canadians. Do you know what that is doing to do to the confidence people had in this Government, that handful of people who are still hanging on by the skin of their teeth hoping for something positive so that they can believe in this Government? Some Members say they are happy to support Bill C-133, yet they know this breaks a contract. How can they still be happy? That assumes, then, that people let their eyes drift across the room and say, "We like to go with the people who believe in keeping their contracts."

I do not like to cast aspersions at my Progressive Conservative friends—on the weekend I was even called a Conservative by a certain editorialist. They are the people I remember distinctly voting on Bill C-124, under which they were prepared to break contracts with people who work in the CNR, knowing the people who work in the CPR, because of the similarities, in the Public Service, in the Armed Forces in the RCMP would be similarly affected. With a couple of exceptions, they voted for it. They said, "We, too, as the Official Opposition, want to break contracts with those hundreds of thousands of people who work for the federal Government". And we wonder why the people of Canada have lost faith in the Government, and have lost faith in the people in the Official Opposition.

I agree that when you carry out a popularity poll and when they ask, "Will the Conservatives win in the next election?" people in their rather meagre response say, "Well, they are presumably the Opposition, they probably will. We will support this in some respect". But when they think about it carefully and when it is presented to them that that Party, too, is prepared to break those contracts, how can Hon. Members continue to stand and say they support this Bill but did not support the other one?

I know that Members will be standing up when I sit down and they will be saying how they are prepared to support this Bill, but were prepared to break all those other contracts. I ask those Members, as a serious question, to explain to the people of Canada why they will break contracts with hundreds of thousands of federal employees but will not break this one—that they feel very strongly about this one. The point is, we

have a majority of Members of this House on record as favouring taking a contract which was duly signed by both parties with the clear understanding of both groups, tossing it out of the window and just saying, "That is fine; we don't care about a contract we have with thousands of Canadians".

May I suggest, in my humble way, that perhaps that is some small reason why people in Canada are losing faith in their elected representatives when they hear that incredible hypocrisy.

Mr. Doug Anguish (The Battlefords-Meadow Lake): Mr. Speaker, I, too, am pleased to be able to participate in this debate in which the Hon. Member for Ottawa-Vanier (Mr. Gauthier) has put forward an amendment to Bill C-133, the piece of legislation which is to put a cap on the amount of indexing for the retired public employees who have paid for the luxury of making sure that their pensions were indexed to the rate of the Consumer Price Index, so that their meagre pensions, in many instances, would not be eaten up by the ravages of inflation.

What the amendment by the Hon. Member for Ottawa-Vanier has done is to put forward that this Government will not extend this Bill C-133 past December 31, 1984. I admire the backbenchers and some Members of the Liberal caucus who have opposed Bill C-133, because I think it is a flagrant abuse of the Government's power in betraying the trust of the many public employees who depended on and in fact paid for their pensions that they expected to receive, because of the good faith they had in this Government.

Furthermore, I find it strange that a Member in the Liberal Party would need to put forward such an amendment. It shows to me a lack of trust, even from within the Liberal Party, that one of their Members would have to go as far as to say that he wants assurances in Bill C-133 that it will not go beyond the deadline of December 31, 1984. In fact, it was through some pressure by backbench Liberal Members that the six and five program was modified in Bill C-133 for the retired public employees. In fact, they have been given a concession. It is not really a concession at all, but is viewed as a concession by the Liberal Government in that their capping will not be six and five, as will be applied to the Family Allowance indexing and the old age pension indexing, but in Bill C-133 for the retired public employees it has been raised to 6.5 per cent for the first year and 5.5 per cent for the second year.

No matter how you look at it, I do not think we in this Party can support such a piece of legislation, and I would urge Members of the Conservative caucus and also Members of the Liberal Party to oppose this Bill when it is voted upon later today.

I support the amendment of the Hon. Member for Ottawa-Vanier because I think this program should not only not be in existence but if it does pass, it certainly should terminate when the Government says it will terminate, and I feel it is important to have that set out in this piece of legislation.

We have seen how this Government has been abusive of people's rights in other areas, such as the capping of indexing on the Family Allowance payments before that legislation has actually gone through this Parliament. I was speaking to a group last week and I thought it appropriate to state that our political system in Canada has participatory democracy on election day and maybe during election campaigns, but between election campaigns we have a system of almost totalitarianism or a dictatorship regime, because that Government over there is without the checks and balances of a Senate, because we have such a partisan, pork-barrel of a Senate in the other place that they do not put any checks and balances in there, and they are virtually useless. If that were a regionally elected Senate, I do not think we would see things like this happening within our system in Canada, and it would go a long way toward protecting democracy in this country if, in fact, we had checks and balances beyond this House of Commons. In the past I favoured abolition of the Senate, but I am changing my mind somewhat to support a regionally-elected Senate so that this Government cannot put through or abuse pieces of legislation, which it has no right to do. Seemingly no one in this country can do anything about that.

• (1710)

An Hon. Member: Abolition of the Liberals.

Mr. Anguish: My colleague says abolition of the Liberals would be one answer to the problem. We could then start on the road to recover economically and reform the political system in Canada, which over the years has become so archaic.

I would like to make a few more comments in the brief time that I have remaining. We only have ten minutes each in this debate. I would like to talk about the whole pension system in Canada, something we have fought for long and hard to bring into place and to preserve.

In a relatively short period of time, the Hon. Member for Winnipeg North Centre (Mr. Knowles) and other Members of this House have worked hard and tirelessly for the rights of Canadians to have a retirement pension in order that they could maintain a decent standard of living and have some respect in their retirement years. Whether or not they have had the fortune of contributing to a public or private pension program, many of them worked for years for small remuneration. Some women worked long and hard to raise families and take care of farms and family households and received no income. Recognizing that each and every Canadian has made a significant contribution to our society, they should have the privilege of receiving some kind of pension in their retirement years.

In Canada we have an evolving state. The pension program has progressed considerably over the years from the early thirties up until the present time. We now find an erosion or setback in our pension system in Canada. Certainly the Government, whether it is an NDP, Liberal or Conservative Government, has some responsibility as to whether a country has a high rate of inflation. Certainly the major control to influence that comes from the Government.

If we have to contend with inflation as a result of a Government which cannot deal with the problem, whether it is beyond

their control or ability, retired people should not have to live on a pension that is not indexed. If someone retires at age 65 without an indexed pension, imagine what would happen if that person lived to age 95. The pension would be virtually worthless. After having made a significant contribution to Canadian society, that person would be degraded to the point of having to accept public assistance which he does not feel he has earned. He should have an adequate pension to provide for retirement.

We have to address seriously the problems of the future in terms of pensions. Any more setbacks, halts or dismantling such as we now see because of this Liberal Government will not be advantageous to the future of our pension program. For example, there are those who have contributed to the Canada Pension Plan. I am concerned as to what will be the situation when I retire. My grandfather, who passed away before Christmas, retired in 1969 after having contributed to the plan for three years. That was through no fault of his own because the Canada Pension Plan was not in existence prior to that. As a result of his contributions, he received less than $30 a month from the Canada Pension Plan in his retirement years. Two generations later, I have contributed to the Canada Pension Plan off and on since I was 16 years of age. When I retire there may not even be a Canada Pension Plan. Even though I will have contributed substantially into the Plan, it may not be in existence at that time because of the bankrupt situation that may occur. In my mid-retirement years if, God willing, I reach that point, there will only be two people in Canada working for every one retired, as we now describe retirement. Today there are five or maybe seven people working for every retired individual. If we are going to continue with our pension plans and make them meaningful when people retire, we must do some real rethinking of what retirement means and what pension plans mean to every Canadian in this country.

Mr. Gordon Taylor (Bow River): Mr. Speaker, I want to say a few words on this amendment which I plan to support. It will not change the basic principles of the Bill except to indicate that the technique of the Bill will not continue year after year. The Liberal Member for Kitchener (Mr. Lang) said that the amendment really is not necessary. He attempted to explain that the Bill will expire automatically at that time.

If an amendment to a Bill is simply to exemplify or strengthen something in the Bill, it would be out of order. The Speaker in her wisdom, I suppose with the help of the Table Officers, came to the conclusion that the Bill would not expire automatically and declared that the amendment was in order. Otherwise, it would have been ruled out of order, because you cannot move an amendment to do something that the Bill already does. That type of amendment would not be acceptable, certainly not to the knowledgeable people around our Table and our Speaker. I say to the Hon. Member for Kitchener, who is trying to persuade the Members of his Party to vote against this because it is already in the Bill, that that is not so.

Anyone who takes a simple look at the Bill and the amendment and accepts the Speaker's ruling will see that is not so. The amendment is necessary. This would not be the first time the Government extended something like this over and over again.

A Liberal Member at the far end of the Chamber said this morning that he opposed the Bill. I can understand that. He cannot believe that the legislation will expire on December 31, 1984. It will if this amendment carries. Otherwise, it may go on for several years. It will be the pensioners who suffer.

When speaking on the Bill, another Liberal Member, the Hon. Member for Lambton-Middlesex (Mr. Ferguson), said something absolutely amazing. He said that retired pensioners "will have a gain even though they have had a loss". That is what he said. If that is not Irish, I do not know what Irish is. I do not want to reflect on the Irish.

Mr. Ferguson: Mr. Speaker, I rise on a point of order. If the Hon. Member had listened closely, he would realize that I said that in the first year there would be a loss and in the following year there could very well be a gain if the rate of inflation is lower than it is at the present time.

Mr. Taylor: That is hardly a point of order, but I accept the correction if a correction is necessary. When he was speaking, I thought I wrote down exactly what he said. I will check the "blues". I thought he said, "Will have a gain even though they have had a loss". He will have a tough time explaining that to a soldier's widow who now receives little enough to live on. She now finds she is going to have part of that cut off in the next few years. What about the retired civil servant who is having a difficult time today getting by? They are not going to look upon this as a gain at all. I think we should be realistic and say there is definitely a loss. There is something being taken away. If it were a gain, we would not need the Bill. Something is being taken away from them and that is part of their indexing, and they need that indexing to meet the cost of living today.

• (1720)

The Acting Speaker (Mr. Blaker): The Hon. Parliamentary Secretary rises on a point of order.

Mr. Lang: Mr. Speaker, I would not want the Hon. Member unintentionally to leave a misunderstanding in the House. Veterans' Pensions are fully indexed.

Mr. Taylor: I am talking about the widows of retired pensioners. Widows of retired soldiers are not going to be fully indexed. You are cutting part of it off. Let us not try to fool the population of this country. This is cutting part of the indexing of the widows of retired soldiers, pensioners, civil servants and RCMP personnel who are retired. They are widows, you know. When a man dies there is a widow left, and she is going to have part of that indexing cut off. So do not try to kid the troops. The Hon. Member had time to speak, Mr. Speaker, and he did not mention anything worthwhile. Now he is simply talking, and talking about nothing. I am not going to have a red herring pulled across my path. The widow of a soldier who was retired will now have less coming into her pocketbook each month. If that is not so, then I stand to be

corrected, but that is so. And the widow of a retired RCMP officer who today is getting something from the work of her husband, will get less when this Bill is passed. Let us not kid ourselves. The pensioners themselves, the civil servants who are now retired, the superannuates, will receive less, not more. They will lose, they will not gain, when this Bill is passed. Again, let us not try to kid the troops because the people will know when they get their cheques.

The Hon. Members of the New Democratic Party have mentioned a number of times that if this vote had been delayed for another 30 minutes, the cheques would have gone out. But the Government, at least from information received from the civil service, would have had up to two more days, and the debate had to end tomorrow night under the closure rules. They would have had two more days and still get the cheques out. That is what the civil service tell me, and they probably know more about it than the Hon. Members of this House. But accepting the statement of the NDP, if that were so, then what would happen the following month? There would be an over-payment and the pensioners would have to pay it back. I can appreciate how pensioners today would feel if they received an over-payment and had to pay back something, because when they get the money, they have some place to spend it; then the money is gone. The following month they would suddenly receive a letter saying they have to pay so much back. We do no good to a pensioner or a superannuate by putting him or her in that position. I believe, therefore, we had better think pretty carefully about what we say there.

The Hon. Member for Kamloops-Shuswap (Mr. Riis), a few moments ago, mentioned in a very nice way that we broke a contract when we voted for Bill C-124.

An Hon. Member: Yes, you did.

Mr. Taylor: I hear an Hon. Member saying, "Yes, you did". But, Mr. Speaker, everyone under Bill C-124 was receiving wages of some kind. Every one of us was on wages. When you hire a civil servant, do you break a contract if you give him an increase? Of course, you do not. If we had refused Bill C-124, we were not breaking a contract. We took a big raise a few months ago, and there is only a portion of it being given back now. So that is not breaking a contract. When you make a contract with the civil servants, then you give that contract credibility by putting it into legislation, and then you break it, you are breaking a contract. To compare that with Bill C-124 is completely nonsense. Bill C-124 had nothing to do with old age pensions or superannuates. It had nothing to do with children. We voted for it here because we were on wages and we took too big a raise in the first place. To give some of it back is only logical and sensible.

The people hurting today are those who do not have jobs, and those on fixed incomes; they are the people we are talking about. This Bill is going to hurt those people on fixed incomes badly. The amendment will soften the blow. In two years time that will be the end of it. But it will not change the principle that they are losing part of their indexing during the period in which that indexing is in effect. If the Government side refuses to support this amendment, it will show it is going to continue this, and whenever they want they have another sword to be used against the pensioner, another blow against the pensioner.

Mr. Speaker is indicating my time has expired, but I have barely started. However, I want to say that this is an abominable Bill, the Progressive Conservative Party is opposing it and we have opposed it from the beginning, in spite of what the NDP have said.

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, I am happy to have the opportunity to participate in this debate because it is a very important matter which touches on such important principles. I must start out by pointing out that we will be supporting the amendment that is before the House now. This amendment will assure Canadians that this Bill will in fact terminate at the end of 1984. It is surprising that the Government did not provide for that themselves in the legislation. The amendment is a good amendment, but what we want is not so much for this legislation to terminate at the end of a period of two years, but rather to have the Bill terminate right now. The Bill should be withdrawn rather than left in place for a couple of years.

The Government, of course, did amend this legislation which we are now dealing with so that the limiting of indexation would be at 6½ per cent rather than 6 per cent. That one-half per cent solution certainly was not a real solution, and it makes one wonder why the Government would take such a mini step, such a half-step. Quite frankly, I believe everyone is aware, at least everyone who reads the newspapers these days, that the reason the Government chose to change the indexation, the limit of the indexation of Public Service pensions to 6½ per cent is that they were threatened with a split in their own caucus. They had some very good political reasons for wanting to amend this Bill, but rather than accepting the real reason for the potential splitting up of the caucus, withdrawing the legislation and changing course, they put a bandaid on the situation and said, okay, we will take a half measure in order to give some of our backbenchers an opportunity to vote for this legislation.

• (1730)

Well, the legislation, Mr. Speaker, is still wrong. It is both morally and economically wrong. This legislation is of course the application of the Government's so-called anti-inflation six and five program to Public Service pensioners. Why did the Government pick on the pensions of public servants? Well, I suspect it is probably because Gallup and other public opinion polls are indicating that labour and labour leaders are pretty unpopular with the general public. That makes them an easy target for the Government. It is a politically easy thing to attack public servants these days because the general public do not have a great deal of sympathy for civil servants, at this time. So it is a political move.

The six and five program is the key to the Government's economic policies. The theory is that by limiting indexation of pensions and Family Allowances, that will contribute to the fight against inflation. There is very little evidence, Mr.

Speaker, that these measures will have any impact whatsoever on inflation. In fact, it is well known that the rise in wages in this country was following the rise in inflation. In other words, wages were rising at a rate slower than inflation. So it is very difficult in those circumstances to argue that the rise in income is the cause of inflation. I would say we can question the notion that we should be putting the greatest priority in the fight against inflation.

Over the Christmas break the Catholic Bishops issued a statement which indicated that in their opinion the priority should be on jobs and human dignity, on the avoidance of human suffering, rather than the single-minded fight against inflation. The Government promises that if we put the priority on fighting inflation, it will come down, interest rates will come down and suddenly jobs will appear. Well, interest rates are much lower now than they were a number of months ago, certainly there is less inflation, but unemployment continues to rise. So the results of the Government's policy are just contrary to the promise.

To go back to what the Bishops said, Mr. Speaker, it was simply that the Government's policy was morally wrong. I know the Prime Minister (Mr. Trudeau), when he was overseas, said that the Bishops' economics were bad. Well, I have more faith in the Bishops' economics than in the morality of the policy the Government has put forward. I want to indicate that it is not only the Bishops or myself who are questioning the rightness, both economically or morally, of the six and five program. In fact, even the Government's own blue chip advisory committee questioned that as the priority for today.

I want to read from the *Winnipeg Free Press*, an article written by Dian Cohen, hardly a raving socialist. She says our problems today relate to the fact that consumer spending is down and somehow we have to get it up so that the plants and factories can get back into production and people can go back to work. She says:

> The research economists looked at the relationship between personal consumer spending and employee compensation from 1965 to 1978 in 45 different countries, 19 of them industrialized. They found that, in every case, with very little variation, annual consumption ranged just slightly more or less than annual compensation.

What she is saying is that if we want to have greater consumer spending, workers have to have greater annual compensation. In other words, if you cut down on people's wages, you will cut down on consumer spending and aggravate present economic circumstances. That is exactly what this policy does; it cuts down on income, reduces spending and drives us further and deeper into the economic mess we are in today. So I think the Government should reflect on its policies, not only because of what the Bishops have said but because it is morally wrong to leave two million people unemployed. That amount of suffering is unacceptable.

I want to quote just briefly from an article in *The Globe and Mail*. It says:

> —a pick-up of personal spending, was less evident because of the country's high jobless level and uncertainties.

They are saying that if we want to get this economy moving, we have to get consumer spending moving, and to do that we have to have people at work. We have to stop robbing people of their incomes, and that includes members of the Public Service and those on pension. It is not good enough to attack public servants, the helpless and the powerless. We have to examine this Government's policies, which have been found lacking both by economists and moral leaders in this country, and we have to set a priority on job creation. We have to set about developing income policies which are going to give people greater compensation and therefore get consumer spending back up, get the economy moving, get back to work and have a little respect for the human person, rather than leaving them out on the street with no job and suffering. That is not adequate public policy; we have to turn it around and show some compassion.

Mr. Doug Lewis (Simcoe North): Mr. Speaker, it gives me a great deal of pleasure to enter into the debate today to discuss the amendment by the Hon. Member for Ottawa-Vanier (Mr. Gauthier) who has come forward in response to the great public outcry which has arisen as a result of the Liberal Government's attempt to reduce the earned inflation-indexed pensions that public civil servants are entitled to. I would point out with some pride that the Hon. Member for Nepean-Carleton (Mr. Baker), my colleague, who has spoken out so often in this House on behalf of civil servants, has seconded this very astute motion by the Hon. Member for Ottawa-Vanier. I say "astute" because the Hon. Member for Ottawa-Vanier spotted something we knew was there, but in the great wealth of debating material there is on this Bill we could not cover it all. The Hon. Member very astutely pointed out that there is a definite risk that the Liberal Government will carry on with its fight to—

Mr. Baker (Nepean-Carleton): Its chiseling.

Mr. Lewis: Chiseling is a good word, Mr. Speaker, its chiseling of public civil servants beyond December 31, 1984. Now, you might think that there should be an election by then. I know most of the Canadian people do, Mr. Speaker, and I see you nodding, but there is a very real fear on this side that the Liberals will go to February 22, 1985, in their desperate grasp for power and in an effort to appoint as many Michael Pitfields of the world to the Senate as possible. Yes, there are many honourable people who should carry their talents to that honoured Chamber down the hall. A lot of them will be legitimate appointments, not like that of Mr. Pitfield. A lot will be legitimate politicians who have honourably gone out and proclaimed themselves as Party politicians on either side, rather than sneaking in the back door of the Privy Council and pretending they were not Liberal politicians.

• (1740)

I see many Members on the Government benches smiling at this, Mr. Speaker. I should point out that it has been suggested to me that Mr. Pitfield had to agree not to attend Liberal caucus meetings so that he could be appointed an independent

Supplementary Retirement Benefits Act (No. 2)

Senator. I can understand him not wanting to participate in Liberal caucus meetings. However, it has also been suggested to me that it was to protect his hide that he was advised not to attend. There is more laughter and nodding of heads on the other side, Mr. Speaker.

We note that through the force of Progressive Conservative arguments, assisted on occasion by my colleagues on my left, those Members who are receiving so much media attention, the Government, assisted by a cadre of scattered socialists, has been brought to the point of offering amendments to its own Bill.

My own Member of Parliament, the Hon. Member for Ottawa Centre (Mr. Evans), has not seen fit to offer an amendment to this legislation, however, and I know that he must be receiving as many calls from his constituents as I am.

This amendment seeks to stop the terrible chiseling of public servants by the Liberal Government. We will support the amendment as part of this Party's attack on the Government's position. We feel that a deal is a deal, Mr. Speaker. Whether an agreement be in writing or verbal, it is entered into with a sense of honour, which obviously the Government did not feel although the agreement is incorporated in a statute.

We regret that the Government has turned its back on public servants. This is not the first time it has done that and I am sure it will not be the last.

The Government built up inflation and it has built unemployment as high as two million. Of course, the Government persists in saying that 1.5 million Canadians are unemployed, forgetting about the 500,000 who have given up looking for work.

We object to the Liberal Government's ignoring the deal it made with Public Service pensioners and which it kept until now. We also object to its fighting inflation on the backs of the unemployed.

This amendment is key to our fight against Bill C-133. Even at the last hour we hope the Government will reconsider its position and play fair with civil servants. We would like to see that but we do not trust the Liberals. That is why the sunset provision has been suggested—just in case this Government lasts until January 1, 1985. We know that with the first cheques in 1985 it will want to grind out one last capping on indexing for public servants, and we are doing our best to stop that, supported by at least four Members of the Government.

Perhaps through the force of our arguments even more Liberals will display a sense of decency, vote for the amendment and against the Bill so that they can go back to their ridings and face civil service pensioners. These people made their pension payments faithfully and now believe that it should be indexed as was set out in the agreement.

I hope the Government will support this amendment made by one of its own Members and vote to defeat the bill, in essence.

The Acting Speaker (Mr. Blaker): It being 5.45 p.m., pursuant to order made Thursday, January 20, 1983, it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of report stage of the Bill.

The House will now proceed to making the deferred divisions on the Bill. The question is on the motion of Mr. Gray.

Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Blaker): All those in favour of the motion please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Blaker): All those opposed to the motion please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Blaker): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Blaker): Call in the Members.

[*Translation*]

Madam Speaker: The first question is on Motion No. 2 in the name of the Hon. President of the Treasury Board (Mr. Gray).

An affirmative vote on this motion will dispose of the motion in the name of the Hon. Member for Nepean-Carleton (Mr. Baker).

A negative vote will require a division on the motion of the Hon. Member.

The House divided on Motion No. 2 (Mr. Gray) which was agreed to on the following division:

● (1750)

(*Division No. 280*)

YEAS

Messrs.

Allmand
Appolloni (Mrs.)
Bachand
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chénier
Chrétien
Corbin
Cosgrove
Cousineau
Cyr
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupras
Erola (Mrs.)
Ethier
Evans

Messrs.

Ferguson
Fisher
Fleming
Flis
Foster
Fox
Frith
Garant
Gendron
Gimaïel
Gingras
Gourd
(Argenteuil-Papineau)
Gourde
(Lévis)
Gray
Harquail
Henderson
Herbert
Hervieux-Payette
(Mrs.)
Hudecki
Irwin
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lamontagne
Landers
Lang
Laniel
Lapointe
(Charlevoix)
Lapointe
(Beauce)
LeBlanc
Leduc
Loiselle
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Maltais
Marceau
Massé
Masters
McCauley
McRae
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Robinson
(Etobicoke-Lakeshore)
Rompkey
Rossi
Roy
Savard
Schroder
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan—119.

NAYS

Messrs.

Althouse
Andre
Anguish
Baker
(Nepean-Carleton)
Beatty
Benjamin
Blackburn
Broadbent
Cardiff
Clark
(Yellowhead)
Cook
Corbett
Darling
Deans
de Jong
Domm
Ellis
Fretz
Fulton
Gurbin
Gustafson
Halliday
Hamilton
(Qu'Appelle-Moose
Mountain)
Hargrave
Hawkes
Hees
Hnatyshyn
Howie
Jarvis
Jelinek
Jewett (Miss)
Keeper
Kempling
King
Knowles
Korchinski
Kristiansen
Lambert
Lawrence
Lewis
Lewycky
MacDonald (Miss)
(Kingston and the Islands)
Malone
Manly
Mazankowski
McDonald (Ms.)
(Broadview-Greenwood)
McKenzie
McKinnon
McMillan
Miller
Mitchell (Mrs.)
Mitges
Munro
(Esquimalt-Saanich)
Murphy
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Orlikow
Paproski
Parker
Patterson
Reid
(St. Catharines)
Riis
Robinson
(Burnaby)
Sargeant
Schellenberger
Scott
(Hamilton-Wentworth)
Scott
(Victoria-Haliburton)
Skelly
Stewart
Taylor
Thacker
Towers
Vankoughnet
Wilson
Wise
Wright
Young—80.

Madam Speaker: I declare the motion carried.

Motion No. 2 (Mr. Gray) agreed to.

Madam Speaker: The question is on Motion No. 4, in the name of the Member for Ottawa-Vanier (Mr. Gauthier).

The House divided on Motion No. 4 (Mr. Gauthier), which was negatived on the following division:

● (1815)

(*Division No. 281*)

YEAS

Messrs.

Althouse
Andre
Anguish
Baker
(Nepean-Carleton)
Beatty
Benjamin
Blackburn
Broadbent
Cardiff
Clark
(Yellowhead)
Cook
Corbett
Darling
Deans
de Jong
Domm
Ellis
Francis
Fretz
Fulton
Gauthier
Gurbin
Gustafson
Halliday
Hamilton
(Qu'Appelle-Moose
Mountain)
Hargrave
Hawkes
Hees
Hnatyshyn
Howie
Isabelle
Jarvis
Jelinek
Jewett (Miss)
Keeper
Kempling
King
Knowles
Korchinski
Kristiansen
Lambert
Lawrence
Lewis
Lewycky
MacDonald (Miss)
(Kingston and the Islands)
Malone
Manly
Mazankowski
McDonald (Ms.)
(Broadview-Greenwood)
McKenzie
McKinnon
McMillan
Miller
Mitchell (Mrs.)
Mitges
Murphy
Nickerson
Nielsen
Nowlan
Nystrom
Orlikow
Paproski
Parker
Patterson
Reid
(St. Catharines)
Riis
Robinson
(Burnaby)
Sargeant
Schellenberger
Scott
(Hamilton-Wentworth)
Scott
(Victoria-Haliburton)
Skelly
Stewart
Taylor
Thacker
Towers
Vankoughnet
Wilson
Wise
Wright
Young—81.

NAYS

Messrs.

Allmand
Appolloni (Mrs.)
Bachand
Beauchamp-Niquet
(Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Burghardt
Bussières
Caccia
Campbell (Miss)
(South West Nova)
Campbell
(LaSalle)
Campbell
(Cardigan)
Chénier
Chrétien
Corbin
Cosgrove
Cousineau
Cyr
Daudlin
Dawson
De Bané
Deniger
Desmarais
Dingwall
Dion
Dionne
(Chicoutimi)
Dionne
(Northumberland-
Miramichi)
Dubois
Duclos
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Frith
Garant
Gendron
Gimaïel
Gingras
Gourd
(Argenteuil-Papineau)
Gourde
(Lévis)
Gray
Harquail
Henderson
Herbert
Hervieux-Payette
(Mrs.)
Hudecki
Irwin
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lajoie
Lamontagne
Landers
Lang
Laniel
Lapointe
(Charlevoix)
Lapointe
(Beauce)
LeBlanc
Leduc
Loiselle
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Maltais
Marceau
Massé
Masters
McCauley
McRae
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Robinson
(Etobicoke-Lakeshore)
Rompkey
Rossi
Roy
Savard
Schroder
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan—114.

Supplementary Retirement Benefits Act (No. 2)

[*English*]

Madam Speaker: I declare the motion lost.

Motion negatived.

Madam Speaker: The question is now on the motion of the President of Treasury Board (Mr. Gray).

Hon. Herb Gray (President of Treasury Board) moved that the Bill be concurred in.

Madam Speaker: All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

Madam Speaker: All those opposed to the motion will please say nay.

Some Hon. Members: Nay.

Madam Speaker: In my opinion the yeas have it.

An Hon. Member: On division.

Madam Speaker: I declare the motion carried on division.

Motion agreed to.

Madam Speaker: It being 6.20 p.m. this House is adjourned until tomorrow at 11 a.m., pursuant to Standing Order 2(1).

At 6.20 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, January 25, 1983

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

SUPPLEMENTARY RETIREMENT BENEFITS ACT (NO. 2)

MEASURE TO MODIFY BENEFIT INDEX

Hon. Herb Gray (President of Treasury Board), seconded by Mr. Smith, moved that Bill C-133, an Act to amend the Supplementary Retirement Benefits Act (No. 2), be read the third time and do pass.

Mr. Nickerson: Mr. Speaker, I rise on a point of order. Would I not be correct in thinking that it would be necessary for the motion to be seconded by a member of Her Majesty's Privy Council?

The Acting Speaker (Mr. Corbin): I thank the Hon. Member for his comment, but that is not necessary.

Mr. Gray: Mr. Speaker, I said in my speech on second reading—

The Acting Speaker (Mr. Corbin): The Hon. Member for Yukon is rising on a point of order?

Mr. Nielsen: Mr. Speaker, without in any way appearing to be critical of the Chair, I seem to recall the practice that a motion of this kind must be seconded by a Minister of the Crown, not by a Parliamentary Secretary and not by any other Government Member. That is why there are always two Ministers in the House at all times. I see the Minister of State for Multiculturalism (Mr. Fleming) is here now, and perhaps for the sake of order and for the sake of the record the motion should be put, seconded by a Minister of the Crown.

The Acting Speaker (Mr. Corbin): The President of the Treasury Board is rising on the same point of order?

Mr. Gray: Without accepting the correctness of the assertion of the House Leader of the Official Opposition, and without saying this would create a precedent, in order to facilitate the business of the House, I would have no objection to Your Honour calling the motion again.

The Acting Speaker (Mr. Corbin): The Hon. Member for Hamilton Mountain on the same point of order?

Mr. Deans: Mr. Speaker, I do not accept that reasoning, quite frankly. It is either to be done because it is right or it is not to be done because what has been done is correct. It is of importance that we establish whether it is necessary for a third reading motion to be moved and seconded by Ministers of the Crown, not whether the Minister accedes to the request. I would ask the Chair carefully to review the Standing Orders and the precedents to determine whether the point of order of the Hon. Member for Western Arctic (Mr. Nickerson) and the Hon. Member for Yukon (Mr. Nielsen) is a legitimate one, and to enforce it if it is.

Mr. Nielsen: Mr. Speaker, the Chair might reserve its decision on that matter and inform the House later, following the suggestion of the Hon. Member for Hamilton Mountain (Mr. Deans). In the meantime, for the sake of facilitating debate the motion might be put, seconded by a Minister of the Crown.

The Acting Speaker (Mr. Corbin): I accept the comments of Hon. Members. I find them helpful. The Chair has put the question, in its opinion, properly, but it will take the advice of Hon. Members, doublecheck and notify them later on in the debate. In the meantime I recognize the President of the Treasury Board.

Mr. Gray: Mr. Speaker, I said in my speech on second reading that I was certain that deliberations on this Bill would raise a variety of questions on the state of the pension accounts, on the means of funding and financing benefits and on the rate of return on pension accounts, just to name a few. I was quite accurate in these predictions. Also at that time I referred to the relationship between fundamental and long-term changes in Public Service pension arrangements, and the impending national pension process. Since then, of course, the long-awaited green paper has been issued and reform proposals can now be debated in earnest.

One of the most positive aspects of the debate on Bill C-133, with its questioning of federal Government employee pension arrangements, is that it has highlighted the issue of ensuring that public servants' pension measures are on a sound financial footing. This is particularly appropriate at a time when we are entering the era of national pension reform.

• (1110)

A second positive result of the debate is that there is a greater appreciation of the issues among all concerned, Public Service pensioners, Government employees and employee associations, Members of Parliament and others, issues associated with the funding and financing of the federal Government's plans for its employees. As well, it is most

heartening that there is a willingness on the part of all these groups to sit down and talk about how best we should face these issues.

After assuming my responsibilities as President of the Treasury Board, I said that I would consult on future fundamental pension plan changes, and I intend to do this. I want to see how we can best carry out an orderly review of the existing financial arrangements of the Public Service pension plan and, in doing so, to seek the views of all concerned prior to making any permanent and fundamental changes.

I want to assure the House of my desire to have addressed within the reasonably near future, bearing in mind their complexity, the outstanding pension policy issues. These include the nature of future inflation protection, the method of financing indexing, investment strategy for the pension fund, the level of employee-employer contributions and whether there should be a change in the averaging period used for pension calculations. Such issues will, of course, have to be considered in light of the discussions on national pension reform. Such a debate will undoubtedly bring under scrutiny other aspects of the Public Service pension program.

Again, possible changes arising from this process should be fully discussed with Public Service representatives. I believe that a review of our Public Service pension plans can be accomplished in the context of national pension reform and, conversely, that these deliberations will be of interest to the other participants in the national pension reform debate.

With respect to Bill C-133, the Government remains convinced of the need for the six and five restraint program and of the role which this Bill and the other Bills on indexing play in the success of that program. Stabilization of purchasing power for all Canadian pensioners will be helped to be achieved by the six and five program and all its elements. I recognize that public servants contribute some of their salary toward the arrangements for indexing of their pensions, and in proposing my amendment to Bill C-133 I have attempted to recognize this concept. However, we cannot overlook a basic fact, and that is that under the present arrangements a substantial portion of the financing of public servants' pension indexing comes directly from the Consolidated Revenue Fund; that is, from the taxpayers of Canada generally.

Nothwithstanding that suggestions have been made as to how this situation could be changed, Bill C-133 reflects the present legal framework and state of the accounts, a state which cannot be changed overnight, certainly not in the context of a short-term program of economic stabilization.

I also want to remark on the reference during the debate to a $15 billion surplus in the pension account. I have already assured the House that this could refer only to the $15.5 billion balance in the Public Service Superannuation Account, the account for the basic retirement pension. This is not a surplus. The balance in the account is the amount required to pay all the obligations accrued under the plan to date. In other words, those funds are already committed to the payment of basic benefits and cannot be used for indexation purposes without giving rise to a deficit in the basic account.

• (1115)

The Opposition has attempted to argue that the Government has broken an unalterable contract with its pensioners. However, there is no formal contract on this matter. It has not come from an agreement reached in the collective bargaining process between the Government, as employer, and the unions representing Public Service employees. In fact, by law pensions are excluded from that collective bargaining process as a subject to be considered in it. Nor has there been any other kind of formal agreement on this matter. In fact, coverage under the pension plans is a condition of employment in the federal Government and employees are required by law to participate in them.

I am told that the decision to provide full indexation was made unilaterally by the Government and Parliament in 1973, and while the advice of the advisory committee of the day, and others, was sought, ultimately the decisions were taken by Parliament on request of the Government. Other changes in the indexing concept have also been made unilaterally by Government and Parliament in the past. For example, a $2,400 ceiling was placed on benefits for 1976 as part of the Anti-Inflation Board program. Contribution rates were increased in 1977. All this was done by Parliament unilaterally on recommendation of the Government.

There were also changes proposed in 1978 under Bill C-12, which would have altered very significantly the indexation provisions for Public Service pension plans. Under these arrangements, future indexation levels were not guaranteed in law but were to be subject to triennial review. The House gave second reading, approval in principle, without opposition, if I am not mistaken, to those proposals and they were considered in committee and again recommended unanimously to Parliament. The Bill was not dealt with, as we know, because not long afterwards the House was dissolved for an election. My point is that this House agreed, including Hon. Members opposite of that day, to what would have amounted to a unilateral fundamental change in the then existing system of indexing. I have also heard comments from Members opposite on what they have referred to as the lack of morality or social justice in Bill C-133. I would ask them where they find the morality or social justice in high levels of inflation, with the accompanying problems of unemployment and high interest rates, a serious situation which the six and five program, including the elements capping indexing, is designed to deal with.

It is likely also that deep down Hon. Members of the Conservative Opposition recognize the validity of the case we are making in support of Bill C-133. If that were not the situation, why would the Hon. Member for Nepean-Carleton (Mr. Baker) on behalf of his Party have presented his amendment to limit the capping of superannuation indexing under Bill C-133 to one year? If what the Hon. Member and his colleagues have been saying is correct, why would he have been willing to accept something he considered so wrong, so immoral, only for one year? Deep down, Mr. Speaker, the Hon.

Member and his colleagues, on behalf of whom he was speaking, recognize the validity of our case. Otherwise, why would they have presented that amendment to cap indexing for one year? If what we are doing is wrong, it is just as wrong for one year as it is for two years. In moving that amendment, the Hon. Member and his colleagues recognize that what we are doing is right for one year and right for two years, as part of a basic program of economic stabilization to get our costs under control, to bring down inflation, and to help strengthen the basis for economic recovery in the interests of superannuates and all Canadians.

In conclusion, Mr. Speaker, I would like to emphasize my willingness to review and consider carefully all of the suggestions for changes in Public Service pension arrangements which have been put forward thus far, and to discuss them with my Cabinet colleagues.

This Bill is part of a broad temporary program of economic recovery, which includes the restraint measures of which Bill C-133 is one. This Bill deals, as I have said before, only with the limitation of that portion of the indexing of Public Service pensions which is paid for out of the Consolidated Revenue Fund, that portion paid for by the taxpayers of Canada generally, with the resulting funds being available for reallocation to job-creation programs for the benefit of all Canadians.

• (1120)

I therefore urge this House to support this Bill and the six and five program as part of an effort to rebuild the Canadian economy, to protect the purchasing power of superannuates and all Canadian retirees, and to provide a basis for maintaining and creating jobs for all Canadian workers.

I ask this House, Mr. Speaker, to support third reading of this Bill.

The Acting Speaker (Mr. Corbin): Order. I see the Hon. Member for Ottawa-Vanier (Mr. Gauthier) rising to put a question to the Hon. Minister. According to the provisional orders under which the House is presently operating, it is the Chair's understanding—and we have taken this matter under deliberation with the Table Officers just recently—that there is no provision for the putting of questions to the Minister and the Member immediately speaking after him. It is the Chair's understanding that the question period would be reserved for Hon. Members who have a right to 20-minute speeches. That is, Members other than the first and second speaker on a motion on third reading.

I see that there are Hon. Members who served on the Committee here present in the House. If this is not the correct interpretation of the intention of the Committee, it would perhaps be useful to clarify the matter further before we proceed. Otherwise, if the House accepts the interpretation of the Chair, I would then proceed to recognize the Hon. Member for Nepean-Carleton (Mr. Baker).

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, I think I should make myself clear. Naturally, we are completely opposed to this Bill. If there was any place that any Member thinks I would rather be in my own constituency today rather than debating this Bill, I wish my Hon. friend would suggest it. This has been a long and bitter fight. It has been a fight that will not be forgotten by public servants, or by others far beyond the Public Service. I have a file of letters in my office which is as thick as the Minister's head from people from all walks of life, in all parts of the country, who have shared a great concern about what has been proposed.

I know that if you went to the serving Public Service and the retired public servants, those from all walks of life, all activities within the federal jurisdiction, they would say this: "Surely it would have been the decent thing to have at least consulted us before you moved in this way".

The Minister has admitted that there was a consultation process of some kind which took place before Bill C-12. In a letter I received from my colleague, the Hon. Member for Esquimalt-Saanich (Mr. Munro), dealing with the surgical and medical insurance plan of the Public Service, he talked about the increases and the National Joint Council. He said the National Joint Council is a consultative body created in 1944 to promote regular consultation between the Government and bargaining agents. The NJC consulted on matters in respect of which it is desirable to have the same policy throughout the Public Service. If it was desirable to consult with respect to medical plans, is it not equally fair to say that it would have been more desirable to consult with respect to pensions for persons who are unprotected?

• (1125)

The utter hypocrisy of the position of the Government was demonstrated when the Minister said today; "We did not consult about this but we will consult future changes in the plan". Humbug, I say. The Government moved unilaterally without consultation. If there is to be an opportunity for consultation, then something has to happen.

This Bill ought not to be taken to its final decision today, even with closure or allocation of time, or cutting off debate, or whatever label the Government wants to put on it. It should not be taken to its final decision today. But that is the position we are in—unless something is done.

There are two things that could be done, Mr. Speaker. I do not expect that the Government would look kindly on any Liberal backbencher rising in opposition to third reading and I appreciate that. It makes me appreciate even more the courage of the four Liberal Members who have indicated that they intend to do that. Perhaps there will be some abstentions as well.

The other aspect is that if there are some who believe that there should be a period of consultation, then we should give time to the Government for this. I say to my friends that that would not be a matter of confidence in the Government; the Government would not fall if it were given that opportunity.

I wish to present a motion, Mr. Speaker, and I will present it now because an affirmative vote would allow time for consultation to take place, as it did before Bill C-12 which the Minister now says he was committed to—after he has put the

screws to the federal superannuates. I move, seconded by the Hon. Member for Victoria (Mr. McKinnon):

That the motion be amended by deleting all the words after the word "that" and substituting the following therefor: "Bill C-133, an Act to amend the Supplementary Retirement Benefits Act (No. 2), be not now read a third time but that it be read a third time this day six months hence".

This will allow time for consultation to take place.

The Acting Speaker (Mr. Corbin): Order, please. The amendment is acceptable; therefore I shall put it to the House immediately. It is moved by Mr. Baker (Nepean-Carleton), seconded by Mr. McKinnon:

That the motion be amended by deleting all the words after the word "that" and substituting the following therefor: "Bill C-133, an Act to amend the Supplementary Retirement Benefits Act (No. 2), be not now read a third time but that it be read a third time this day six months hence".

Mr. Gauthier: Mr. Speaker, I rise on a point of order. Just so that I understand the procedures and Members know what we are doing, I take it that we are now discussing the amendment of the Hon. Member for Nepean-Carleton (Mr. Baker). He is the first speaker on that amendment. We are not speaking to the motion of the Minister on Bill C-133. Is the Hon. Member for Nepean-Carleton going to be allowed to answer questions when he has finished his remarks?

• (1130)

The Acting Speaker (Mr. Corbin): The Hon. Member for Nepean-Carleton (Mr. Baker) is the responder to the Government motion. Speaking immediately after the Minister, he is entitled to unlimited time. The fact that he has presented an amendment to the motion does not, in the Chair's opinion, preclude in any way his right to speak for an unlimited period of time.

Mr. Gauthier: Mr. Speaker, therefore I take it your answer is that there will be no questions put to the Hon. Member for Nepean-Carleton.

The Acting Speaker (Mr. Corbin): That would be the Chair's understanding of the new Permanent and Provisional Standing Orders.

Mr. Baker (Nepean-Carleton): Mr. Speaker, I hope when I am finished that the Hon. Member will not have any questions to put to me. I believe he and I are *ad idem* with respect to this Bill. I repeat that the purpose of it is to allow the kind of consultation which ought to have taken place with respect to the Bill in fact to take place.

Before Mr. Speaker rose, I was about to say that if one reads the evidence before the Standing Committee on Miscellaneous Estimates, one would support this motion. One should consider the evidence of the interunion people who appeared before the Committee representing a large number of Public Service unions, the evidence of postal workers and of the Public Service Alliance of Canada. They put briefs in on the merits of the Bill, certainly, and disputed the merits of the Bill. The common thread through all briefs was that the period of consultation should have taken place but did not. If anyone in the House really believes that consultation is a good thing, whether he is a Liberal, Conservative or New Democrat, I hope he will support the motion because it is important.

We have talked about what happened in the community and about the forces therein separating one interest group from the other. This is true, and our country suffers from it. We are seeing evidence of it right now.

I want to move on to another matter. I suggest that it might be appropriate if I put on the record a sampling from the thick file I have mentioned of the views of people with respect to the Bill, and why making the widest possible period of time available for consultation is important. The first letter to which I will refer was written by a retired public servant and is directed to the Minister. He wrote:

—have you considered the spirit of this, one of our laws that we elect a Government to protect? Have you considered how such flouting of a Government contract could affect the image of a democratic Government . . . Whenever the Government decides to cut costs, however, it appears that its own lowest level workers and pensioners are the first, if not the only ones, to become the scapegoats, and bear the brunt. A good many of us, now superannuated, were red-circled some years ago when the Government decided that such action was warranted.

He put the following question:

Did it really help our economy or reduce our debt?

I put that question to the House. Did it? Is the deficit any lower as a result of this? I ask my colleagues to think about it.

I refer to another letter from one of my constituents which was directed to the Minister. He wrote:

I respectfully ask you to give this proposed legislation your sober second thoughts—

In other words, he was asking that we accept my motion. He continued:

—and take appropriate action to prevent it from passing.

I have recently completed 35 years of pensionable service in the Public Service of Canada and was quite prepared to manage in retirement on my reduced income under the existing pension plus indexing legislation.

I strongly object to this proposed legislation by the Federal Government to chisel an additional 5 per cent from my income.

The Prime Minister in his television address stated that we should trust one another. I retired trusting that the Government would honour its existing legislation.

He speaks for a legion of people in that sense. Another letter which was directed to me read:

We ask for your support in opposing this piece of legislation and in particular the breach of agreement which it represents if passed into law. We are pensioners with 35 years of service in the Public Service of Canada and because of this ill-conceived proposal now feel threatened financially. The indexing of pensions we suggest was a legal agreement which was paid for by the individuals concerned, and for the Government of Canada to now partially withdraw from this agreement is in effect a breach of contract.

Another letter from a constituent read:

It was always my understanding that, while on full salary as a federal public servant, I was paying for indexing which I was to receive at a later date. Now we are told that the Government is to cut the indexing to 6 and 5 per cent . . . Is this legal? And again more recently we hear that the Government . . . the elite Cabinet . . . is contemplating weird and wonderful things with our pension funds. Is it not the sitting Members of the House of Commons who enact the law of the Government and not the "four horsemen" of the Cabinet? These people have nothing to lose as their fortunes are protected. But what about us, who with

inflation, barely make it through the month. Why should we, the Public Service pensioners, be denied what we have paid for.

Mr. Baker, I am sure that you will agree that those in the same situation as I am should get more consideration than the bailing out of Maislin Brothers Transport. In my opinion, their loyalty was always to the almighty dollar and not the Canadian public. I honestly believe that the Government has a moral and financial obligation to us the pensioners. Don't you agree?

The answer to that question is yes. I should like to refer to another letter respecting the difference between a pensioner and a serving public servant in terms of the six and five program. This correspondent wrote:

This would be an unjust default on the Goverment's obligation to index pensions at the cost of living. I have contributed to my military pension since its start in 1946 to my retirement in 1977. For the last five years I have been an employee of the RCMP . . . civilian member . . . and have again contributed to the indexing.

If the 6 per cent-5 per cent indexing is allowed, I feel that our pensions will be open to attack at any further date once the precedent is set.

Then he says what so many working public servants have said:

I am not against the 6 per cent-5 per cent formula for my salary, but because I have paid for indexing for many, many years it should not be altered.

That is what they have said. They do not like it, but that is what they said. For whatever reason, just on the grounds of ordinary, common decency, I say to the Minister that it would be best, if he thought about it for a few minutes and perhaps a little longer, to withdraw the Bill and consult. I do not know what would come out of that consultation, and neither does he. But he and Members of the House know that it would be the honourable thing to do. This is the only way that this legislation can be stopped.

I ask my friends in the Liberal Party, such as the Hon. Member for Gatineau (Mr. Cousineau) who represents a large number of public servants, and I ask Members of Parliament from all over the country, not to vote on Bill C-133 right now, today, but to remember the obligations that we have as Members of Parliament to the Public Service of Canada, just as every other Government has an obligation to its public servants who cannot take part in politics and cannot speak for themselves. We have an obligation to them to ask that this Bill be withdrawn, remembering as well that all of us, including public servants, have obligations to the country and those obligations can best be met through what was the thread of argument throughout the Public Service submissions to the Committee—consultation. Do not do it on an ad hoc basis—consult.

• (1140)

What happens if we do not consult? The House is going to be participating in a confiscatory measure that will confiscate money from one group of Canadians, joined soon by old age pensioners and joined now by those who receive the Family Allowance. It will in effect be an increase in taxation. This Bill will cause an increase in taxation based on the difference between what is to be a 6.5 per cent and a 5.5 per cent increase and whatever the inflation rate is. This year there will be an increase of 5 per cent in taxation for senior citizens and retired Public Servants. That is what this Bill will do. That is why I ask my friends to consider what this Bill will do.

This Bill is dishonest. It is a dishonest piece of legislation because it is designed to capture a mood in the country to the detriment of a certain group of citizens. Public servants are not popular in the country. If one listened to the distortion that Bruce Phillips gave on CTV last night, one would know that he made the assumption—and assumptions are made all over—that all public servants have a $50,000 a year pension. The fact is that the average public servant and widow is on a pension of $6,900 or less. Public servants are an easy target and the Government has chosen an easy target. I do not know if that is politically right or not, but I know the Government is morally wrong.

The Government is moving with almost indecent haste with respect to this legislation, which is an indication of how wrong it is. As I said, it is a dishonest piece of legislation. However, if Hon. Members on the other side think the concern relates just to public servants, I indicated earlier that is not so. In the evidence which was presented before the committee by the private sector actuary, he said in terms of the morality of the administration of pension plans that the private sector looks to the public sector for leadership. This man, who is experienced in his field, said to me that many private sector people will say: "If they can get away with this, why not us?" I believe there will be a ripple effect from this legislation which perhaps the Government needs time to consider, apart from whatever political ripple effect there might be.

If any Member of Parliament believes that the interest and the sense of fairness has gone from the Canadian people and that this is purely a national capital issue, I want that Member of Parliament to know that that is not so. Let me quote from an editorial which appeared in the *Toronto Star* on December 27, 1982. Members on the other side have heard of that newspaper. This editorial reads:

Unlike Canada's working population, pensioners can't negotiate increases to their incomes to help them cope with rising prices. That's why indexed pensions are so valuable: They enable men and women on fixed incomes to keep the purchasing power they had when they retired.

That is what indexing does. It maintains the same purchasing power a person had when he or she retired. This editorial continues:

So it's decidedly unfair of Ottawa to expect pensioners to give up this measure of their security, as it is doing in two bills now before Parliament. The federal government proposes limiting the indexing of two types of pensions—the Old Age Security payment that goes to all Canadians age 65 and over as well as the retirement benefits of former civil servants—to 6 and 5 per cent in the next two years.

The writer then dealt with the effect this would have on senior citizens:

—when the restraint program comes off and full indexing is restored, it will be calculated in a lower base.

That is with respect to whether we are dealing with public servants or senior citizens. Make no mistake about it, these two years will be lost forever to that exposed category of senior citizens in this country, Mr. Speaker.

Supplementary Retirement Benefits Act (No. 2)

Then the writer goes on to deal with the Public Service matter, and we read the following:

Retired civil servants have an additional reason to be unhappy. During their working years, they made extra contributions from their wages in order to help pay for indexed pensions. And they planned their retirements and their savings plans with the legitimate expectation of fully-indexed pensions.

By imposing limits, the government breaks faith with these retired workers. And most of them are not high-income mandarins who have gone on to second careers as consultants. They are former clerks and secretaries who earned modest salaries and retired on correspondingly modest pensions. If those pensions are no longer fully indexed to inflation, some retired civil servants will undoubtedly have to make painful cuts in their day-to-day budgets.

Then the writer refers to the pension document, the green paper on pensions. He writes as follows about the tabling of that document in the House of Commons:

It contained numerous cogent arguments for protecting all pensions—public and private—from the inroads of inflation.

The green paper argued against the very band-aid approach which this Bill is and which the former President of the Treasury Board, speaking on behalf of the Government before the Miscellaneous Estimates Committee, indicated would not take place. The editorial in the *Toronto Star* concludes with this paragraph:

Lalonde and Bégin have shown that they recognize how important indexing is for the majority of Canada's elderly. What they should do now is restore that full indexing to the old-age security payments and the retired civil servants' pensions.

To that I say amen. That is what should be done.

What the Government is doing with this Bill is causing a permanent loss of purchasing power of old age pensioners and retired civil servants.

The cost saving of Bill C-133 is worth noting. According to the figures supplied by the Treasury Board, Bill C-133 will save the Government $60 million in 1983 and about $105 million in 1984. Do you know what that amounts to, Mr. Speaker? It amounts to $4 a taxpayer in 1983 and $7 a taxpayer in 1984. It would cost retirees an average of $400 in 1983 and $700 in 1984, 1985, 1986, 1987 and every other year until that retiree dies. That is what this Bill means. Anyone on the other side who thinks this Bill is for only a two-year period, and anyone who is telling people, constituents or otherwise, that this Bill is to be for only two years, is at best, and putting it most charitably, pulling the legs of those people. That is the situation in which we find ourselves in this matter.

Someone argued that there is no written contract. Isn't that wonderful, Mr. Speaker? The last refuge of the knaves is that there is no written contract. There is not, Mr. Speaker? There is no written contract? Is the Government saying that it does not have a moral obligation and does not feel bound by its moral obligation as it would if somebody had put it down in writing? Is the statute that we are amending not written? You bet it is, Mr. Speaker. It is part of the statute law of Canada. Are the statements of Ministers of the Crown in the House on this and other occasions, before the Miscellaneous Estimates Committee and before other committees not written and are they not undertakings on which we should be able to rely?

Mr. Wise: What about the Prime Minister's statements?

Mr. Baker (Nepean-Carleton): Does the Prime Minister's word mean anything?

An Hon. Member: Apparently not.

Mr. Baker (Nepean-Carleton): There are people in the country who would say that.

Mr. Munro (Esquimalt-Saanich): There are many more now.

Mr. Baker (Nepean-Carleton): Many, many more are going to say it.

Mr. Riis: His Party Members will say it.

Mr. Baker (Nepean-Carleton): I do not want to lay this completely on the Prime Minister. I want to lay the burden for this where it belongs.

• (1150)

Mr. Riis: Where does it belong?

Mr. Baker (Nepean-Carleton): It belongs on the Liberal Party which has backed off from the undertakings it gave over the years—

Mr. Darling: With the exception of four.

Mr. Baker (Nepean-Carleton): —with the exception of four courageous people; and my motion will allow others to join them, so to withdraw the Bill.

Mr. Murphy: We need 50 more Liberals because the Tories will not show up.

Mr. Baker (Nepean-Carleton): I ask whether the word of the Prime Minister (Mr. Trudeau) means anything. What did he say? What have we heard in election campaign after election campaign in Canada? We have heard the essence of the letter he wrote to Mr. Power of the defence component of the PSAC on October 12, 1977. This is what he stated:

I have noted your concern that the indexation of Government pensions be maintained.

It is much more than a concern. Here it is, the Prime Minister at his best:

In our society, pensions provide a means of sharing risk so that we can retire in reasonable security and dignity without fear of the future. Protecting pensions from inflation by indexing them to increases in the cost of living should be an integral part of our pension schemes.

And it was, in all of them. He went on to state:

Indexing does not give pensioners an increasingly larger share of our economy's production, that is, more money to buy things that they could not earlier afford. Rather, indexing merely enables pensioners to maintain, roughly, their same standard of living.

That was a statement of simple justice, applied to them all. He went on to state:

Even a modest rate of inflation destroys, at a devastating rate, the buying power of people on fixed incomes.

The Prime Minister is a marvellous wordsmith. Pensioners are out of the workforce and cannot bargain or strike for larger pensions. That is the truth. They are not part of a bargaining unit, whether public or private. Therefore, they must look to others to protect them, and those people are here in this Parliament. That is why we are here.

"They are not the cause of inflation", the Prime Minister said. That is recognition of the truth. They are not the cause of inflation, yet the Government is putting senior citizens, retired public servants and others—

Mr. Munro (Esquimalt-Saanich): And their widows.

Mr. Baker (Nepean-Carleton): —and their widows in the trenches of its fight against inflation.

Finally, the Prime Minister said that these pensioners are the victims of inflation. To quote him exactly, he said "they are its victims", and he is right.

Then came the clincher which was meant to convince Mr. Power and everyone who received the letter that the leader of the Government was a compassionate man leading a compassionate Party which was thoughtful about those senior citizens. Mr. Speaker, what was the clincher? This is what he stated:

> We have an obligation to protect them.

He did not say that the obligation had to be in writing. He did not have to tell anyone that it had been discussed over the years and settled that there would be no unilateral change in pensions without consultation.

There cannot be one right-thinking Member in the House of Commons who honestly believes that the Government has the right to ride roughshod, without so much as a "fare-thee-well", over any person out of the workforce, whether that person is a Public Service pensioner or anyone else. That is the issue—trust. Do not let the President of the Treasury Board (Mr. Gray) hide behind the weasel words that there is nothing in writing. What a shameful position that is for him to take!

I do not argue that the pension plans of public servants ought not to be examined with other pension systems to ensure that there is justice, but I do not believe that, in order to build one's own house, one should take the bricks from the house of someone else. But that is what is happening today.

As long as there is breath in me, I intend to fight what I believe to be iniquitous legislation and I am proud that my Party joins me in this battle today.

Some Hon. Members: Hear, hear!

Mr. Thacker: How many tens of millions for the Hilton Hotel in Windsor?

Mr. Baker (Nepean-Carleton): One should consider the amount of money that the Government has spilled—

Mr. Tobin: Spill some my way.

Mr. Baker (Nepean-Carleton): —and the contracts that it states it cannot break. I was reminded by a retired public servant today that the Government did break the contract with its public servants or retired people. However, the Government says: "We cannot break the contract with Judd Buchanan concerning that parkland out in Banff. We cannot do that; that is a sacred contract. That is an agreement we cannot touch; but, of course, we can deal with the public servants." By golly, that is a written agreement, that is right.

A letter written to the Editor of the Ottawa *Citizen* presented the case as well as it could ever be presented, and I will read it. It states:

> The refusal to honour indexing commitments for public servants would reduce the government deficit by less than $60 million in the present fiscal year (based on an average contribution per pensioner of approximately $450 less income tax). That is a substantial sum, but placed against a budget deficit of $23 billion, it will not do much to reduce inflation.
>
> What is really at stake is public trust and confidence in the government. While it may be politically opportune for the government to make public servants and public service pensioners "whipping boys" to divert attention from much more serious matters, the question is, who will be next? Will the Government decide to default on other contract commitments?
>
> In the conduct of affairs, whether they be public or private, the "broader principle" is that there must be some rules for the game. Neither governments nor individuals should be allowed to change the rules to fit personal convenience. In that direction lies chaos and anarchy.

If every Member is present when the House votes on Bill C-133, it will pass. However, it can at least be delayed in order to consider the case appropriately as part of pension considerations as a whole in the country. My motion to delay for only six months is to allow for that appropriate discussion to take place. As I believe it is morally wrong for us to attack pensioners, I also believe it is morally wrong for us not to allow that consultation to take place.

Much has been made of the position in which the Hon. Member for Ottawa Centre (Mr. Evans) finds himself, and he finds himself in a pretty bad position as a result of loyalty to his Party. I suggest that he would not be in such a bad position if he and Hon. Members opposite would join to support this motion. I am confident that we will be joined by the Hon. Member for Ottawa West (Mr. Francis); I am confident the Hon. Member for Ottawa-Vanier (Mr. Gauthier) will stand against it; I am confident that the Hon. Member for Hull (Mr. Isabelle) will stand against it; I am confident the Hon. Member for Renfrew-Nipissing-Pembroke (Mr. Hopkins) will stand against it. I am confident of that. It does not detract at all from the principle of the Bill if other Members also stand against it. It is reasonable.

• (1200)

The Hon. Member for Don Valley West (Mr. Bosley) not a Member for the National Capital area, said in the House the other day that it was appropriate that this matter be integrated into the overall pension review, and I believe that that is so. This matter has not been debated or dealt with as merely a matter for the National Capital Region. I invite the public, as I invite my colleagues, to review the list of speakers at second reading, at committee stage and in our debate at report stage yesterday and in our debate today. They will find when they read it that the speakers against this bill are not confined to

the National Capital Region because public service pensioners, the people who are concerned about their pensions, are not confined to the National Capital Region. They will find that speakers from every Province in Canada spoke against this Bill.

I suggest, with respect, that there must be some people over there who would like the opportunity for sober second thought. I think we do have an obligation here; I believe that firmly. We have an obligation to look after the disadvantaged in society, wherever they are. We have an obligation not to distort the position of any group in society, whoever they may be, and there have been a great many distortions in this debate.

I ask my friends in the House to set aside the question of whether or not they are going to be dealing with Bill C-133. I would like to suggest that they would not be dealing with Bill C-133, but would be addressing the question in my motion, that this Bill and its consideration be delayed, that the appropriate consultation take place. Lord knows there are groups that want to do it, that would have liked the opportunity not to have this sprung on them in a budget, and that want to do the right thing in the process that ought to exist between the governors and the governed.

It should be possible to consult and see if on something of such importance there could be a consensus. I think this issue demands that and I invite all my friends, not just those who spoke on the other side of the House, but men like the Liberal Whip who has served many years with distinction in another occupation before coming here, to consider how important consultation is, and therefore how important this motion is.

This motion is not going to delay dealing with this Bill today. If it were dealt with affirmatively, that consultation would take place. The Bill is still there. It is important that this happen. It is just simple, plain justice. That is as plain, as simple and as succinct as I can put it.

I ask my friends on the other side of the House to think the same way. Do not rely on that little argument of "no written agreement". Nobody buys that. It is so patently dishonest it stinks. I say to my friends on the other side, if, after the kind of consideration that ought to apply to Public Service pensions as well as to others, legislation comes forward in the broad sense that would not attack one group for the sake of another, then that legislation may very well be supportable. But this legislation is not. It is confiscatory. It is a tax on seniors. It is dishonest and it ought not to pass this House.

The Acting Speaker (Mr. Corbin): Before recognizing any other Hon. Member the Chair could perhaps be allowed at this time to clarify the matter raised by the Hon. Member for Western Arctic, the Hon. Member for Yukon and others with respect to the seconder of the motion made by the President of the Treasury Board.

I should first of all draw to the attention of the House that our Standing Order 49(1) reads as follows:

All motions shall be in writing and seconded.

Standing Orders do not provide for the seconder necessarily to be a Minister of the Crown.

Further to that, the Chair has in its hands precedents which clearly establish that on a number of occasions private Members, Parliamentary Secretaries—in other words, Hon. Members other than Ministers of the Crown—have from time to time moved motions presented by the Government. One of the most recent examples of this practice occurred on November 18, 1982, and I refer to *Votes and Proceedings* for that date, where the Minister of National Health and Welfare (Miss Bégin) was seconded by the Hon. Member for London East (Mr. Turner) when she moved that the Bill be read a second time.

The Chair also has a number of other examples. In fact, I have one in which a member of the Opposition moved a motion made by a Minister of the Crown on at least one occasion. Therefore, it is the Chair's considered opinion that the motion, as put, was in order and that the debate should proceed as usual.

Mr. Gauthier: On the point of order, Mr. Speaker—

The Acting Speaker (Mr. Corbin): Is the Hon. Member for Ottawa-Vanier rising on this point of order or on another point of order?

Mr. Gauthier: On this point of order, Mr. Speaker.

The Acting Speaker (Mr. Corbin): With all due respect, the Chair has ruled.

Mr. Gauthier: Twice you said a Member of the House may "move" and I think you meant to say "seconded".

The Acting Speaker (Mr. Corbin): It could well be that I may have unintentionally said that but I shall clarify. With respect to Government Orders only Ministers of the Crown may move such motions; but any Member of the House may second such a motion. That is what I intended to say. I thank the Hon. Member for Ottawa-Vanier.

Mr. Sid Parker (Kootenay East-Revelstoke): Mr. Speaker, commencing my remarks I might address the amendment put forward by the Hon. Member for Nepean-Carleton (Mr. Baker) which would in fact give a six months' hoist to the Bill so that consultation could take place. While this may be commendable and we will support that amendment to allow that kind of consultation to take place, I want to make it very clear that regardless of what takes place we oppose this Bill in the strongest terms possible. We do not agree with the concept of what is taking place and there is no way we can support this Bill at any time, whether now or six months down the road.

I want to talk about the hypocrisy of the Conservative Party for putting forward a motion with such a plea, because less than six months ago that same Party supported the Government which had carried out no consultation with the workers in the Public Service. Those are workers who in many cases are lower paid than workers in other areas. There was no consultation with railway workers either. Yet the Conservatives came into this House and supported legislation which

broke those contracts. Not only were they in writing, they had been negotiated through free collective bargaining. The Conservatives say they believe in the concept of free collective bargaining. In that instance, however, they came into this House and voted in favour of reducing the wages of public servants and railway workers across Canada. It is the height of hypocrisy when they stand in the House today and say they will not stand for it. They have stood for it, and that should be made abundantly clear. I remember an election campaign when the Liberals were using the slogan "A leader must be a leader". Trudeau, with his gunslinger image—

• (1210)

The Acting Speaker (Mr. Corbin): Order. I must draw to the attention of the Hon. Member and all Hon. Members that it is against the rules to mention another Member by proper name. A Member should refer to his colleagues by their portfolio, the office they occupy or the name of their constituency. Members may not do indirectly what is not allowed directly.

Mr. Parker: I stand corrected. Our Prime Minister (Mr. Trudeau), with his gunslinger image, our Prime Minister, the tough guy. This legislation makes it clear who the Prime Minister is getting tough with—the retired public servants, Old Age Security recipients and families with children. That is not a tough guy; that is a schoolyard bully.

The Government says it will bring about economic recovery by picking on the poor. With this legislation, it is playing Robin Hood in reverse. It is attacking retired female public servants who have always received low pensions, retired long-service veterans who have served their country well and retired police officers. It must be clear that this is a real attack, not just a public relations ploy.

Retired public servants face a 10 per cent cut in their standard of living. To some, that is pretty important. As of 1982, average pensions were $6,900, pensions of widows $3,200 and pensions of new retirees $8,100. That is not an awful lot of money. A real 10 per cent cut in living standards will push many of these people into poverty. This is especially true because there is no guarantee on prices.

Canadian Pacific raises its rates, energy prices are going up, as is home heating fuel and gasoline. The Government will try to argue that its programs will protect these people, but it cannot deny that many pensioners will fall below the poverty line.

A pension of $8,200 might sound good to many Canadians, but we must remember that that is an average. For every one receiving a pension above that, there is someone receiving a pension below it. This legislation will do a great deal of damage. No way can it be called a public relations ploy. It is an attack on retired public servants in the same way that Bill C-124 was an attack on working public servants.

I have estimated that railway workers in my riding will each lose in the area of $3,000. It is clear that the purpose of the Government is deliberately to try to reduce the wages of workers and their living standard. It is doing this for two reasons. It believes that if wages are lower, we will export more. Also if wages are lower, there will be higher profits and business will invest more. In other words, the problems of unemployment, inflation and recession will be fought on the backs of the working people and the poor.

What about the well-to-do in this country, the many people who earn over $100,000 and do not pay a cent in income tax? What about the suggestion in the June budget that some investors might not have to pay tax on returns that are lower than the cost of living? What about those companies that have taken billions of dollars out of this country over the years? How does all of this compare with the people this Bill deals with?

Bill C-133 is a tax measure. The effect on Government revenue is the same as a special tax aimed at retired people. The Government could not get away with calling it a tax measure, so it calls it an anti-inflation measure. This Bill will cause more, not less, unemployment. Low-income people spend their money and that creates jobs in the communities, particularly in small businesses. Government grants to business do not create jobs unless business decides to invest. Why would any business invest when it is not now operating all of its equipment?

In the riding of Kootenay East-Revelstoke, with railway workers on the six and five program, public servants reduced to six and five, municipal and provincial governments getting in on the six and five program, as well as the tremendous number of lay-offs throughout the riding, consumer spending will go down and there will be more unemployment. The Minister has indicated that this measure will create employment. It is not creating employment but unemployment, and that is occurring in areas that can ill afford it.

There are 700 railway workers in Revelstoke. Because of Bill C-124, each will lose $3,000. That is $2,100,000 that will be lost in that community alone; lost to the small stores, car dealers, home builders and so on. Cutbacks in pensions will have the same effect, only it will not be concentrated in one community but spread right across Canada.

There is a more direct way in which this Bill will cost jobs. With lower pensions, fewer people will retire. Those who have retired may think about re-entering the workforce as their standard of living falls. This will mean fewer jobs available, particularly for untrained young people who make up such a large part of our unemployed.

Just as serious is the damage being done to the morale of those public servants who serve the people of Canada. These people believed they had a contract and were assured of a decent life in their retirement. After this legislation, they will never again trust the Government.

The President of the Treasury Board (Mr. Gray) states that there is no contract. He knows full well that when an extra 1 per cent a year was being taken from public servants that that was a contract. They were getting the money and they were

expected to deliver. The President of the Treasury Board now has the audacity to stand in this House and say it was not a contract. He did not tell the House that an advisory committee had been set up which was supposed to be available to advise on pension changes and so on. Neither the President of the Treasury Board nor the Government had the decency even to talk to the advisory committee to find out their thoughts with regard to changes they were contemplating.

Mr. Gray: I certainly did meet them.

Mr. Parker: The Minister says he certainly did. Representatives of various groups came before us. I specifically asked whether they were a part of that advisory committee. They said they were and that they had had no consultation. Therefore, I can only say to the President of the Treasury Board that from the information we have from Committee, that is not so.

• (1220)

It was very interesting at the report stage to hear the Conservatives complaining about the Government breaking contracts. I could not believe what I was hearing when they talked about the importance of contracts and the need to keep those contracts. It was the Conservatives who set the precedent by breaking contracts. Do they really believe the Government would have broken this contract so easily if the Conservatives had not gotten away with breaking contracts with their own people? Where were the Conservatives when the clerks had their contract broken after they had been driven to go on strike for the first time in their history? They were right there, lined up behind the Government saying, "Yes, sir, right on".

The Leader of the Conservative Party (Mr. Clark) said the Government had not gone far enough with Bill C-124. That was the only complaint. I wonder if the Government has gone far enough now to make the Conservatives happy? Are the Conservatives happy now that the Government is not only rolling back the wages of workers but is stealing their savings? Pensions, after all, are nothing more than savings. They are deferred wages. Instead of receiving the money now, workers agree to have it put away for their retirement. They might just as easily take the money and use it to buy Canada Savings Bonds. With this legislation, the Government is stealing their savings. It is the same as retroactive wage controls. It is saying, "We are going to cut your salary yesterday so you cannot save much money". There is no difference between this and having the Government confiscate savings bonds which someone has put away for his retirement.

The Government is arguing that it is not the same, that the program is being paid for out of taxes. From presentations in Committee, I do not believe that. I believe that is a phony, trumped up excuse the Government trotted out to help sell this program. That will not wash. If the Bill is just an anti-inflation program, then the Government will have to admit that it is stealing money from pensioners and breaking contracts. If it is a program to correct deficits in the pension plan, why did they not go to the unions and representatives to discuss it? The reason is that there is nothing wrong with the pension plan and under an expert challenge before unbiased judges, there is no way the Government could prove there is.

Beyond the fact that the Bill is immoral, it is an action which would not even be legal if it were taken by the private sector. The CLC told the Committee that the Canadian Superintendent of Insurance will normally reject amendments to private pension plans which reduce benefits earned prior to the date of amendment. This Bill would not even be accepted by the standards which judge private pension plans.

This Government has made a lot of promises over the years. The Prime Minister told the Pension Conference in 1981 that it had to protect pensioners against inflation, that without this protection their incomes would dwindle. Last year the President of Treasury Board said his Government was dedicated to maintaining indexing of Public Service pensions. That was less than a year ago. In 1977, the Prime Minister said in a letter to Public Service unions that pensioners were not the cause of inflation and Government had a duty to protect them. The Government lied in each of these statements. It lied in the same way it did in 1974 when it ran an election campaign against wage controls.

Like all schoolyard bullies, our Prime Minister is afraid of the truth, and the Conservatives are just as bad for helping the Government get away with this. Why did the Conservatives not speak out when the Government began to break contracts? Why did they not even bother to show up for the Committee which was discussing this Bill? The Conservatives were entitled to have seven Members on that Committee but many times there were as few as two present.

Why did the Conservative House Leader promise to help the Government pass this Bill on November 16? It is a matter of record in *Hansard* that the Conservative House Leader in this House stated that if the Government brought the Bill forward, they would see it was speedily dealt with. Both Liberals and Conservatives have a lot to answer for in this contemptible legislation and, Gallup polls or not, we will make sure that people remember this in the next election.

I feel it is a sad day for this House, Mr. Speaker, that we have to deal with this kind of legislation and take up the time of this House to deprive Public Service pensioners, retirees, families with small children, many of them having unemployment problems as well, and Old Age Security recipients. We should instead be dealing with the major problem in Canada, which is unemployment. We are not going to create one job with the kind of program which the President of the Treasury Board is talking about in this legislation; make no mistake about that.

With respect to the railways, Mr. Ian Sinclair of Canadian Pacific was used as our chief spokesman on the six and five program, and the day after the Government adopted the recommendations of that group which expounded on this six and five track the Government got on, that group announced lay-offs right across Canada. After literally saving hundreds of millions of dollars in wages which they should be paying out, they announced lay-offs across Canada. It has in fact created more lay-offs than employment.

[*Translation*]

Mr. René Cousineau (Parliamentary Secretary to Minister of State (Small Businesses and Tourism)): Mr. Speaker, I cannot say that I am particularly happy about speaking to Bill C-133, a very controversial piece of legislation which has raised considerable debate on both sides of the House and, I may add, has perhaps been misunderstood by the Canadian people. This Bill modifies the Supplementary Retirement Benefits Act. Since the Bill passed second reading, my office has been deluged by telephone calls and mail. There is a great deal of discontent, not only among pensioners but also among public servants and their families. There is also a lot of dissatisfaction among Hon. Members on both sides of the House, Mr. Speaker, and I must say that I personally am not terribly happy about this legislation. However, the fact remains that life is not always a matter of doing what one wants to do but what one feels one must do. Before making a decision, a Member of Parliament, whether he is on the opposition side or the government side, and whatever his party affiliation, must always weigh the pros and cons of the legislation or program under consideration. Will it be detrimental or beneficial to his constituents? Will it be beneficial to all his constituents? Will it be beneficial or detrimental to Canadians?

The role a Member has to play is basically threefold: First of all: A Member represents his constituents and must always keep their welfare in mind, whether they are employed or unemployed, young or not so young, retired or still working. Second: Parliament is Canada's legislative assembly, and a Member must also bear in mind the interests of Canadians living beyond the boundaries of his constituency. And last, Mr. Speaker, but not least, a Member belongs to a political party, to a team. Of course, some members of the team will differ in their views, but I respect the opinions of others just as I expect them to respect mine.

Mr. Speaker, I believe in team spirit. All my life I have belonged to some kind of team, in sports or as a member of service clubs. I also feel that loyalty to one's leader, one's colleagues and to fellow members is very important, and that is all part and parcel of my list, Mr. Speaker.

In the richest countries in the world, the great industrial democracies, 30 million people are out of work, and in Canada, 1,500,000 are unemployed. It is a national and international tragedy, and we are living in difficult times, Mr. Speaker. Here in Canada, we did not want to live with the status quo. Something had to give, and hard times demand decisions. This Government has acted responsibly by making a decision in the best interests of the Canadian people, and taking specific action to enforce that decision. We must not forget that. The government made this decision on June 28, 1982, when the then Minister of Finance asked for a two-year national effort in order to bring this country out of a recession situation with 12 per cent inflation and put it on the road to economic recovery by bringing inflation down to 6 per cent. The main objectives were to reduce inflation and interest rates, to increase investment and to create jobs.

• (1230)

For the first time since 1977, the rate of increase in the price of food in Canada is down below 10 per cent. Statistics made public on December 31, 1982, show that food prices have gone up 7.7 per cent in 1982, which is an indication that we are doing well in this fight against inflation.

Interest rates in early 1982 stood at anywhere between 18 and 24 per cent. Last week, on January 19, they were down to 12 per cent. There again we are doing well, but nobody is rushing to congratulate the Government. People did severely criticize the Government when interest rates were very high, but now that these rates have come down significantly, it seems that the Government had nothing to do with that.

With respect to increasing investments, I would suggest there is a psychological barrier. No one seems willing to take a chance, yet that is the key to success in any endeavour. Mr. Speaker, we must have confidence in ourselves, in our neighbours and in the potential of our country. Bill C-124 was the starting signal in our fight against the recession, against inflation, and against unemployment. That was the legislation on compensation restraint in the public sector, including Crown corporations. This Bill does provide for an increase, not a decrease: 6 per cent more on January 1, 1983 and 5 per cent more on January 1, 1984. When times get hard a responsible government has to take harsh decisions which are likely to alienate the public, but we are convinced that Canadians prefer and will always prefer any policy to the lack of policy which is the hallmark of Members of the Official Opposition.

It has been stated that half a million people will be affected by Bill C-124. Capping the increase at 6 per cent will enable us to recoup $250 million, not to mention another $550 million in 1984 to create jobs. We are asking public servants to tighten their belts a little in the next two years to help needy Canadians and others who are anxious to work. But we need money to do that and it has to come from somewhere: either we increase the deficit or we raise taxes. The Government has chosen to cap indexation and set a ceiling on public sector salaries to give an example to the private sector, keeping in mind the fact that we must reduce inflation and be more competitive on international markets. I have already pointed out that either the deficit or the taxes would have to be increased but whose taxes Mr. Speaker? In the city of Gatineau in my own constituency, the world wide recession resulted in the loss of over six weeks of work at the CIP company which has 1425 employees. Newspaper production was reduced during that six week period. On December 7, the Maclaren company announced that its plant would close down for 12 days with 300 to 350 employees being temporarily laid off. The Thurso Pulp and

Paper Company has announced a plant close-down which will stop production for five weeks, and this for the fifth time in 1983; 250 employees are temporarily laid off. Erco Industries Limited in Buckingham announced 25 permanent lay-offs and Vilas Industries Limited of Thurso, a furniture manufacturer, 125. These people who have worked 5, 10, 15, 20 and perhaps even 25 years are now unemployed. They have exhausted their unemployment insurance benefits and must rely on welfare. It is not easy for someone who has worked in a plant for 15 years to go on welfare because he is no longer entitled to unemployment insurance.

On January 17, 1983, Masonite Canada Ltd. announced that 130 employees in its plywood division would be laid off around mid-April. How many other people have been and will be affected when these 130 plywood employees become unemployed in April? As a second measure, we have Bill C-131 to amend the Old Age Security Act. The basic pension was $246.92 as of October 1, 1982, and it was increased on January 1, 1983, to $250.62. The principle of universality is therefore maintained, and pensions were increased by 6 per cent instead of 11 per cent because these people have other sources of income. As for the income supplement, the indexation will be doubled. The benefits of those who receive part or the total amount of the supplement will be indexed at double the rate. People 65 and older who have other sources of income will not have their pensions reduced in January. They will receive 50 cents less in February, 50 cents less in March or $29 less for the entire year in 1983, and by the end of 1984, are expected to have received $52 less. About 1.1 million people should be affected at the end of the year, and this will make $30 million available for job creation the first year and over $50 million the second year. To create jobs, maybe not for the same people but for the children of these people who are 65 or over and perhaps for their grandchildren. To create jobs for people from Vilas who are now unemployed because of the shutdown, because of the slump on the market. Jobs for 130 employees at Plywood where in April they are all going to be laid off permanently, because the factory is being closed. We have therefore asked our pioneers to contribute once more to the economy of their country. We are asking them once more to make sacrifices, and I am sure that although they are probably not very happy about this situation, and it certainly is a bitter pill to swallow, they are willing to go along with it, because helping others has been part of their whole lives. Based as always on the principle that all Canadians have an obligation to make some sacrifices in order to help this country on the way to economic recovery, we have Bill C-132 as a third tool for fighting inflation and creating jobs.

• (1240)

Briefly, the Bill says that people whose needs are the most urgent will get more and others will get less. I feel that here, the spirit of charity and of sharing should prevail. Mr. Speaker, we must bear in mind the objectives of the 6 and 5 program, which are to bring down inflation, find money to create jobs without having to increase the deficit or increase taxes, bearing in mind the increasing number of bankruptcies in Canada, decreasing corporate profits—a drop of 50 per cent in 1982, salary freezes and even reductions in some companies. Let us not forget that as of December 12, 1982, the Canada Employment Centre in Buckingham registered 3,041 people drawing unemployment insurance benefits, and the CEC in Gatineau, as of January 12, 1983, had 6,418 people on unemployment insurance, not including those who have exhausted their benefits and are now on welfare. The 6 and 5 program also applies to pensions in the public sector.

Mr. Speaker, I do not like Bill C-133 today any more than I liked the Government's statement on June 28, 1982 regarding its intention to cap indexing of pensions. Today, however, the problem has changed because the situation has changed. From the outset, I have expressed my doubts as to the legality of the Government's intentions in wanting to manipulate the portion paid by the pensioner in order to provide for an indexed pension. The question was, did the Government have the right to legislate in this area, since the money belonged to the pensioners? That has been argued since the very beginning. In fact, the arguing goes on today, Mr. Speaker. Those who are opposed to capping indexation of retirement benefits argue that they have paid for full indexation by contributing 1 per cent of their salary in addition to the 6.5 per cent for the basic pension, both contributions being matched by the direct contribution by the Government as employer, a total of 15 per cent.

This direct Government contribution is paid for by all Canadians through their taxes, and this is something we must not forget. Nor should we forget the contribution of those who are now unemployed but were paying taxes when they were employed full time. We must not forget their contribution.

Therefore, it is wrong to say that public servants have paid for full indexation. Public servants or retired public servants who keep repeating this are wrong, because the Canadian taxpayer has also made a contribution. Ninety per cent of the indexation benefits paid to public service pensioners are currently charged directly to the Consolidated Revenue Fund of Canada. In other words, paid for by the taxes of all Canadians, taxes paid by people at Villas and Plywood who are going to be laid off in April, by CIP employees who were laid off for a period in 1982. Only 10 per cent of the current indexing benefits comes directly form the supplementary retirement benefits account which receives employee and employer contributions to provide for pension indexation.

The 6 and 5 capping will not affect the indexing charged against employee credits in the supplementary retirement benefits account—that is, coming from direct contributions by employees and by the employer, specifically for indexing. Hence the 0.5 per cent this year, which makes 6.5 per cent, and the 0.5 in 1985, which makes 5.5 per cent.

What the Government is proposing is to cap increases in indexing financed out of general tax revenues for the duration

of the restraint period. In other words, taxes paid by businessmen, by all the people I just mentioned, by employees of the Town of Gatineau and of all the municipalities in my riding, taxes paid by the employees of each company, all this tax revenue has helped to pay for the pensions of public servants and the indexing of those pensions.

Mr. Speaker, do not public servants also pay taxes? Of course they do. If they pay taxes, then they have also paid for their indexation. Of course they have. A public servant contributes two amounts, namely, 6.5 per cent for his basic pension and 1 per cent to provide for indexing. The total amount is matched by the government. There are two separate accounts in the name of the public servant. Both accounts bear interest, and public servants are arguing that it is their money. Retired public servants are saying that sufficient funds are being generated by both accounts, but there we have a legal snag. According to law, interest or income from the basic pension fund may not be transferred to the special indexing fund. That is why public servants are accusing the Government of "playing around" with their money. However, without wishing to contradict this statement, since it is their money, the fact remains that by law, no transfers may be made. If we want to proceed with a transfer, we will either have to change the law or, as one of my colleagues suggested, increase individual contributions according to specific recommendations, to prevent the same problem from occurring again.

The other argument, Mr. Speaker, is that the Government had a contractual agreement to pay this indexation, and indeed, I find this very unfortunate, since our retired public servants had already calculated how much they would get and made plans accordingly. As I said before, hard times demand unpleasant decisions, which are not popular but are necessary in the circumstances.

The Acting Speaker (Mr. Corbin): Order, please. I apologize for interrupting the Hon. Member, but his allotted time has expired.

[*English*]

Mr. Parker: Mr. Speaker, I wonder if the Hon. Member will allow me a question. He touched on the 1 per cent of salary paid for indexing by public servants and claims that it is the taxpayers who back that. Does he recognize the fact that taxpayers also back Canada Savings Bonds? When a commitment is made and people buy a bond, they expect a return. When the pensioner paid 1 per cent for indexing—not partial indexing—he also expects a return.

What is the Hon. Member's rationale for his statements? How can he say, on the one hand, that pensioners should not get that indexing when they have paid for it, but on the other hand that the buyer of the bond should? Would he say it is fair that the Government should take it away from the buyer of the Canada Savings Bond?

[*Translation*]

Mr. Cousineau: Mr. Speaker, perhaps I could provide some further clarification. I did say that perhaps there was a way to resolve this problem, either by changing the law, so that income or interest is drawn from the basic pension fund, which is one solution, or by increasing individual contributions, and in that case, the B.C. federal contribution would be increased accordingly.

[*English*]

Mr. Parker: Mr. Speaker, an agreement was made to pay 1 per cent in order to get something in return. Now, without any discussion whatsoever, the Government is going to cut that in half. I know the Hon. Member is trying to say that this is taxpayers' money, but the people who signed this agreement are also taxpayers. If changes are to be made, I am sure the Hon. Member does not think they should be made without consultation or without agreement on both sides. I should like to hear his view on that.

• (1250)

Mr. Cousineau: Mr. Speaker, I deplore the situation just as much as the Hon. Member, but hard times require decisions. We took a decision—the whole package, Bills C-124, C-131, C-132 and C-133. We cannot isolate any of them; that is the reason. I do not like this Bill any more than the Hon. Member does, but the fact remains that when it is a necessity we do what we have to do. This is the way I see it. It is as simple as that.

Mr. Riis: Mr. Speaker, I have a short question which I should like to put to the Hon. Member for Gatineau (Mr. Cousineau). Having listened to the Hon. Member's comments and his support of the six and five program as it relates to retired public servants, he would presumably also support the idea of having retired personnel, let us say, of the Bank of Canada under the six and five program. Is this something which he would support?

Mr. Cousineau: Mr. Speaker, since this is not a matter under discussion, I do not think I should answer it.

Mr. Riis: Mr. Speaker, perhaps I will try putting a different question to the Hon. Member. If someone such as Governor Bouey, who is obviously a strong advocate of restraint and a strong supporter of the six and five program, limited the employees under his jurisdiction, does the Hon. Member not think that would be fair? In other words, retired personnel of the Bank of Canada would be limited to the six and five program, or should they be receiving 11.5 per cent on their pensions?

Mr. Cousineau: Mr. Speaker, I do not think I mentioned the Bank of Canada in my speech. I think we are discussing Bills C-124, C-131, C-132 and C-133—

Mr. Fulton: We are discussing equity.

Mr. Cousineau: —and therefore I do not see how this question can be put.

Mr. Taylor: Mr. Speaker, I would like to ask the Hon. Member a question. The Government, through several of its Ministers and Members, pleaded with the private sector to follow the six and five program. They have stated that the program would not be fully or wholly successful without the private sector following it. In view of this, how does the Liberal Party justify giving its President an increase of 120 per cent?

Mr. Cousineau: Mr. Speaker, we are discussing Bill C-133. I do not understand how my good friend, the Hon. Member for Bow River (Mr. Taylor), with all his experience, could think about asking a question such as that.

The Acting Speaker (Mr. Corbin): Order, please. Of course, the Chair does not wish in any way to enter into the debate, but since we are in a trial period under the provisional rules, perhaps I could draw again to the attention of Hon. Members the comments made by Madam Speaker, as reported on page 21873 of *Hansard* for January 17, 1983. In relation to questions and comments, Madam Speaker said:

> The period is to be reserved for questions and comments about the speech preceding this period. I believe that in this connection, the Chair will probably have to take a stricter approach as far as the principle of relevance is concerned. The Chair has always been fairly flexible in this respect, but when only ten minutes are allowed for debate, it is clear that both the questions and the speech itself must be relevant in the strict sense of the word.

I offer these comments for the reflection of Hon. Members.

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

The Acting Speaker (Mr. Corbin): The Hon. Member for Bow River (Mr. Taylor).

Mr. Taylor: Mr. Speaker, I appreciate that, but the Hon. Member was speaking—

The Acting Speaker (Mr. Corbin): I apologize to the Hon. Member for Bow River, but the Hon. Member for Kootenay West (Mr. Kristiansen) is rising on a point of order.

Mr. Kristiansen: Mr. Speaker, with respect to the explanation of the new rules which you just gave, can Hon. Members ask questions based on answers given to previous questions? For instance, the Parliamentary Secretary, I believe in answer to a question by the Hon. Member for Kamloops-Shuswap (Mr. Riis), stated that his support for Bill C-133 was based upon his support for the whole package, the principles of the six and five program and of restraint. I think he referred to Bills C-124, C-131, C-132 and C-133. Within the parameter of the new ruling, are subsequent questioners able to ask questions in response to an answer and dealing with the facts brought out in an earlier response of the Member?

The Acting Speaker (Mr. Corbin): I thank the Hon. Member for his question. As all Hon. Members including himself will appreciate, this is a trial period. It is also a trial period for the Chair, with all the discretion given to it in the application of these provisional procedures.

Again, if I may be allowed, the question and answer period following an Hon. Member's intervention should not be an occasion to bring forward new issues or new aspects of the issue, if I may put it that way, raised in the Hon. Member's speech. The questions and answers should as much as possible, if not strictly speaking, apply to the comments made by the Hon. Member in the course of his speech. Of course, in a sense questions and answers would be part of the time allotted to the Hon. Member, so it would be up to Hon. Members to discipline themselves in this respect. The Chair does not wish at this time to say that questions will or will not be allowed. The best discipline is self-discipline, and I appeal to Hon. Members to adhere to the spirit of the report.

Again I apologize, but the Chair is now put in a position where it should normally close the question period. Points of order were raised in connection with the Hon. Member's speech, therefore, it is my understanding and my intention to take these points of order as part of the ten-minute period allowed for questions, comments and answers. Therefore I recognize the Hon. Member for Western Arctic (Mr. Nickerson) to make his speech.

Mr. Taylor: Mr. Speaker, I rise on a point of order. With respect, I think we should have this point clarified. If we may only ask questions about what the Member said during his speech, what is the use of asking questions? We have heard what he said. Surely if we are talking about the six and five program we can apply it beyond just what the Hon. Member said. Otherwise the Member will simply repeat what he said before and there will be no purpose in the question period at all.

The Acting Speaker (Mr. Corbin): I appreciate the comments of the Hon. Member for Bow River. Debate on third reading is rather far-ranging. It is not as strictly limited as it would be, for example, at report stage. This is a matter for Hon. Members to decide. They are in the best position to decide how far-ranging they really want the debate to be, but I suppose questions could be allowed on the broad principle of the Bill. However it is the privilege of the Hon. Member who is receiving the question to answer or not to answer. The Chair is not the best arbiter of that.

Mr. Nickerson: May I call it one o'clock, Your Honour?

The Acting Speaker (Mr. Corbin): Is it agreed that we call it one o'clock?

[*Translation*]

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

At 12.58 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

GOVERNMENT ANNUITIES

RETURN TO INVESTORS

Mr. Gus Mitges (Grey-Simcoe): Madam Speaker, as the Government is well aware, there has not been an increase in the yield on Government annuities, I believe, since 1976, despite assurances by the Government that increases would be reviewed from time to time to reflect the ongoing increases in the cost of living. This problem has been under study by the Department of Employment and Immigration for some years, and still no decision has been made.

The people who invested in these annuities did so in all honesty, and I believe they have the right now to demand that the Government should at last take the necessary measures to introduce some relief for annuity holders, who purchased Government annuities in good faith, to supplement their incomes and retirement funds.

An over-all review of the annuity situation, as well as a review of other kinds of Government investment portfolios, are long overdue and badly needed. I believe that low yielding annuities purchased some 25 to 30 years ago should be redeemed at full value to eliminate this unfortunate problem. It is my sincere hope that the Minister of Finance (Mr. Lalonde), in his new budget expected soon, will bring forth the necessary solution and legislation to do just that.

* * *

AGRICULTURE

PRINCE EDWARD ISLAND SUPPORT FOR CANAGREX LEGISLATION

Mr. George Henderson (Egmont): Madam Speaker, most Canadians are aware that the potato industry has provided my home province of Prince Edward Island with the livelihood that has made our Province famous. Prince Edward Island is blessed with a climate and soil well suited to agricultural production. Service industries, processing industries, and retailers alike, are dependent on the agricultural industry. The success of agriculture has a great influence on Islanders and so is of great importance to me.

Many months ago Bill C-85, a Bill of great importance to farmers across the country, was introduced to the House. This Bill will allow the establishment of a Crown Corporation called Canagrex. All of Prince Edward Island's Members of Parliament are aware of the outstanding support shown for this Bill by such organizations based in P.E.I. as the P.E.I. Potato Producers Association, and Cavendish Farms, which have come out in favour of the passage of the Canagrex Bill. As well, P.E.I's executive members of organizations such as the National Farmers' Union and the Horticultural Council have indicated their support for this legislation.

It is my sincere hope that the Members of this House will show their support of the agricultural industry on Prince Edward Island through strong support of Bill C-85 when it again returns to the House.

* * *

INDUSTRY AND LABOUR ADJUSTMENT PROGRAM

SUGGESTED DESIGNATION OF ERIE CONSTITUENCY COMMUNITIES

Mr. Girve Fretz (Erie): Madam Speaker, some communities have been more hard hit by the effects of the recession than others. Many towns which have only one major industry are devastated when that business shuts down. The Government has made provision to assist such areas under ILAP, the Industry and Labour Adjustment Program.

As the Member for Erie I am acutely concerned about certain areas in my constituency and the regional municipality of Niagara, which are suffering from massive unemployment due to slowing down and the closing of key industries. With unemployment estimated to be 19 per cent in some areas of my riding, I feel it would be very appropriate that these communities be aided under the Industry and Labour Adjustment Program. If only 12 areas have been designated so far under ILAP, surely there must be funds remaining for distribution to communities such as these in my riding and others.

When I look at regions with less unemployment than Erie riding receiving funds under ILAP, it raises doubts as to the equitable distribution of money available through this Program. It has become increasingly evident by the placement of ILAP designations that ILAP is being misused and seems to be little more than a promotion scheme. I say either the Program must be directed where the need is, or it should be dropped altogether before we become totally disillusioned with what appears to be blatant patronage.

* * *

THE ADMINISTRATION

ESTIMATING SIZE OF DEFICIT

Mr. Paul E. McRae (Thunder Bay-Atikokan): Madam Speaker, many economists differentiate between short-term deficits and longer term or structural deficits, the latter being far more dangerous than the former. Thus when a national deficit is adjusted to remove the effects of a recession, we can determine whether the deficit is short-term or structural and whether it is deemed dangerous or not.

A study done by a group of economists at the University of Toronto, Institute of Policy Analysis, indicated that, when one

applies the no recession scenario to the federal Government's accounts, one finds a small federal surplus in this fiscal year, indicating that our federal deficit is short-term.

According to figures supplied to *The New York Times* by Morgan Guaranteed Trust, a no recession scenario would show a deficit of $60 billion. Other estimates run as high as $90 billion, "a figure deemed dangerous." Given the nature of our deficit short-term, there is no reason, therefore, that Canada's federal short-term deficit should prevent expansionary measures.

* * *

POLITICAL PARTIES

ATTENDANCE OF PROGRESSIVE CONSERVATIVE MEMBERS DURING PENSION LEGISLATION VOTE

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, the House will recall that last year the Conservatives held up the House of Commons for 15 days on behalf of their friends in the multinational oil companies. And during the course of the last year they have held up the passage of Canagrex on behalf of their friends in the multinational grain companies.

Some Hon. Members: Oh, oh!

Mr. Deans: Last August the Conservatives hurried with obscene haste to support the Government in its six and five legislation, and in the process voted against an amendment put by us which would have protected the pensions of senior citizens who worked for the Government.

On Thursday last we gave the Conservatives an opportunity to stop the Government dead in its tracks as it attempted to pass legislation which affects senior citizens and families all across the country. They, however, could only muster 15 minutes of support for senior citizens. Yesterday we had a vote in the House and, had the Tories been present, we could have defeated the legislation which most affects senior citizen pensioners and the civil servants, but they had only 54 Members present, just slightly more than half of them. I want to say to you and to the House, Madam Speaker, that it is clear to see where the Tory priorities lie.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

* * *

ENERGY

PRICE OF GASOLINE

Mr. Doug Lewis (Simcoe North): Madam Speaker, it is difficult to follow a comedy routine, but I will do my best.

In 1980 the Liberals promised the Canadian people lower energy prices. Since that promise, gasoline prices have risen 17 times, adding some 84 cents a gallon to the price of gas. Canadians are now paying $2 a gallon, or 44 cents a litre, for gasoline.

Yesterday the Minister of Energy, Mr. Chrétien, tried to blame provincial sales taxes for high-gas prices. That is nonsense. In Ontario the provincial sales tax is 15 per cent while the federal sales tax is 35 per cent of the price consumers pay. What bothers us on this side is that while Americans are paying less because OPEC prices have dropped and consumers everywhere welcome that, the Minister of State (International Trade) (Mr. Regan) is quoted in Saudi Arabia as saying, "If the price of international crude oil should go down, Canada would face very serious problems."

On behalf of the consumers of Canada we demand that the price of gasoline in Canada, which has followed world prices up, follow world prices down just as quickly as OPEC prices decrease.

* * *

[*Translation*]

INDUSTRY

REQUEST FOR RECONSIDERATION OF NORTH SHORE AS SITE FOR PÉCHINEY ALUMINUM MILL

Mr. André Maltais (Manicouagan): Madam Speaker, the House is aware that at the present time, the North Shore is going through one of the most difficult times in its history.

I should therefore like to ask the Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion (Mr. Lumley) to reconsider the choice of Bécancour as the site for the Péchiney aluminum refinery. Madam Speaker, I wonder whether instead of investing in the construction of new facilities at Bécancour, we should not ask the Province of Quebec to invite Péchiney to establish its refinery on the North Shore where all services already exist and where we have accommodation for over 8,000 people in Port Cartier and Sept-Îles. Considering the availability of large quantities of cheap energy and the existence of deep-water ports on the North Shore, I think Quebec would do well to urge Péchiney to reconsider its choice of site and opt for the North Shore instead. This industry would revitalize the region, which certainly deserves the assistance of both provincial and federal governments. Madam Speaker, it would be unreasonable, to say the least, to spend millions of dollars in the Bécancour area on site preparation and access roads, when on the North Shore, the same facilities already exist, were paid for ten years ago and are not being used at the present time. I would therefore ask the Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion to get in touch with his Quebec counterpart to make sure that we—

• (1410)

[*English*]

THE ECONOMY

EFFECT OF GOVERNMENT POLICIES

Mr. Blaine A. Thacker (Lethbridge-Foothills): Madam Speaker, with two million Canadians out of work and 500,000 Canadians on welfare, the breakdown of Liberal economic policy has produced a crisis of fear and despair in Canada. The social disruption, broken homes, alcoholism, and acute anxiety caused by Liberal economic policies have moved concerned churchmen to express their indignation on moral grounds at a deliberate policy of placing monetary considerations above the welfare of individuals.

The depression which we must endure is totally unnecessary for Canada. It was caused by years of deliberate Liberal Party policies, such as high deficits, inflation, centralization and state control. The Liberal Party policy of "eat, drink and be merry for tomorrow you die", is now coming true.

On behalf of the hundreds of thousands of unemployed Canadians who are not, in the words of the Prime Minister (Mr. Trudeau), "skiing at Whistler" or "snorkeling in the Caribbean", this Party urges the Government to cease frittering away time in a vindictive pursuit of old people, widows and mothers, and to come up with effective and realistic policies to restore confidence and provide jobs.

* * *

PENSIONS

PROPOSED ESTABLISHMENT OF REGISTERED PENSION ACCOUNT

Mr. Jesse P. Flis (Parkdale-High Park): Madam Speaker, I wish to make a statement pursuant to Standing Order 21. Although Canada's pension system is one of the best in the world it still requires some improvement. One of the major problems is that many pensioners receive an insufficient income. Many live below the poverty line.

One of the changes proposed in the Green Paper on pensions is the introduction of a Registered Pension Account, RPA, an account wherein savings could be locked for use during retirement. This would be one means of ensuring that increased access to tax assistance is used as intended, that is, for retirement savings. This change, the report points out, would create an improved vehicle for individual retirement savings which, in conjunction with the vesting and portability measures, would enable individuals to have truly portable pensions.

During one's lifetime the average individual changes his or her job more than once. Because of this, improving the portability of pensions is of the utmost importance.

I urge that the Minister of National Health and Welfare (Miss Bégin) accelerate the establishment of a parliamentary committee to look into pension reform. I also urge the committee to consider seriously the establishment of a Registered Pension Account as a viable proposal to improve the pension system.

Madam Speaker, we hear heckling from Members of the NDP. They are not interested in pension reform. We on this side of the House are.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

* * *

BANK OF CANADA

INCREASE IN EMPLOYEE PENSIONS

Mr. Nelson A. Riis (Kamloops-Shuswap): Madam Speaker, where does Governor Gerald Bouey of the Bank of Canada really stand on the Government's six and five program? Does he really believe in it? Does he support it? He presumably advised the Government to proceed with it. He says he supports it, but his actions betray his true position. One would expect him to follow the six and five program with regard to his own retired personnel if he really believed in the six and five program, but he obviously realizes that the program is a farce, since, while most retired Canadians must live within a 6 per cent hike in Old Age Security benefits this year, the pensions of 484 former employees of the Bank of Canada have been raised by 11.5 per cent, fully covering the rate of inflation and more. It would appear that Mr. Bouey has now joined the rest of Canada and has pulled even his support of the six and five program.

Perhaps we should ask Mr. Ian Sinclair and his blue chip committee to approach Mr. Bouey to check if Bouey, too, along with them, believes the six and five program is not the avenue the Governor should pursue, which would hopefully encourage the Government to pull its six and five legislation currently before the House.

ORAL QUESTION PERIOD

[*English*]

ENERGY

EAST COAST OFFSHORE EXPLORATION—EFFECT OF REDUCED CRUDE OIL PRICES

Mr. Harvie Andre (Calgary Centre): Madam Speaker, in the absence of the Minister of Energy, Mines and Resources, perhaps I could direct my question either to the Prime Minister or to the Minister of Finance.

Some Hon. Members: There he is!

Mr. Andre: Oh, here comes the Minister of Energy, Mines and Resources.

Mr. Baker (Nepean-Carleton): Bolt the door behind you!

Mr. Crosbie: Good old swinging door!

Mr. Hees: Close the door, John!

Mr. Andre: During his recent junket to Saudi Arabia, the Minister of State for International Trade was quoted as saying that a drop in world crude oil prices would have disastrous consequences for the Canadian economy. He could have been thinking about a number of things, but he was undoubtedly concerned about the effect of dropping crude oil prices on offshore exploration, particularly on the East Coast.

Given the fact that oil and gas exploration, particularly East Coast offshore exploration, is one of the few bright spots in an otherwise dismal economic outlook, what steps is the Minister planning on taking to ensure that this new hope for the future is not lost as exploration slows down in an inevitable response to crude oil prices, prices much less than were predicted by the Minister's predecessor and much less than are economic under current fiscal and regulatory regimes?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, at this time we have an agreement with some oil companies to do some drilling off the coasts of Nova Scotia and Newfoundland. Of course, in order to achieve the goals to which the Hon. Member referred, it would be very useful to be able to come to an agreement with the Government of Newfoundland. We were supposed to meet today, but, unfortunately, they have not shown up.

Mr. Baker (Nepean-Carleton): They did not show up?

REQUEST FOR CHANGES IN LEGISLATION

Mr. Harvie Andre (Calgary Centre): Madam Speaker, the legislation governing offshore frontier exploration is the Canada Oil and Gas Act which, like the rest of the National Energy Program, was based on assumptions which are turning out to be totally wrong. Surely if the Canada Oil and Gas Act was appropriate for the assumptions that underlined it, it must be malappropriate or inappropriate for the actual real world situation which exists today.

Will the Minister wait for a curtailment on East Coast exploration prior to acting, or will he give a commitment to the House to act now, to put in the changes now, before East Coast exploration joins the long line of casualties, such as the tarsands plants and so on, which are a result of government mismanagement? Will he not act now, before we see that curtailment of this bright hope?

Mr. Baker (Nepean-Carleton): Open the door.

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I have not received any indication from anyone that the agreement which we have signed with the industries drilling off the coast of Nova Scotia, for example, will not be kept, that they will not follow up with the commitment they made to both Governments. There is no reason for me to believe that they will not fulfil their obligations because of the present OPEC situation. As I say, the best tool in ensuring development off the coast of Newfoundland would be to have an agreement with the Province. I have worked very hard in the last three months in order to achieve it. I am very disappointed, considering the agreement that we were to meet this afternoon in Montreal, that they have not come up.

Mr. Nielsen: It is the weather.

PRICES PAID BY CONSUMERS

Mr. Harvie Andre (Calgary Centre): Madam Speaker, the disaster of falling crude oil prices predicted by the Minister of State for International Trade could be accurate with regard to the effect on Governement revenues which will be disastrously short of predictions. It could be right in terms of its effect on exploration, particularly offshore frontier, if the Minister does not act. However, it is an ill wind which does not blow some good, and at least the consumers should expect to pay less for gasoline and heating oil if world crude oil prices decrease.

In the United States, Americans, whose Government does not claim to protect them from high prices, are paying less for gasoline and heating oil than are Canadians, whose Government claims to be protecting them from high world prices. When can Canadian consumers get the benefit of this international situation? When will the Government live up to its election promises?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I would like to reply to the question by saying, as I said yesterday in the House, that there is a break, a variation in the price of oil in Canada, depending on the Province where one lives. In some Provinces, like Alberta, there is no sales tax, while in Quebec, for example, and other Provinces, there is a huge provincial sales tax which makes a big difference in the price.

The Hon. Member is proposing some change in the agreement with the Provinces at this time, but he should check with the authorities in his own Province of Alberta, who stated yesterday they are not interested in any change at all.

* * *

NUCLEAR ENERGY

FUTURE OF HEAVY WATER PLANTS IN NOVA SCOTIA

Mr. Howard Crosby (Halifax West): Madam Speaker, my question, which is directed to the Minister of Energy, Mines and Resources, concerns the heavy water plants in Nova Scotia, operated by Atomic Energy of Canada Limited. Is the Minister of Energy, Mines and Resources listening? Are you there?

• (1420)

I have a question for the Minister of Energy, Mines and Resources about the heavy water plants operated by Atomic Energy of Canada in Cape Breton, Nova Scotia. The Minister

knows what havoc would be wrought by the closure of this plant—

[*Editor's Note: A disturbance having been created in the Public Gallery.*]

Madam Speaker: Order! Order!

Mr. Crosby: Does this count on my time?

[*Editor's Note: And the disturbance continuing.*]

Some Hon. Members: Hear, hear!

Madam Speaker: Order!

Mr. Crosby: One thing we must make clear in this Chamber is that if we are allowed to function as parliamentarians without outside interference, aided and abetted by the group to my left, nothing will happen in the name of democracy.

Some Hon. Members: Hear, hear!

Mr. Crosby: I have a question for the Minister of Energy, Mines and Resources, as he now knows, concerning the heavy water plants in Cape Breton, Nova Scotia, operated by Atomic Energy of Canada Limited. If the plants are closed 700 people or more will be thrown out of their employment and havoc will be wrought in Cape Breton and eastern Nova Scotia. Can the Minister tell us whether the Government will see that these plants will remain open, but if they are to close, does the Government have a program or plan for alternate employment for those persons directly or indirectly affected?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I would like to tell the Hon. Member that we are very much aware of the problem that the closing of these two heavy water plants might cause in this area. That is why the Government is looking at some other sort of solution than closing them. At this time we are having discussions with Atomic Energy of Canada to see what are the prospects of selling more heavy water, which would permit them to keep these plants open and, if we cannot keep them open, to try to find some alternative. We are taking the problem very seriously, as the Hon. Member is, and we will do our best to find an adequate solution.

USE OF COAL TO PRODUCE OIL

Mr. Howard Crosby (Halifax West): Madam Speaker, on the question of alternative employment for persons whose employment might be lost through the closure of the heavy water plants in Cape Breton, may I ask the Minister is he aware of a program or project by Scotia Coal Synfuels which would result in using Nova Scotia coal to produce oil, with the assistance and use of natural gas? Is the Minister aware of that project, which I understand is headed by Alastair Gillespie, and will he assure the House that the former Minister of Energy, Mines and Resources who partly caused the energy problem in Canada, will not be called upon to correct it, and be the source of this alternate employment in Nova Scotia?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I am certainly aware of the project. My Department is paying for it.

* * *

NATIONAL ENERGY PROGRAM

CALCULATION OF REVENUE LOSS

Hon. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Minister of Energy, Mines and Resources as well. In the fall of 1981 the Government's budget clearly pinned the whole fiscal future of the country on OPEC's continual increase of energy prices. The Government finally admitted last spring that its calculations in terms of anticipated revenue were out by some $25 billion. The disarray demonstrated by OPEC the other day clearly means that these calculations are out by many more billions of dollars. Will the Minister give the House a carefully worded and accurate update on the calculation of the revenue loss to the people of Canada? Is it now $30 billion, $35 billion, or what is the figure?

[*Translation*]

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, it would be entirely premature to try to answer the question put by the Leader of the New Democratic Party, because as yet, not all the consequences of yesterday's decision—or the lack thereof—by the OPEC countries are known. In the weeks or months to come, we shall see at what level the world oil price will stabilize, and at that time we shall be able to make our estimates accordingly. I believe last year's figures are still valid today, because the world price has been fairly stable during the past eight months.

[*English*]

Mr. Broadbent: Madam Speaker, it seems that everyone in the oil business but the Minister knows that the most recent estimates that he has made are wrong, that he is out by many billions of dollars once again, and that he has an obligation to this House, to explain soon just how many billions of dollars the Government has miscalculated.

DECREASE IN OPEC OIL PRICES

Hon. Edward Broadbent (Oshawa): I would like to go to my supplementary question. It is quite evident that if prices remain stable between now and July 1 the agreement entered into between the federal Government and the Provinces will mean that the anticipated increase of $4 per barrel on July 1 will not be taking place. Given the needs of Canadian industries and Canadian consumers at this time, will the Minister guarantee to these groups that they will obtain exactly proportional benefits from declines in price increases by OPEC? Will he make sure that we get a reciprocal decline in prices for Canadian consumers and Canadian industries if the price goes down?

Presence in Gallery

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, with respect to the price of oil in Canada, the policy is well known. For imported oil and new oil the price is based on the international price. For old oil it is 75 per cent of the international price. Everything is based on the fluctuations in the international market, and the prices will have to be adjusted accordingly.

Mr. Broadbent: I take it that means there will be a direct relationship between the decline in OPEC prices and the decline in prices to Canadian consumers and industry.

* * *

THE ECONOMY

REQUEST FOR INDUSTRIAL STRATEGY

Hon. Edward Broadbent (Oshawa): My last question is for the Minister of Finance. His predecessor abandoned the Liberal commitment to an industrial strategy in the fall of 1981 when he put all his fiscal expectations into the OPEC basket anticipating revenue increases in Canada virtually exclusively being dependent upon oil price hikes by OPEC. We have now seen the disaster of that miscalculation, the disaster of abandoning the commitment that was made to an industrial strategy.

In the forthcoming budget will the Minister assure the House that this mistake will not be repeated, that we will not continue to lose the thousands of jobs and suffer the loss of revenue that came from that OPEC miscalculation, and will he live up to the 1980 election promise made by the Prime Minister and give to this country, at long last, the industrial strategy that we need?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I cannot agree with the statement by the Leader of the New Democratic Party as it applies to my predecessor. In the November 1981 budget, my predecessor did not base his entire economic strategy on a given projection of oil prices. As far as the contents of my upcoming budget are concerned, I would ask the Leader of the New Democratic Party to be patient, and I am sure that when the budget is brought down, he will be pleased with what is in the budget and will support it wholeheartedly.

* * *

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF YUKON MINISTER OF JUSTICE, HON. CLARKE ASHLEY

Madam Speaker: I would like to draw the attention of the House to the presence in our gallery of the Hon. Clarke Ashley who is the Minister of Justice in the Yukon.

Some Hon. Members: Hear, hear!

LABOUR CONDITIONS

INCREASE IN WOMEN'S UNEMPLOYMENT—GOVERNMENT POSITION

Hon. David Crombie (Rosedale): Madam Speaker, I have a question for the Minister of Employment and Immigration. Yesterday the Minister responsible for the Status of Women stated in this House that it was her view, and I quote, "that the unemployment figures for women have not risen substantially". I am sure the Minister is aware that last year the unemployment rate for women went up 41 per cent, the highest since the Depression of the thirties. Does the Minister agree with his colleague, and is that unemployment rate unacceptable to the Government?

• (1430)

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, it is my reading of *Hansard* that the Minister of State responsible for the Status of Women did not say that it was acceptable. She simply pointed out to the Members of the Opposition that, in fact, the rate of unemployment for women has not risen as dramatically or as drastically as in other groups. It has remained relatively stable. As we have pointed out in this House many times, the fact that there are high rates of unemployment is unacceptable to this Government and that is why we are working very hard to change this.

RETRAINING OF WOMEN

Hon. David Crombie (Rosedale): Madam Speaker, if the Minister again consults *Hansard* he will see that the quote is clear. It says:

—the unemployment figures for women have not risen substantially.

That is actually the quote. The Minister will also recall that recently there was a report from Heather Menzies with respect to "CHIPS" and "Future Work for Women". Ms. Menzies in that report indicated, by the way, that by the end of the decade we would have close to a million women unemployed unless we paid attention to our training programs. In the face of that, the Minister of State responsible for the Status of Women said yesterday:

Many unemployed women can't learn new skills because they aren't educated enough to be retrained—

Is it the view of the Government that these women cannot be retrained, or are we again being treated to more uninformed and insensitive remarks from the Minister responsible for the status of women?

Hon. Judy Erola (Minister of State (Mines)): Madam Speaker, I should like to clarify that statement and elaborate on it.

Some Hon. Members: Oh, oh!

Mrs. Erola: From my conversations with a great many people, including the head of the task force, Dr. Margaret Fulton, and all of those very much involved in the retraining of

women, the problem is very fundamental. The teaching of math and sciences in the elementary and secondary schools has not been followed as it should be in the training of women. They are, therefore, unable to take advantage of the training programs that we, the federal Government, offer to them. The provincial Governments have failed in their responsibilities to women.

MINISTER'S POSITION

Hon. David Crombie (Rosedale): Madam Speaker, is the Minister actually saying that because in an earlier period of their lives these women, not having proper math and physics training, are not able to have retraining programs from the federal Government, and that they will be written off?

Hon. Judy Erola (Minister of State (Mines)): Madam Speaker, it is not what I am saying.

Mr. Crombie: It is what you are saying.

Mrs. Erola: What I am saying is that it is impossible for women to take advantage of the training programs that are available to them because they have not had the proper educational background. I suggest the Hon. Member look at the Science Council of Canada's recently released report "Who Turns The Wheels". It states specifically the very real problems of women in this country.

REQUEST FOR CHANGES IN RETRAINING PROGRAMS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I have a question for the Minister of State responsible for the status of women.

Some Hon. Members: Hear, hear!

Mr. Clark: The Minister of State said that the state of preparation of unemployed women, and I use her words, prevents those women from taking advantage of federal programs. What changes does the Minister intend in federal programs to allow those unemployed women to take advantage of the retraining programs and not simply be written off as uneducable, as the Minister of State tried to do yesterday?

Hon. Judy Erola (Minister of State (Mines)): Madam Speaker, I would like the Minister of Employment and Immigration to answer the second part of the question. The first part of the question is very real—how do we address the fundamental problems of women in this country? I appeal to the women of this country to go their Provinces and their educators and say to them, "Give us the proper training in the beginning", and then we will finish the job at the federal level.

PROVISION OF RETRAINING PROGRAMS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, the Minister of State cannot have it both ways. She cannot say that there is a problem caused in the past by provincial education systems that can only be solved by the federal Government, and then go to say that the refusal of the federal Government to solve that problem is the fault of the Provinces. She cannot have it both ways. Since she has now asked the women of Canada to set her policy and said that the Minister of Employment and Immigration will announce it, will the Minister of Employment and Immigration answer two questions.

First, the Minister of State responsible for the status of women said that a 41 per cent increase in unemployment among women is, to quote her, "not substantial". What in the name of God is substantial if 41 per cent unemployment is not?

Second, will the Minister of Employment and Immigration tell this House of Commons what the Goverment is going to do, and precisely when it is going to do it, to make its retraining programs deal with the problems of women who are now prevented by the Government's own policy from taking advantage of those programs?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, it is very unfortunate that the Leader of the Opposition has been so distracted by his political problems in his own caucus that he has not been aware of what actions this House and this Government have taken. I would like to point out, for example, that when this Government came into office the Government of Canada offered something like 14 Outreach Programs directed toward the needs of women. We now have 32 programs available. We have more than doubled the number of programs that his Government offered to enable women to get into our training programs.

Further, he may not be aware of this, but last year this Government passed a National Training Act which provides special allowances for women to move into non-traditional work. It provides special grants to non-profit, community and business organizations to offer special training programs for women in non-traditional work. Just last week it provided $41 million to modernize the training facilities across the country in order to provide for those new training places. I think the Leader of the Opposition is in desperate need of retraining.

Some Hon. Members: Hear, hear!

QUERY RESPECTING GOVERNMENT PLANS

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, as one of my colleagues pointed out, I will do considerably better in Winnipeg than the Minister will.

Some Hon. Members: Hear, hear!

Mr. Clark: I regard the matter as being very serious when the Minister of State responsible for the status of women says that 41 per cent unemployment among women is not substantial and when she admits that the present arrangement of her policies, and I use her words, "prevents women from taking advantage of retraining programs". In other words, the status

quo of yesterday prevented those women from taking advantage of retraining. What is the Government going to do about that? Obviously the changes the Minister referred to are not enough. According to his seatmate, they prevent women from retraining. What is the Government going to do to provide retraining to those women so they can get back into the work force and play a role as equals in the growth of Canada?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, it again strikes me as exceedingly strange that the Leader of the Opposition, who in the past has prided himself as being the great defender of federal-provincial jurisdiction, is not aware that in this very critical area we share jurisdiction. The provincial Governments have responsibility for providing basic education for their populations, and the federal Government, through its direct grants, through the National Training Act, provides for higher skilled training. By the way, to clarify the statement made by his colleague yesterday, we provided over a million additional hours of training this past year in the high-skill trades in order to provide for the kind of concentration and focus in those areas of training that are required to make a more productive economy.

This Government is taking action. We are concerned about the problems of women. That is why we have introduced a number of direct employment programs in which women participate up to 40 per cent or 50 per cent, unlike his Government which cancelled all the direct employment programs.

REQUEST FOR RULE CHANGES

Right Hon. Joe Clark (Leader of the Opposition): Madam Speaker, I would like the Minister to take his responsibility seriously. He knows that his Government designs the training programs. He further knows that his colleague said yesterday that the rules of the Liberal Government prevent women from being engaged in those training programs. The Liberal rules prevent women from being retrained. That is what the Minister of State said yesterday. What is the Liberal Government going to do to change the Liberal rules?

• (1440)

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, I would again ask the Leader of the Opposition, does he not understand what this Parliament has passed? He seems incapable of reading *Hansard* one day after it is printed. The Minister of State did not say that Liberal rules prevent women from taking training. What she was saying is that the lack of proper grounding in the vital areas of mathematics and science, during their primary and secondary school education, makes it more difficult for them.

What we have introduced in our National Training Act are the kinds of programs which will enable women to get the remedial training and the kind of counselling and guidance which will allow them access into our programs. I would be very glad to provide the Hon. Leader of the Opposition with full information on that program so that he can bring himself up to date.

* * *

PRIVACY

MISUSE OF PERSONAL INFORMATION STORED IN COMPUTERS

Miss Aideen Nicholson (Trinity): Madam Speaker, my question is for the Minister of Justice. In view of the fact that the protection of privacy now lags far behind available computer technology and that an unprecedented amount of information about Canadians using electronic banking, home shopping services, computerized home security services, and so on, will shortly rest in computer banks, will the Minister say whether he is giving consideration to ways of preventing misuse of that information? In particular, will he say whether the recommendations of the Privacy Commissioner are under active consideration?

Hon. Mark MacGuigan (Minister of Justice and Attorney General of Canada): Madam Speaker, I can indeed confirm that this is the case. As a result of the recommendation of the Privacy Commissioner last year that a new offence be created for the misuse of personal information, we have engaged in a very serious study of this issue. This is part of the general review of the criminal law process which is taking place. I hope to be in a position, perhaps even sometime later this year, to announce our policy in that respect.

* * *

BROADCASTING

PROTECTION OF WOMEN AGAINST ABUSE

Ms. Lynn McDonald (Broadview-Greenwood): Madam Speaker, my question is for the Minister of Communications. The Minister is aware that the CRTC has been asked to amend the broadcasting regulations to give the same protection to women as is accorded to members of racial ands religious groups. It has also been asked to see that the same guidelines are applied to pay television as to radio and ordinary television broadcasting. If the CRTC will not act to prevent this kind of abuse, is the Minister prepared to introduce an amendment to the Broadscasting Act to see that Members of racial and religious groups as well as both sexes are protected against abuse?

Hon. Francis Fox (Minister of Communications): Madam Speaker, the CRTC has very specific responsibilities under the Broadcasting Act. As the Hon. Member knows, these representations were made by her to Members on this side of the House and, obviously, to the CRTC only a few days ago. The concern of all Parliamentarians was conveyed to the CRTC by myself. I expect the CRTC is considering these matters at the moment and will be in a position to state its own position in the very near future.

INVITATION TO ATTEND SHOWING OF PLAYBOY TAPE

Ms. Lynn McDonald (Broadview-Greenwood): So far, Madam Speaker, the CRTC has not seen fit to act, although asked to do so on many ocasions, and a number of months ago. I can certainly assure the House that my Party would be prepared to support swift passage of an amendment to the Act. We can amend the Act, the CRTC can only amend the regulations.

Will the Minister attend a showing at 3.30 this afternoon in the West Block of a tape of what is now available from Playboy network in the United States? I have invited all Members of the House and the press to see this tape because I think it will show most clearly that what we are talking about is not simply adult movies so-called, not simply erotica, but really severe abuse of women, and a great deal of cruelty and brutality toward women.

Hon. Francis Fox (Minister of Communications): Madam Speaker, a number of Members on this side of the House have indicated a very real concern to me on this important issue. I met with a number of them last night and I know they do indeed share the type of concerns expressed by the Hon. Member, and intend to assist this afternoon.

* * *

CRIMINAL CODE

REQUEST FOR AMENDMENTS TO DEAL WITH STREET PROSTITUTES

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, my question is directed to the Minister of Justice. As the Minister knows, the Supreme Court of Canada today rendered its decision in the Westendorp case, striking down Calgary's by-law dealing with solicitation for the purposes of prostitution. In that judgment the Minister will know that the Chief Justice of Canada has made it clear that municipalities under the present constitutional arrangement from Halifax across to Vancouver have very little room to manoeuvre in the fight against soliciting. Now that it appears by virtue of this Court ruling that the ball is directly back in the federal Government's court, is the Minister prepared to bring in amendments to the Criminal Code to make effective the laws against solicitation for the purpose of prostitution?

Hon. Mark MacGuigan (Minister of Justice and Attorney General of Canada): Madam Speaker, I am sure the Hon. Member will recall, because I believe he supported it, this issue was referred to the Standing Committee on Justice and Legal Affairs for their guidance to the Government last year. We are, of course, eagerly awaiting that guidance. I may say our hope had been that this Calgary by-law would be upheld. We did not oppose the by-law. And since the judgment has been rendered today I have asked my Department to investigate any ways that may exist to enable us either to delegate such kind of power to municipalities which wish to have it or through some other way to make available to the municipalities this type of control over the use of streets.

DEFINITION OF SOLICITATION

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I am sure the Minister will be aware, by virtue of reports from his colleagues on his side of the House, that the conclusion of the Standing Committee at this point is inconclusive. Only one Member of his Party, the Hon. Member for Sarnia, was in favour of amendments to the Criminal Code. The New Democratic Party was in favour of legalizing prostitution. We had anticipated the decision here, and said that we wanted to have amendments to the Criminal Code to make it effective.

The Minister cannot avoid his responsibility any further. I woulld like to know whether he is prepared to make amendments to the Criminal Code in terms of a new definition of solicitation, including customers as well as the prostitute, making both males and females subject to charge, and redefining "a public place". Will the Minister not take action now to aid the municipalities across the country?

Hon. Mark MacGuigan (Minister of Justice and Attorney General of Canada): Madam Speaker, I find it very strange that the Hon. Member, who has responsibility as a Member of the Standing Committee on Justice and Legal Affairs for this advice to the Government, would now be asking us to make a decision without reference to the views of the Committee. The Committee has presented no report. He may rightly indicate the Committee Members are divided in their views. So is the country, Madam Speaker, and it was precisely because of this that we asked the Committee members for their best views. The responsibility is theirs; it is not ours.

* * *

INDUSTRY

EFFECT OF GOVERNMENT POLICIES ON PETROCHEMICAL INDUSTRY

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, my question is directed to the Minister of Energy. The Minister will know that the petrochemical industry is having severe difficulties. He also will know that this industry uses only 5 per cent of the total oil and gas resources in Canada, but adds up to 27 times their value in finished products. Is the Minister aware of the difficulties that are persisting, and is he aware of the fact that the revenue and taxation policies which have been implemented by the federal Government have already exceeded those levels which were expected in 1985, which has made many of the companies non-competitive? If he is aware of these things, what is he prepared to do about it?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, questions with respect to the petrochemical industry are normally handled by the Minister of Industry, Trade and Commerce, but there is a component of my Department which deals with that. I suppose what I can

say at this time is that the Government is studying the problem. We are aware of the problem, and it is not an easy one.

REQUEST FOR TAX CUT

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, my supplementary is directed to the Minister of Finance. Understanding the revenue and tax policies on energy of the Liberal Government, the Minister will understand that the petroleum compensation charge of about $7 per barrel, and the natural gas and gas liquids tax which are being imposed on this industry now, are the reason that they are non-competitive and face real danger in terms of survival.

If the Minister would eliminate those two portions, the petroleum compensation charge and natural gas and gas liquids tax, on just that 5 per cent of the energy resources which Canada uses for petrochemicals, then he would lose $125 million of tax revenue, but he would achieve an additional $300 million in increased personal income tax, and another $200 million in retail tax, sales tax, and unemployment insurance benefits which he would not have to pay. In addition to that, there would be corporate taxes. There would be a net benefit, therefore, of at least $400 million. I would like to ask the Minister of Finance if he would consider removing those taxes on just that 5 per cent of the energy resources which are used for that industry, thereby helping the industry to survive, creating jobs, and reducing the federal deficit by $400 million?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, a number of factors are involved in the difficult situation now facing the petrochemical industry. According to the Hon. Member, the gas-based petrochemical industry is not facing the same difficulties as the oil-based industry. International factors are also involved, at this time, and I think the Hon. Member was somewhat hasty in his analysis of the situation.

* * *

• (1450)

[*English*]

ENVIRONMENTAL AFFAIRS

POLLUTION OF NIAGARA RIVER—POSITION OF UNITED STATES ADMINISTRATION

Mr. Jim Fulton (Skeena): Madam Speaker, my question is directed to the Minister of the Environment. I am sure many Members of this House noticed some of the headlines the Minister got yesterday, such things as "Leakage Turns Water into 'Toxic Brew'", "Ottawa Starts Study of Poisons in Water", and "5 Million Lives at Risk". However, I do not think too many Members of this House are aware of the fact that these same kinds of headlines have been coming out as the result of studies since 1973, particularly in relation to the S-Site Dump and others along the Niagara. It seems to me that adding another volume to this coroner's inquest is just a continuation of the kind of criminal negligence with which various corporations are treating the Great Lakes water supply.

Will the Minister tell the House whether or not he has received one shred of evidence from the U.S. adminstration that they intend to spend one dollar in the coming year on cleaning up S-Site, or are we once again doing all kinds of scientific work on behalf of a bankrupt administration in the United States?

Hon. John Roberts (Minister of the Environment): Madam Speaker, the information which I announced yesterday is relatively new information which is coming to us—the studies of the S-Site Dump in terms of the potential migration to Canadian territory from fill on the American side. This is new and disturbing information.

As far as the second part of the Hon. Member's question is concerned, yes, through the Niagara Toxics Committee, established well over a year ago and which includes the Consultation and Liaison Committee, there are indications that the American Government is taking this issue very seriously. The whole matter of cleaning up the S-Site, as perhaps the Hon. Member knows, or certainly should know, is now a question which has been looked at in terms of negotiations preliminary to the court process in the United States.

REQUEST THAT DELEGATION APPEAR BEFORE UNITED STATES CONGRESS

Mr. Jim Fulton (Skeena): Madam Speaker, there is a real question of credibility here. Just recently the Environmental Baseline Study on the Niagara River came out and Dr. Berkes, who teaches environmental studies at Brock University, had the following to say concerning that:

> Assurances that drinking water meet government standards are misleading and irresponsible.

Almost two years ago an NDP Committee travelled to New York State and were the first people ever to meet the responsible New York legislators. We know it is going to cost hundreds of millions of dollars to clean up the S-Site Dump. I would like the Minister to explain to this House why Canada is spending millions of dollars doing studies on this carcinogenic and mutagenic material going into our drinking water? It is from U.S. chemical companies, it is on U.S. soil, and Reagan will not do anything about it. Why are we spending the money? Why don't we send an official delegation down before Congress and tell Congress how we feel about being poisoned?

Some Hon. Members: Hear, hear!

Hon. John Roberts (Minister of the Environment): Perhaps if the hon. gentleman had listened to my first answer he would realize it is not a phenomenon which is occurring entirely on United States soil, but it is now invading Canadian territory as well. That is why we are doing research on Canadian territory, to assess the impact so we will be better able to respond.

The hon. gentleman claims his Party was first off the mark on that, and that is simply not true, Madam Speaker. There are Members in this House—I could cite the Hon. Member for Niagara Falls—who, long before the NDP became interested in this matter, were exploring it with officials in the U.S. The NDP is jumping on a bandwagon which has long left.

* * *

NATIONAL DEFENCE

F-18 FIGHTER AIRCRAFT PROGRAM—ALLOTMENT OF WORK TO PROVINCES

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, my question is for the Minister of National Defence who stated in the House yesterday that almost half of the new fighter aircraft work would be allotted to the Province of Quebec and the remaining 50 per cent would be spread amongst the other nine Provinces. Can the Minister justify such a discriminatory arrangement?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, the hon. gentleman ought to have followed the dossier a bit more closely. Had he been able to read the French press in the Province of Quebec he would have seen that the criticism from that Province is indeed that Quebec is not getting the number of offsets from the F-18 Program that the Quebec aerospace infrastructure would justify according to the allegations. I point out to the hon. gentleman that I would be pleased to provide him with the full figures relating to the projected offsets, including those for the Province of Manitoba which is doing well under the F-18 Program.

Mr. McKenzie: Madam Speaker, I have studied the Minister's answers of yesterday, and that is why I am asking the question today.

REQUEST THAT MANITOBA GET PERCENTAGE OF WORK

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, as 10 per cent of the aerospace industry is in the Province of Manitoba, would the Minister give us a firm commitment that 10 per cent of the NFA work will go to the aerospace industry in Manitoba?

Hon. J.-J. Blais (Minister of Supply and Services): Madam Speaker, the Government has never indicated, or at least offered any guarantees for regional distribution of the offsets of the F-18 to any region of the country. What the Government has done is included two terms within the contract, one involving the Blade and Vane plant that has gone into Bromont; the other was with reference to a numerical controlled machining centre that is going into Eastern Quebec as well. Those are the only undertakings that were contractually provided for by the Government.

The balance of the offsets will be determined, Madam Speaker, based upon the ability of individual companies within Canada to compete not only with other companies in Canada but indeed in North America.

* * *

ENERGY

CLOSURE OF SATELLITE ICE TRACKING STATION AT ST. JOHN'S, NFLD.

Hon. James A. McGrath (St. John's East): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. Could the Minister tell the House why the Government has taken a decision to close the satellite tracking station outside St. John's which will leave a very serious gap in our search and rescue capability in terms of, for example, tracking ice and getting immediate data on ice movements which seriously impact on the safety of our offshore workers?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, there was a problem of costs involved in that. I am informed by the officials that the system we have will be adequate for the supervision needed, but we are looking into the problem at this time. There is some discussion about alternative solutions to the problem and I will advise if we can change the decision. So far the decision was made because of much higher costs to operate than before.

JUSTIFICATION FOR CLOSURE

Hon. James A. McGrath (St. John's East): Madam Speaker, is the Minister aware that a senior official of Petro-Canada has described that station as "a necessary element to the safety and efficiency of frontier exploration"?

Can the Minister also explain to the House, when he talks about cost efficiency, how the Government can justify closing down this very important tracking station while at the same time planning on spending over $1 million to build a tracking station in Thailand?

Hon. Judy Erola (Minister of State (Mines)): Madam Speaker, the Shoe Cove installation was designed originally to receive signals from SEASAT. The SEASAT installation has disappeared, and it is in fact obsolete, to be replaced by a better system which will provide better services.

Mr. Clark: In Thailand.

* * *

ENVIRONMENTAL AFFAIRS

POLLUTION OF NIAGARA RIVER—MINISTER'S STATEMENT ON SAFETY OF DRINKING WATER

Mr. Joe Reid (St. Catharines): Madam Speaker, my question is directed to the Minister of the Environment who will recall answering a question of mine some six weeks ago by stating that the S-Area does not constitute a threat to the quality of the drinking water of some four million Canadians.

On what basis would the Minister make such a statement to this House, and then yesterday issue a press release indicating that this S-Area is somewhat of a new and pressing problem which should be eradicated almost immediately? This is also in view of the answer he has just given, since he has had knowledge of it for some considerable length of time.

Hon. John Roberts (Minister of the Environment): Madam Speaker, I would have to check exactly what I did reply to the Hon. Member but, as far as I can recall, the answer I gave him then is still accurate. There is no evidence whatsoever that the standards of drinking water in the Niagara River or Lake Ontario are beyond those which are established as being safe. There is no indication in the present situation of any conflict with the existing safe water guidelines. That does not mean we should not be concerned about leakages or the migration of fill. There are problems which should concern us. The question the Hon. Member posed, if I remember correctly, was in terms of safety levels, and I think the answer I gave to him is one which I would repeat now.

● (1500)

REASONS FOR MINISTER'S POSITION

Mr. Joe Reid (St. Catharines): Madam Speaker, my supplementary question is directed to the same Minister who said that the information he received from his officials was that there was no danger to quality supply in this situation. If he is not serious about the problem why did he make this expression yesterday in his press release? If he is serious, then why did he say that he would simply express his concerns to American authorities so that they, in turn, will keep his concerns in mind when they negotiate a settlement with the contaminators, knowing full well that we have had little benefit from U.S. actions in the past?

Hon. John Roberts (Minister of the Environment): Madam Speaker, that is not what I said yesterday. We indicated that not only are we going to continue our representations to the American authorities in a diplomatic way, as we have in the past, but we are going to continue to deal with the International Joint Commission on these affairs. We are using the Niagara Toxics Committee and the consultation committee to bring our concerns to the attention of the United States. We are increasing our own spending in terms of the Departments of Environment, in terms of Health and Welfare, and in terms of fisheries and Oceans to examine the problem. What is new in this situation is not changes in the quality of water; what is new is the evidence of migration, underground, of potentially dangerous products to Canadian territory. That is the new element of the situation which I discussed yesterday. I brought forward an action program which will help us deal with that.

PETITION

TABLING OF REPORTS OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table reports of the Clerk of Petitions stating that he has examined the petitions presented by Hon. Members on Monday, January 24, 1983 and finds that they meet the requirements of the Standing Orders as to form.

* * *

PRIVILEGE

MR. ROBINSON (BURNABY)—PRESENCE OF PHOTOGRAPHERS IN CHAMBER

Mr. Svend J. Robinson (Burnaby): Madam Speaker, I rise on a question of privilege following certain events which took place during Question Period. It is my understanding that recently photographers were allowed into the House of Commons for the purpose of taking pictures of what takes place on the floor of the House. It is my understanding that photographers are restricted to taking pictures for that purpose.

Today, a group of young Canadians individually voiced their anger and outrage over Canada's complicity in the testing of the Cruise missile. Following that peaceful protest, which I at least, as an individual Member, support—

Some Hon. Members: Oh, oh!

Mr. Robinson (Burnaby): —the photographer turned his camera up to the gallery and started to take pictures of members of the public in the gallery. I would ask—

Madam Speaker: Order, please. Of course, the Hon. Member knows that this is not a question of privilege; it is a matter of the administration of the affairs of the House of Commons. I can assure the Hon. Member that if he is right in saying that the camera was turned toward the galleries and such photographs are published, then as Speaker I will make any disposition that may be required. The photographers are sufficiently warned of their latitude in the House. Until now they have adhered strictly to the rules we have set down for them.

* * *

POINT OF ORDER

MR. FLIS—INTERRUPTION OF QUESTION PERIOD

Mr. Jesse P. Flis (Parkdale-High Park): Madam Speaker, it is unfortunate that the proceedings of this House were interrupted during Question Period today. I think it is more unfortunate that one Party in this House applauded this kind of disruption.

Mr. Baker (Nepean-Carleton): Which Party?

Madam Speaker: Order, order. At no place in the Standing Orders does it say that Members cannot applaud at any time during the course of debate in the House. The Hon. Member must realize, therefore, that he does not have a point of order.

* * *

[*Translation*]

PRIVILEGE

MR. ROY—IMPOSSIBILITY OF ATTENDING ALL MEETINGS

Mr. Marcel Roy (Laval): Madam Speaker, I rise on a question of privilege. I consider that my rights as a Member were breached during today's oral question period. I feel that an unfortunate precedent has been created here. I shall explain.

During oral question period, Madam Speaker, an Hon. Member, possibly with an interest in a cablevision company, was distributing in the House invitations to all Members for a special meeting at 3.30 when a television screening would be held. Following distribution of this written invitation, the Hon. Member put a question to the Minister of Communications (Mr. Fox), who is responsible for the CRTC.

Madam Speaker, Government Members have commitments, since we are involved in running this country, and we cannot attend a meeting on a few minutes' notice. However, I would not want the press to interpret the absence of some Liberal Members as a lack of interest in the problems raised in the message contained in the invitation.

I fail to see how the desired objective could be attained by this action, and I am therefore registering this complaint. In my opinion, this is a breach of the rights of the Members of this House.

[*English*]

Ms. Lynn McDonald (Broadview-Greenwood): Madam Speaker, on the same point, it would certainly be possible to arrange other showings of this tape for people who are not available at 3.30.

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I understand the point made by the Hon. Member for Laval (Mr. Roy), but unfortunately he is factually incorrect. To begin with, the suggestion that my colleague, the Hon. Member for Broadview-Greenwood (Ms. McDonald), distributed the material is incorrect. I distributed the material.

Second, I did so after consulting the House Leader for the Conservative Party and the Whip for the Liberal Party to ascertain whether they had any objection to making the invitation available to each Member during the time that the House was sitting. Both indicated their willingness to have the material distributed.

The invitations had previously been sent out in the in-House mail but we were afraid they might not reach each of the offices in time. I suggest to the Hon. Member that he should check his facts.

[*Translation*]

Madam Speaker: I want to make it clear to the Hon. Member that the Chief of the Distribution Office had warned the Hon. Member for Broadview-Greenwood (Ms. McDonald) that he would not be able to have her invitations distributed by the services of the House. However, as was pointed out by some Hon. Members, the invitations were distributed by Members themselves, and I think I saw one of the pages putting them on some of the desks. Now I understand that all of this is the result of consultation among the party whips.

I must warn Hon. Members that the only way to reach Hon. Members and distribute documents is through our mail services, and I would ask Hon. Members from now on, despite any consultations that may take place among party whips, to refrain from making use of the pages and House services and also to refrain from distributing messages in the House themselves.

ROUTINE PROCEEDINGS

[*English*]

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

PRESENTATION OF FOURTEENTH REPORT OF STANDING JOINT COMMITTEE

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Madam Speaker, I have the honour to present the fourteenth report of the Standing Joint Committee on Regulations and Other Statutory Instruments, in both official languages.

* * *

[*Translation*]

MACDONALD ROYAL COMMISSION

TABLING OF NAMES OF THREE COMMISSIONERS OF INQUIRY

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, pursuant to the provisions of Standing Order 41(2), I wish to table the names of three new commissioners of the Royal Commission of Enquiry on the Economic Union and Development Prospects for Canada.

Petitions

PETITIONS

MR. DUPRAS—NORTH AMERICAN MILITARY INTERVENTIONS IN CENTRAL AMERICA

Mr. Maurice Dupras (Labelle): Madam Speaker, I wish to speak on behalf of nearly 4,500 petitioners from the riding of Labelle and the general area, who are outraged by North American military intervention in Central America and are demanding the liberation of the people of these countries. Although I do not necessarily agree with some of the terms used in this petition, I believe it is my duty as the Member for the riding of Labelle to provide a forum for the views of my constituents in this assembly, the highest court in the land.

[*English*]

MR. GURBIN—SPORTS FISHING IN ONTARIO

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, I have the privilege of presenting to the House a petition on behalf of 80 constituents who are members of the Bruce Peninsula Sportsmen's Association. The petitioners have serious concern that the proposals signed by the Ontario Government and Indian Bank representatives might limit the future of sports fishing in Ontario. The petition requests of the federal Government that:

The upcoming agreement for native fishing rights not be signed until full disclosure of the agreement to the public is made. Also that reasonable time be allowed for public input.

I hope that the petition is in order and that the Chair will see fit to refer it to the appropriate standing committee.

• (1510)

MR. MITGES—BELL CANADA ENTERPRISES INCORPORATED

Mr. Gus Mitges (Grey-Simcoe): Madam Speaker, it is my duty to present a petition from the constituency of Grey-Simcoe and surrounding area, signed by 52 individuals who are deeply concerned and distressed by recent actions of the Government of Canada to try and prevent the reorganization of a new parent company for the Bell Canada group called Bell Canada Enterprises Incorporated.

The petitioners have correctly stated that such an undertaking has been approved by Bell shareholders and the Superior Court of Quebec. They point out as well that it has been acknowledged by a wide range of Cabinet Ministers and senior Government officials that it is a move in the right direction to provide the corporation with an improvement in its structure. The petitioners are vehemently opposed to the Government's appeal of the Quebec Superior Court decision and call for the withdrawal of the inappropriate, unnecessary and costly delay resulting from a CRTC inquiry.

MR. McKENZIE—OPPOSITION TO BILL C-85

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, it is my duty to present a petition signed by 22 citizens of the Winnipeg area. The purpose of the petition is to express the clear and strong opposition of the citizens of the area to Bill C-85, the legislation to establish Canagrex. In particular, the petitioners protest the buy and sell provisions of Canagrex, as well as its wide-ranging powers.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,169, 4,536, 4,538, and 4,590.

[*Text*]

STATUS OF IMMIGRANTS FROM CZECHOSLOVAKIA

Question No. 4,169—**Mr. MacKay:**

1. For each calendar year since 1977, how many Canadian residents with landed immigrant status, formerly citizens of Czechoslovakia, availed themselves of the offer made to them on March 16, 1977 by the Government of the Czechoslovak Socialist Republic and applied to Czechoslovak authorities for "regularization" of their legal relationship towards Czechoslovakia?

2. For the same period, how many of the residents were, at the time of their applications to the Czechoslovak authorities (a) Canadian citizens (b) employees of the Canadian Government (c) employees of provincial Governments (d) employees of Crown corporations and Crown agencies?

3. For the same period, how many applications by Canadian residents to the authorities of the Czechoslovak Socialist Republic for "regularization" of their legal relationship towards Czechoslovakia were approved by the Czechoslovak authorities and how many Canadian residents were (a) released from Czechoslovak citizenship (b) issued Czechoslovak passports?

4. For the same period, how many Canadian residents who were issued Czechoslovak passports were (a) Canadian citizens (b) employees of the Canadian Government (c) employees of provincial Governments (d) employees of Crown corporations and Crown agencies?

5. For the same period, how many Canadian residents with landed immigrant status, who were formerly citizens of Czechoslovakia, travelled to Czechoslovakia and (a) how many used Canadian passports (b) how many used Czechoslovak passports for travel to Czechoslovakia and how many used Canadian passports to return to Canada?

6. For the same period, how many Canadian residents with landed immigrant status, formerly residents of Czechoslovakia, were formally and unilaterally deprived of their Czechoslovak citizenship because of their activities against the régimes of the Czechoslovak Socialist Republic, its representatives and its allies?

7. For each calendar year since 1975 (a) how many Canadian visitor visas were issued to citizens of the Czechoslovak Socialist Republic (b) how many visitors actually came to Canada from Czechoslovakia (c) how many of the visitors (i) applied for (ii) were granted landed immigrant status?

8. For each calendar year since 1977, how many visitors to Canada from Czechoslovakia were visiting Canadian residents who had "regularized" their legal relationship with the Czechoslovak Socialist Republic?

9. Is there any evidence of foreign diplomatic representatives manipulating members of Canada's ethnic communities by threats of reprisals against relatives or friends in the country of origin, as referred to in the McDonald Commission 1981 Report, 2-1, pp. 66, 415 and 432 and, if so, in each case (a) on what date did the event take place (b) what foreign diplomats were involved (c) what was the disposition of the case?

10. Did the Solicitor General state in the House of Commons on November 19, 1981, that he was aware "of particular cases where Canadians of dual nationality have been pressured by foreign governments in one way or another" and, if so, in each case (a) what was the nature of such pressures (b) on what date did the pressuring take place (c) what foreign governments were involved (d) what steps were taken by the Canadian Government against such practices?

11. Does the Canadian Government negotiate with the Government of the Czechoslovak Socialist Republic about the problem of dual citizenship and, if so (a) on what date did the negotiations start (b) what are the concrete results to date (c) on what date does the Government expect the negotiations to be concluded and in what form?

12. Is it now or was it the policy of the Security Service of the RCMP to keep track of Canadian residents' travel to Eastern European countries and, if so (a) on what date did the policy start (b) what countries of Eastern Europe are or were the subject of such policy?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of External Affairs and the Solicitor General as follows:

1. This information is not available. Under the terms of Article 36 of the Vienna Convention on Consular Relations, to which both Canada and Czechoslovakia are party, Czechoslovak consular officials are free to communicate with and to have consular access to individuals who are still deemed to be citizens of Czechoslovakia on matters which fall directly under their consular jurisdiction. This implies that in so doing, Czechoslovak consular officials are under no obligation to notify the Canadian Government of their legitimate contacts with Canadian-Czechoslovak dual citizens. At the same time, Canadian-Czechoslovak dual nationals are not obliged to notify the Canadian Government of their contacts with Czechoslovak consular officials. Therefore, unless the information is volunteered, which it usually is not, it is not possible for the Canadian Government to compile data on those Canadian Czechoslovak dual citizens who wish to comply with the Czechoslovak regulation.

2. See reply to part 1.

3. See reply to part 1.

4. See reply to part 1.

5. All Canadian citizens and residents are free to leave Canada at will, and no person is required to inform the Government of his destination on leaving the country. No data on the movements of departing persons are maintained. It is therefore not possible to know accurately how many Canadian residents of Czechoslovak or other origin visited Czechoslovakia in any given period. It should be noted, however, that a landed immigrant in Canada who has not been granted Canadian citizenship does not have the right to obtain or travel on a Canadian passport.

6. This information is not available because neither the Czechoslovak Government nor the individual being deprived of his citizenship has any obligation to inform the Canadian Government when such an event occurs. Although the Government is aware of a small number of such cases where the individual involved has advised the Department of External Affairs, no reliable estimate can be made as to the total number of persons affected by such decrees.

7. (a) Visitor visas issued to Czech nationals:

1975—figure not available
1976—3,757
1977—3,395
1978—3,027
1979—3,114
1980—3,312
1981—3,425

(b) Visitor entries to Canada:*

1975—4,046
1976—4,481
1977—3,864
1978—3,887
1979—4,007
1980—4,109
1981—4,597

*Visitor entries for the years 1975-1981 are higher than the number of visas issued because visas were not required for visitors entering Canada from the U.S.A. until 1978 and because persons entering Canada in transit do not require visas.

(c) (i) and (ii) There is no specific tabulation maintained of the number of persons of a given nationality who seek landed status after entering the country as visitors. Instead, landing statistics reflect only the total numbers of persons in a given nationality who were granted immigrant status in each calendar year. Landings of Czech nationals for the years 1975-1981 are as follows:

1975—161
1976—145
1977—136
1978—86
1979—89
1980—172
1981—1,078*

*The increase in landings in 1981 is a reflection of the Self-Exile Designated Class Regulations created in 1979 which enable larger numbers of East Europeans to qualify for immigrant status.

8. As noted in the reply to question 1, it is not possible for the Canadian Government to compile data on those Canadian-Czechoslovak citizens who choose to "regularize" their status vis-à-vis the Government of Czechoslovakia, and it therefore is not possible to determine the answer to this question.

9. The Government recognizes that some members of Canada's ethnic communities, particularly those who have relatives in Communist countries, may be vulnerable to pressure from representatives of their native countries. When such cases come to the attention of Canadian authorities, appropriate action is taken. However, to reveal specifics of such cases could jeopardize the security of these individuals and their families.

10. Yes, the Solicitor General made such a statement in the House of Commons on November 19, 1981. The Government considers, however, that to reveal the specifics of these cases

could jeopardize the security of these individuals and their families.

11. Yes. (a) October 27-29, 1980, (b) discussions are at a preliminary stage, (c) the second round of Consular discussions is likely to be held in the course of this year and it would be premature at this time to predict the outcome.

12. In the Second Report of the Commission of Inquiry Concerning Certain Activities of the Royal Canadian Mounted Police, the Commissioners noted that "the Security Service has been known to collect systematically, information on all persons who travelled to Communist bloc countries" (p. 471). The Government considers that the disclosure of additional details would not be in the public interest.

INTERNATIONAL MONETARY FUND CONFERENCE

Question No. 4,536—**Mr. Mazankowski:**

Did the Government organize the IMF Conference held in Toronto during September 1982 and, if so (a) what amount did it spend (b) how many Government employees or consultants were involved in organizing the Conference and for what period of time (c) how many persons attended the Conference on behalf of the Government and, in each case, what was his/her name and in what capacity did he/she attend?

Hon. Paul J. Cosgrove (Minister of State (Finance)): The Government in co-operation with the secretariat of the two institutions organized the joint annual meetings of the International Monetary Fund and the International Bank for Reconstruction and Development in Toronto during September, 1982.

(a) The total costs of the meetings to the federal Government are not yet available but are expected to be less than $6 million.

(b) A total of 12 Government employees were involved in organizing the meetings: one person for two years, three people for 22 months, and the other eight people for six months, of which two months were on a full-time basis. An additional seven were seconded for periods of two weeks or less. In addition, nine local personnel were hired in Toronto for periods ranging from three to six weeks and one secretary was hired for six months. A total of 24 hostesses were hired for eight days during the meetings.

(c) The official delegation was composed of the following people: the Hon. Allan J. MacEachen, Deputy Prime Minister and Minister of Finance; the Hon. Mark MacGuigan, Secretary of State for External Affairs; the Hon. Pierre Bussières, Minister of State for Finance; the Hon. Ed Lumley, Minister of State for International Trade; Mr. Douglas Fisher, Parliamentary Secretary to the Minister of Finance; from Finance: Mr. Ian A. Stewart, Deputy Minister; Mr. Bernard J. Drabble, Associate Deputy Minister: Mr. G. E. Shannon, Assistant Deputy Minister, International Trade and Finance; Mr. Michael G. Kelly, Director, International Finance Division; Mr. John C. Coleman, Director, International Programs Division; Mr. Robert Pattillo, Press Secretary to the Minister of Finance; Mr. Michael Gillan, Assistant to the Minister of Finance; Mr. Alain Dudoit, Senior Departmental Assistant to the Minister of Finance; Ms. Laurette Gauthier, Legislative Assistant to the Minister of Finance; Mr. D. Blake MacKenzie, International Finance Division (Delegation Secretary); from Bank of Canada: Mr. Gerald K. Bouey, Governor; Mr. D. J. R. Humphreys, Deputy Governor; Mr. Jacques Bussières, Advisor; Ms. Dorothy Powell, Assistant Chief; from External Affairs: Mr. W. J. Jenkins, Assistant Deputy Minister, Sectoral and Economic Relations; Mr. Philip Somerville, General Economic Relations Division; Mr. Roy Culpeper, Development Assistance and Export Financing Policy Division; from CIDA: Mr. Marcel Massé, President; Mr. Jean-Marc Métivier, Director, Financial Institutions; Mr. Howard Smith, Multilateral Programs Branch. Not all of these delegates were present for the entire period of the meetings. In addition eight people from Ottawa served the delegation as assistants and secretaries. These figures do not include those participating in the Conference organization mentioned under (b) nor a number of officials who were involved in trade promotion and similar activities but did not attend the annual meetings.

HOSPITALITY AND ENTERTAINMENT AT IMF CONFERENCE

Question No. 4,538—**Mr. Mazankowski:**

1. Did the Government provide hospitality and entertainment during the IMF Conference in Toronto in September, 1982 and, if so, what was the total cost?

2. For each event, such as a reception, dinner or party (a) for whom was it held (b) how many persons were in attendance (c) what entertainment/hospitality was provided (d) what was the cost?

3. Were any events catered and, if so (a) by whom and at what cost (b) were tenders requested?

Hon. Paul J. Cosgrove (Minister of State (Finance)): 1. The Government did provide hospitality and entertainment for the delegates to the joint annual meetings of the International Monetary Fund and the International Bank for Reconstruction and Development held in Toronto. The total cost was $288,359.

2. The events were as follows:

Event	Estimated Attendance	Cost
Per Jacobsson lecture and reception	500	$ 5025
Luncheon for spouses of all delegates (with fashion show)	673	22689
Luncheon for governors' spouses	30	1273
Canadian gala and reception (variety show of Canadian artists)	2000	131205
Tour program for spouses	1993	49840

In addition gifts were provided to delegates and spouses at a cost of $55,303. Floral arrangements at the various receptions cost $1,763 and printing of programs, invitations, signs cost $21,261.

3. The luncheons were catered by the hotels where they were held. No tenders were sought; locations were selected on the basis of available facilities. The Per Jacobsson reception was catered by the University of Toronto where the lecture was held. The reception following the Canadian gala was catered by Winston's which submitted the lowest bid among several offered through the Thomson Hall administration.

SOCIAL SECURITY—NUMBER RECEIVING BENEFITS

Question No. 4,590—**Mr. Mazankowski:**

For (a) 1980 (b) 1981 (c) each month in 1982, how many Canadians received (i) unemployment insurance benefits (ii) the Guaranteed Income Supplement (iii) welfare payments to which the Government contributed?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of National Health and Welfare and Statistics Canada as follows:

(i) For 1980, 1981 and for each month in 1982 the unemployment insurance beneficiaries were as follows:

Unemployment Insurance Beneficiaries, by Month

	1980	1981	1982
January	824,885	873,775	1,077,960
February	854,386	880,888	1,134,543
March	840,173	862,962	1,150,537
April	813,931	800,412	1,178,335
May	719,000	687,617	1,100,538
June	622,965	582,456	1,032,909
July	604,488	576,201	1,038,373
August	612,082	596,895	1,071,436P
September	557,925	568,591	1,042,391P
October	579,515	621,756	
November	649,362	711,643	
December	753,876	880,164	
Monthly average	702,716	720,280	

Notes: (1) Beneficiary date cannot be totalled as each month represents a count of those receiving benefits for a specific week each month.

(2) Beneficiaries include those receiving regular, sickness, maternity, retirement, fishing and training benefits.

(P) Preliminary data.

(ii) (a) In 1980, on average 1,190,964 persons per month received the Guaranteed Income Supplement, (b) in 1981, on average 1,231,871 persons per month received the Guaranteed Income Supplement, (c) the monthly Guaranteed Income Supplement caseload of each month in 1982 was as follows:

January	1,257,997
February	1,257,434
March	1,256,813
April	1,138,001
May	1,186,341
June	1,209,454
July	1,224,222
August	1,228,881
September	1,234,952
October	1,245,387
November	1,247,146

(iii) (a) For 1980, a monthly average of 1,321,957 Canadians received welfare payments, (b) for 1981, a monthly average of 1,377,539 Canadians received welfare payments, (c) for each month in 1982:

January	1,456,946
February	1,481,590
March	1,503,856
April	1,515,356
May	1,524,273
June	1,538,657
July	1,551,066
August	1,561,108
September	1,581,503
October	1,605,198

* * *

[*English*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, if questions Nos. 4,480 and 4,539 could be made orders for return, these returns would be tabled immediately.

Madam Speaker: Is that agreed?

Some Hon. Members: Agreed.

[*Text*]

SALE OF MINISIS SYSTEM

Question No. 4,480—**Mr. Fretz:**

1. Which nations receive the MINISIS System from the International Development Research Centre at no cost to the Government agencies in (a) Africa (b) South America (c) the Far East?

2. What does it cost the IDRC to provide the system at no cost to the government agencies per country in (a) Africa (b) South America (c) the Far East?

3. Which Canadian consulting firm is licensed to sell the system to commercial organizations and what is the fee?

4. (a) How many were sold and to which (i) commercial organizations (ii) countries (b) what were the amounts involved?

5. Which other nations take advantage of Canada's technology transfer in (a) Africa (b) Asia (c) South America (d) Latin America?

Return tabled.

DEPARTMENT OF AGRICULTURE—RESEARCH PROJECTS

Question No. 4,539—**Mr. Mazankowski:**

In the fiscal year 1982-83, are projects being funded under the Department of Agriculture's Energy Research and Development for Agriculture and Food Program and, if so (a) what are such projects (b) in each case (i) what is the cost of the project (ii) who is doing the research?

Return tabled.

Order Paper Questions

[*English*]

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

Mr. Smith: I ask, Madam Speaker, that the remaining questions be allowed to stand.

Mr. McKenzie: Madam Speaker, I should like to ask the Parliamentary Secretary about starred question No. 4,641 which I placed on the Order Paper on December 20. I thought that the Government would have provided an answer over the Christmas break. My questions were:

Will the Government be launching a comprehensive environmental study to determine the effects on the water quality of Indian Bay and Shoal Lake in the event that the proposed 350 cottage lots on the northwest corner of Shoal Lake in Manitoba are developed and, if so (*a*) what will be the starting date (*b*) on what date will it be completed (*c*) will it determine the degree of risk of increased algae production, oil spills or other major forms of pollution (*d*) will it include an examination of the effects of using the sewage lagoon located across from Winnipeg's drinking water intake on the shore of Indian Bay?

Will the Government permit the use of motorboats for recreational purposes on Indian Bay?

We are talking about the water supply to a city of 600,000 people. This is a matter of great importance and concern to the citizens of Winnipeg. I feel that over a month is a long enough time to provide an answer as to whether or not a full environmental study will be conducted.

Mr. Smith: Madam Speaker, I do not know offhand what progress we have made in answering that question, but I will be happy to look into it on the Hon. Member's behalf.

Mr. Reid (St. Catharines): Madam Speaker, I welcome back the Hon. Parliamentary Secretary. Would he be good enough to check once more, since this matter was raised earlier, question No. 4,502 which was placed on the Order Paper on October 27, 1982. It relates to the receipts and expenditures of the federal Government from the Provinces under the lottery agreement, as well as two related questions, Nos. 4,531 and 4,544, all of which were referred back to the Parliamentary Secretary earlier on the basis of obtaining some information for us.

Mr. Smith: Madam Speaker, I will be happy to look into that matter and find out what progress we are making on providing those answers for the Hon. Member.

Mr. Stevens: Madam Speaker, now that I see the Parliamentary Secretary back in the House, I should like to remind him that the question I asked on January 29, 1981, not 1982, is still unanswered. It is the question dealing with the Prime Minister's December/January world tour at that time. Now that we have the Prime Minister back after another jaunt of holidaying time, would the Parliamentary Secretary zero in and try to obtain some answers as to what these trips are actually costing Canadians? It is time they were told.

Mr. Smith: Madam Speaker, I would have been disappointed had the Hon. Member not asked about that question upon my return. Needless to say, it was not a holiday that the Prime Minister undertook; it was a hard-working trip.

Mr. Stevens: With no results.

Mr. Smith: I will be happy to look into the question on behalf of the Hon. Member. I would be very pleased to do so.

Madam Speaker: Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

SUPPLEMENTARY RETIREMENT BENEFITS ACT (NO. 2)

MEASURE TO MODIFY BENEFIT INDEX

The House resumed consideration of the motion of Mr. Gray that Bill C-133, an Act to amend the Supplementary Retirement Benefits Act (No. 2), be read the third time and do pass; and the amendment thereto of Mr. Baker (Nepean-Carleton).

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, before I begin my presentation proper, I should like to make some comments on the new rules, especially as they apply to the ten-minute question period after a Member has made his speech. I found this procedure most useful in the case of the Hon. Member for Gatineau (Mr. Cousineau) who finished speaking before lunch. He gave what on the face of it was a presentation that made a certain amount of sense. He was well-rehearsed and it was well-written, but he was devastated by a few simple questions put to him by Hon. Members on this side of the House. He did not know what was up or what was down. If we are to follow this procedure, it means that Hon. Members will have to think out their positions much better than at the present time. I am sure when the Hon. Member for Gatineau returns to the House that he will be much better prepared than he was earlier this morning.

Another surprising thing about the Hon. Member's presentation was the fact that it was diametrically opposed to an earlier speech in the House by a colleague of his in the same Party, a gentleman who is, to all intents and purposes, his next door neighbour, the Hon. Member for Hull (Mr. Isabelle). This goes to show that a Member's views in the House are influenced by the type of constituency he represents. In the case of the constituency of Hull, it is one with very many public servants. The next door riding of Gatineau is an industrial one suffering from very high unemployment at the present time.

I am pleased to have this opportunity to present the last views on Bill C-133. The guillotine is poised, as it has been

some 14 or 15 times in this session. It is ready to drop on the heads of the public servants who will have their pensions decapitated. I am pleased to reiterate my Party's point of view and to state that we will vote against Bill C-133. Of course, we will vote in favour of the amendment of the Hon. Member for Nepean-Carleton (Mr. Baker).

We are pleased that our point of view is supported by some Hon. Members in the benches opposite. These gentlemen are acting according to the dictates of their consciences and the wishes of their constituents. I hope they will not be chastised by the Party brass, as was the case in past dissent within the Government Party. We have seen examples of Members of the Liberal Party who have dared speak out against the Government. They have been stripped of their privileges and removed from positions of emolument within the Government system. But in spite of this, there are at least four and and probably more Members on the other side who will vote tonight with the Progressive Conservative Opposition.

• (1520)

Despite protestations to the contrary by the President of the Treasury Board (Mr. Gray) this morning, the action which has been accomplished by Bill C-133 is indeed a breach of contract. That is the view of the pensioners who will be affected and it is the view of this side of the House. It is, as the Hon. Member for Nepean-Carleton said this morning, a contract, an agreement enshrined by virtue of the statute law of Canada, and it ought not to be changed in the manner that it is now being changed. This type of change is probably worse because, as the President of the Treasury Board said this morning, public servants have no option but to become members of the Public Service pension scheme. They do not have an option to shop around. They cannot look at who might be a better manager of pension funds; they have to embrace the Government's scheme. For that reason we should be very careful how the funds are managed and how the legislation which affects that scheme is dealt with in this House.

During the debate on this issue there has been a great deal of input by associations of pensioners and by Public Service unions. I and I am sure many other Members of this House, found that input to be very valuable. In particular, I would like to single out the Professional Institute of the Public Service. I think its presentations were of a most professional nature, as might be expected of that body, and under the circumstances I found its representatives more than restrained.

The effect of the Bill we have before us today will make it very difficult for pensioners to plan ahead. They will not know from one year to the next what their pensions provide for them. If they are to plan at all, they will have to plan for a declining standard of living as time goes on. For example, if someone retires at age 65 with a reasonable standard of living, he or she will have to face the fact upon reaching age 70 that that standard will decline. By the time the person is 75, instead of taking taxis he or she will have to ride a bus, and by the time that person is 80 years of age it will mean walking, if that is possible, because he or she will not be able to afford the bus fare. I think Canadians want and deserve a better deal for their elderly than has been put forward by Members opposite.

Pensioners and Public Service pensioners have a feeling of betrayal. I doubt whether public servants in the employ of the federal Government will ever trust their employer again. One of the reasons public servants dislike what is going on is that they now find out that the Government has been very selective in the application of cutbacks. For instance, we learned this morning that Bank of Canada employees will have an 11 per cent increase, or slightly more than that, in their pensions whereas other people in the employ of the federal Government will be restricted to a 6 per cent increase, or little more than 6 per cent, with inflation still raging at 11 per cent per annum or better.

In my opinion, the Public Service of this country has been used as a political pawn. When the Government wanted the electoral support of the public servants, it made all kinds of promises to them. The Liberals said: "We are going to increase salaries; we are going to give indexed pensions and there will be increased pensions". But now, when times are a little tougher because of mismanagement and ineptitude on the part of Liberal Governments, this Liberal Government is desperately seeking a scapegoat and it has found it in the public servants.

The same thing is happening in the Province of Quebec. In fact, if anything the situation is worse in that Province. Public servants in the Province of Quebec were at one time the greatest supporters of the PQ Government, for the sort of reasons I have just cited. But now the financial situation in that Province is extremely bad. It is probably the worst of any Province in Canada. Unlike the federal Government, the Province of Quebec does not have access to the printing presses, and the Government of the Province of Quebec is having to take desperate measures and cut back its provincial expenditures. But guess who is getting hit, Mr. Speaker. It is the public servants in that Province, with the exception of the police. The police have to be excluded because no doubt they will have to be used for certain purposes.

Had there been a federal Progressive Conservative Government over the last few years, it is my submission that the situation would have been much different than it is today. We feel that the Public Service should not be used for political purposes. The Public Service should be beyond political partisanship. We have the concept of honesty in our dealings with public servants. Of course, the Public Service unions would find it fairly tough bargaining with a PC Government, of that there is no doubt. But when an agreement is reached and a contract signed, sealed and delivered, the unions could be absolutely assured that it would not change and that it would go for the term of the agreement.

Mr. Munro (Esquimalt-Saanich): Remember how badly Michael Pitfield did.

Mr. Nickerson: A broken contract is bad enough for people who are still working, but when it comes to pensioners, people who have no leverage, who are unable to withdraw their

services, either collectively or individually, then it is a terrible thing. These people have nobody to protect them except Parliamentarians. It would appear to me that the majority of Parliamentarians in this House are not up to that job and are not doing the job of protecting people who are unable to protect themselves.

Why we get into these types of situations is a question I have asked myself. But one of the more philosophical points would be the difference in strategy, outlook or concept between the Liberal and NDP Parties, on the one hand, and the Conservatives on the other. The Liberals' view of the national economy is that it is a zero sum game. They view the wealth of the nation as being a fixed sum. They are preoccupied with the distribution of this fixed sum. They like cutting the pie in different ways.

What we have in Canada is a gigantic Government, a giant maw that has to be fed more regardless of what happens to the private sector, the pensioners, or anybody else. The amount of funds required to feed that mouth are fixed. When the economy declines and public revenues are not coming in, then somebody else has to give; somebody else's slice of the pie has to be smaller. In this case, the Liberal Government has decided that it is the Public Service pensioners who will have to get the thinner slice of pie and subsist on less.

The Progressive Conservative view of the national economy and the way things should be run is that we should have an expanding economy. Instead of concentrating on dividing a fixed sum, we should be concentrating on releasing the shackles that tie up business enterprise.

I will not go into this matter. We have explained many times in this House how that might be accomplished. For instance, on many occasions the Hon. Member for Etobicoke Centre (Mr. Wilson) has put forward the concept of productive economics. If this were to be followed, then the pie would be expanded and everyone's slice would get larger day by day. We could afford to have the type of indexed pensions that public servants have now. Hopefully, we would be able to expand and allow other Canadians to have the same types of benefits.

• (1530)

With the Conservative approach to the economy, we would be able to afford decent pensions that we would like all Canadians to have. We could have pensions which would have a fixed real value in time instead of a declining real value.

One of the most painful aspects of the debate, I am sorry to say, has been the participation of the New Democratic Party. Its Members have apparently chosen this issue as the one by which to put some distance between themselves and their erstwhile friends whom they normally support—

Some Hon. Members: The Tories!

Mr. Nickerson: —the Liberal Party.

Mr. Althouse: We vote with you guys most of the time.

Mr. Nickerson: I am sorry to say that this tactic on their part has backfired. They have been utterly incapable of preventing passage of the Bill and they have revealed to the public at large their utter toothlessness. They have flailed their arms in the wind and blamed everyone for the plight of pensioners in whom they apparently now have a feigned interest.

In fact, I was listening very intently to the Hon. Member for Kootenay East-Revelstoke (Mr. Parker) yesterday, and this hon. gentleman even went as far as blaming that old NDP bugbear, the Canadian Pacific Railway. I do not see the connection, myself. Undoubtedly, that hon. gentleman can.

Mr. Ellis: He blames everything on CP.

Mr. Nickerson: All that the Members of the NDP have suceeded in showing is that if their policies were to be followed, they would be in precisely the same position as the Liberal Government. In fact, to all intents and purposes, their policies are the same. The pensioners, under such a regime, would be in even worse shape than they are today.

Let us reconsider this issue. Let us take advantage of the opportunity offered to us this morning by the Hon. Member for Nepean-Carleton (Mr. Baker) by way of his amendment which would put off the day of reckoning for another six months and would allow for the process of consultation between representatives of pensioners and people who will be pensioners and the Government of Canada. Let us take that extra six months which has been offered to us before finally dealing with the issue. I am sure that we can come up with a better deal for Canadian public service pensioners than we have today.

For these reasons, then, I wish to support the amendment with the majority of Members of my Party—all of the Members of my Party, as far as I know.

Some Hon. Members: Majority.

An Hon. Member: Well, 54.

Mr. Nickerson: I wish to support the amendment put forward by the Hon. Member for Nepean-Carleton and register my opposition and our opposition to the passage of third reading of Bill C-133.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Corbin): Is the Hon. Member for Kootenay East-Revelstoke (Mr. Parker) rising to ask a question of the Hon. Member?

Mr. Parker: Yes, Mr. Speaker, if I may ask a short question. My question is with regard to his comments on the six month heist. Could he explain why his Party did not recommend this same heist when the initial six and five program—

Mr. Beatty: Heist or hoist?

Mr. Parker: —was brought into being?

Mr. Beatty: It is the Government which is engaging in a heist.

Mr. Parker: The President of CP Rail, and this identifies the reason why CP Rail was brought into this dispute, headed the blue chip committee which recommended the six and five program and was selling it across Canada, while the Conservatives voted in the House to break contracts which were fully negotiated through mediation and so on.

Now we have a system and we supported the idea of the six month hoist and we will support the request of the Hon. Member for Nepean-Carleton (Mr. Baker) but we will not support the change in indexing, regardless of whether it is six months down the road. Therefore, my question is: how can the Conservatives, on one hand, ask for a six month hoist for one proposal while, on the other, they stormed into the House and voted with the Liberals to bring in the very program which is now hurting the pensioners of Canada?

Mr. Nickerson: I thank the Hon. Member for Kootenay East-Revelstoke for his question. It appears that at least I listen to his speeches and he listens to mine. That is quite an improvement. I would be very pleased to explain to him what happened over the last two or three months with regard to the general process of restraint.

We on this side of the House agree that, wherever possible, the Government should restrain its expenditures. We dislike an ever-increasing deficit because we feel that that leads to inflation and, in the long run, to a lack of jobs. Therefore, when the Government, in its wisdom—and I say that advisedly—first put before the House the general concept of restraint on Government expenditures, we voted for that particular idea.

If Hon. Members will recall, Bill C-124, one of the first pieces of this companion legislation, was a Bill which reduced the salaries, indemnities, of Members of Parliament and their expense allowances and pensions, and we thought that if there was to be restraint, then we as Members of Parliament should take the lead. Therefore, we were in favour of the reduction in our own salaries. However, when it comes to public service pensioners, many of whom live on $6,000, $7,000 or $8,000 a year and really cannot afford to take that decrease, whereas we are receiving $50,000 a year or better, we feel that it is incumbent on us to protect their interests and not to let them be cut down by the Liberal Government opposite.

Some Hon. Members: Hear, hear!

Mr. Parker: I would like to ask a supplementary question, if I may. That appears to be the rationale, and my next question is: if the Conservative Party believes in free collective bargaining, why did they not, during that process, request that consultation or negotiation take place with these groups so that they could also be heard and understood? Then we probably would not be facing the very dictatorial way in which the Government is dealing with our Public Service pensioners.

Mr. Nickerson: I am very pleased to answer that question. The view put forward by the Hon. Member for Kootenay East-Revelstoke that there should have been consultations and negotiations at that time was, in fact, the substance of an amendment moved at that time on behalf of the Progressive Conservative Party by the Hon. Member for Nepean-Carleton, who is leading this side in the debate.

Mr. Mazankowski: He has memory lapses.

Mr. Nickerson: And I remember speaking in strong support of that amendment myself. That was precisely the view taken by this side of the House, by this Party, that there should be negotiations, that the matter should be resolved in consultation with representatives of the public servants. Unfortunately, we were outvoted on that matter.

Mr. Deans: Mr. Speaker, I would also like to make a brief comment and ask a question of the Hon. Member for Western Arctic. The Hon. Member has indicated his Party's longstanding opposition to interference with the rights of pensioners. The Conservatives, in general, have stated that they were opposed to taking action which would in any way limit the pensions of those who are in receipt of them. I wonder if the Hon. Member could explain something on behalf of the Hon. Member for Nepean-Carleton, who has been extremely noisy concerning this matter. Some kind soul referred to him as the Houdini of the Conservative Party. I wonder if he could explain why, when Bill C-124 was before the House in August, on August 3, and it was pointed out to them that the legislation would include pensionable income and would adversely affect the pensions of the employees of the Government, in the face of a motion put by this Party to exclude pensions from the six and five program, the Conservative Party joined with the Liberal Party to defeat our motion? Is it possible to explain why the Conservative Members joined with the Liberals on that particular action, to defeat our motion to protect the pensions of civil service pensioners?

• (1540)

Mr. Nickerson: The preamble was so long that I hardly got the question, Mr. Speaker.

Some Hon. Members: Oh!

Mr. Nickerson: I must admit I am not fully familiar with the technicalities the Hon. Member for Hamilton Mountain (Mr. Deans) is placing before me today.

An Hon. Member: Neither is the Member for Hamilton Mountain.

Mr. Nickerson: I would be very pleased to review the debates and those things that the Hon. Member for Hamilton Mountain mentioned. I would have to admit that there were certain things in Bill C-124 that go against the grain when you have to vote on it. That happens with practically every Bill of any length that is placed before this House. There is a Bill about three inches thick and one can maybe agree wholeheartedly with two and one half inches of it, and perhaps one can live with another quarter of an inch, but perhaps dislike very

much the remaining quarter of an inch. Sometimes you have to vote in favour of the majority of what is contained in a Bill, while at the same time accepting something you may not really like that much.

The Acting Speaker (Mr. Corbin): The Member for Hamilton Mountain is rising on a brief supplementary question.

Mr. Deans: Following directly on his answer, the Member says that frequently a Bill is complex and covers a variety of things and that in general you may disagree with certain of them but on balance you support the majority of things. Let me put to the Member that what I am talking about is the following: let me read it to the House. I am reading from the record. It was moved by the Hon. Member for Churchill (Mr. Murphy) and seconded by the Hon. Member for Vancouver East (Mrs. Mitchell) that:

For the purpose of calculating pension benefits payable under any Act of Parliament to employees to whom this part applies, subsection (1) shall be deemed to increase wage rates proportionally to increases in the Consumer Price Index for the calendar years corresponding most nearly to the periods referred to therein.

Now what it did was to make sure there would be no reduction in pension, and we pointed that out to the Conservatives as they stood to vote. Why did the Hon. Member for Nepean-Carleton (Mr. Baker) and why did the other Members of the Conservative Party rise on August 3 and support the reduction in pensioners' incomes, and now why are they standing up and pretending that somehow they are defending pensioners?

Mr. Nickerson: My memory has been refreshed on this issue, Mr. Speaker.

Some Hon. Members: Oh, oh!

Mr. Nickerson: I was talking to the Hon. Member for Nepean-Carleton (Mr. Baker), whose memory is a little better than mine. It appears that what happened is that during the report stage on Bill C-124—and you ruled earlier that we should not speak about past Bills, but this matter was brought up by the Hon. Member for Hamilton Mountain so I feel obliged to reply to it—they introduced the motion that he just read out, and in fact at the report stage a very similar motion was introduced by the Progressive Conservative Opposition. It was the finding of the Chair at that time that those motions were out of order, and they were not put before the House. Therefore, of course, there was no vote on these matters, and the Hon. Member for Hamilton Mountain, I am afraid, is rather in error. His memory of these events is no better than mine initially was, before I was put right by the Hon. Member for Nepean-Carleton.

Mr. Baker (Nepean-Carleton): I was talking about Bill C-133.

Mr. Deans: On a point of order, Mr. Speaker. On a point of order.

The Acting Speaker (Mr. Corbin): The Hon. Member for Hamilton Mountain is rising on a point of order.

Mr. Deans: My point of order is that the Member has mistated what is factual on page 523—

Some Hon. Members: That is not a point of order.

The Acting Speaker (Mr. Corbin): Order. That is not a point of order. The Hon. Member for Ottawa Centre.

Mr. John Evans (Ottawa Centre): Mr. Speaker, every sector of our economy, indeed our society, is facing an extremely difficult time. The private economy has serious problems, business profits have fallen over 50 per cent in the last year from an already low level, the number of bankruptcies is higher than at any time since the Great Depression, wage and salary increases in the private and the public sectors alike have fallen dramatically to the 5 per cent and 6 per cent range and, indeed, in many cases there has been an absolute reduction in compensation.

The over million and a half unemployed Canadians represent the highest number of unemployed since the 1930s. The youth unemployment rate is in the range of 25 per cent, Mr. Speaker, and it is estimated that even with full employment a budgetary deficit in the range of $5 billion would continue. All major economic organizations agree that we are facing a world economic crisis, a battle for our very economic survival. Governments all over the western world, irrespective of political stripe, are realizing and acting on the necessity of restraining expenditures, even social expenditures.

Governments must act to restrain all outlays of the taxpayers' dollars because the taxpayer cannot bear more. At the same time we simply cannot borrow more against the future for this would place even heavier burdens on future generations.

I have personally fought long and hard to have this attitude of fiscal responsibility adopted by the Government, and I will continue in this effort. An economic crisis such as the one we are now facing requires not only that real restraint be achieved but that the remaining Government spending be refocused on those areas which promise to contribute the most in the fight to restore economic growth. We will not have rising standards of living without economic growth; we will not provide opportunities for our citizens without growth; we will not be able to support social expenditures, even at present levels, without restored growth.

The Government has responded and will respond further, Mr. Speaker. This is the concept within which the six and five program was introduced. The Government has acted to restrain the increases in program expenditures to no more than 6 per cent and 5 per cent. The Provinces and municipalities have followed suit, in the main, and all areas of federal outlay, including administered prices, have fallen under the restraint program. Where it can be shown that expenditure of taxpayers' dollars is involved, six and five must apply, as much for the

credibility of the program as for the effectiveness of the program.

With these comments in mind, let me turn my attention to the public servant pension issue. The Public Service pension plan is a private plan, as opposed to a public plan, and is comprised of two parts, the Public Service Superannuation Account established in 1924 and the Supplementary Retirement Benefits Account established in 1970. These are independent accounts under the current structure, and funds cannot be transferred from one account to another. The Public Service Superannuation Account provides a basic pension for retired public servants. This basic pension is calculated at 2 per cent per year of service multiplied up to a maximum of 35 years times the average of the six consecutive years of highest salary, usually the last six years. This type of plan is commonly referred to as a final average plan. This calculation determines the pension one receives at the date of retirement and is an amount which remains constant thereafter. It does not increase over time.

The SRBA provides for all increases in pensions beyond retirement, that is, indexation. Such increases are based on changes over any given year, from October to the following September, in the Consumer Price Index, specifically the average of the previous 12 month figure for the CPI. Each public servant has an individual SRBA account. Funds may not be transferred between the accounts of the individual members. Indexation is thus funded from a Member's account until it is exhausted. Thereafter, it is funded out of general tax revenue.

• (1550)

With regard to the funding of the plan, public servants make contributions to both of these accounts. Contributions to the PSSA are made at a rate of 6.5 per cent of salary, less required contributions to the Canada Pension Plan. Contributions to the SRBA are made by an additional 1 per cent of salary; from 1970 to 1977 this was one-half of 1 per cent of salary. Both of these amounts are matched by an equal contribution by the employer with a one-year lag in the case of PSSA contributions, and interest is paid on the balance in each account.

Interest earned by the PSSA is calculated as though the funds were invested in 20 year Government of Canada Bonds. New contributions plus interest on the fund, which are not required to pay current benefits in any quarter, are invested at the then current rate on such bonds. For the year 1982, the rate of return on investment of the PSSA was over 10 per cent.

Interest is also paid on the balances in the SRBA. It is calculated quarterly at the rate of interest for five year Government bonds, less one-eighth of 1 per cent. As of September 30, 1982, the rate being paid on the SRBA was 16.1 per cent.

What are actuarial assumptions? The contribution rates for every pension plan are based upon a set of assumptions as to life expectancy, interest earned on account balances, levels of benefits to be paid, and so on. Since the Public Service pension plan is a final average plan, in other words benefits are calculated on the basis of the average of only the six highest consecutive years of salary and also involves inflation adjustments, there are certain key assumptions which should be mentioned. These relate to the rate of inflation, the rate of interest to be earned and the rate of increase in salary levels.

These assumptions have been established by the Chief Actuary of the Department of Insurance, who is independent from the administrators of this plan, and are not significantly different from those employed by the actuaries for most other private pension plans. This fact was confirmed by Mr. Murray Segal of the firm of Eckler, Brown, Segal and Co. when he was appearing before the Miscellaneous Estimates Committee on behalf of the Professional Institute of Public Service and, with regard to the last report of the actuary, Mr. Segal indicated that he did not dispute any of the significant conclusions that had been reached in that report. I will refer to that later on.

The actuary in setting up the contribution rates to the plan is assuming that real interest rates will be 3.5 per cent, that is, interest rates will exceed inflation by this amount over the long term and salary increases will likewise exceed inflation by 2.5 per cent. These assumptions are then used to determine contribution rates to be paid during a plan member's working life so as to fully fund one's retirement pension. So long as these relationships hold, and proper contributions are paid, the funds should be available to pay the anticipated pension until death.

The actuarial rate of interest should not be confused with the interest rate actually earned on the invested fund. As was indicated earlier, the actual rates are determined by the rates applicable on Government of Canada Bonds in the marketplace. The relationship between the actuarial rate and the earned rate gives rise to the term "excess interest". Much has been said about excess interest and the use to which it is and should be put.

As a general rule, excess interest is used in private pension plans, especially those whose benefits are based on a final average of salaries, as the PSSA is, to offset what is termed unfunded liabilities. An unfunded liability arises when salaries increase at a rate faster than assumed in the actuarial assumptions. This means, of course, that the contribution rates which are based on these assumptions were too low in the earlier years of one's working career. This shortfall is magnified when the pension is based on the average salary during the last few years of employment.

However, at the same time, and generally for the same reasons, as salaries grow at a higher rate than assumed, interest rates should also exceed the rate assumed. On average then, the shortfall of contributions should be offset by the excees interest earned on invested funds. Therefore, the unfunded liability for current and past service is logically and properly reduced by the excess interest, and the plan remains fully funded.

This same analysis should apply in the case of inflation adjustment of pensions after retirement, assuming that contribution rates were adequate. Again, as I said, this assumes the adequacy of the plans funding. If contribution rates had been too low, or if the real interest earned is less than the 3.5 per

cent assumed, then the plan will be under-funded and chronic and rising long-term deficits will occur. Let me now turn to this subject.

Is our plan fully funded? Unfortunately, the answer to this question is no. There are two reasons for this. First, contribution rates have been too low in the past, particularly contributions to the SRBA. Second, the rate of interest paid on balances in the two accounts has been below that which was assumed, and will continue to be inadequate so long as interest is credited at the rate paid on Government of Canada Bonds. Historically, the real rate on these bonds has been from 2 to 2.5 per cent. In fact, the period from 1800 to 1977 showed that Government bonds interest rates were around 2 to 3 per cent real during that entire period. You will recall that the rate assumed by the actuary is 3.5 per cent, so there has been a 1 per cent shortfall.

These facts have been clearly established. The actuary of the plan indicated in his 1977 report that to fully fund the PSSA/SRBA as a combined entity, contributions would have to be increased from 15 per cent of salary, less CPP as the case is today, to around 18 per cent of salary, less CPP, which would be required. In other words, employee-employer contributions, or some combination of both, would have to be increased by a total of 3 per cent. This conclusion, as noted earlier, was supported by Mr. Segal of Eckler, Brown, Segal actuaries, an independent witness before the Standing Committee of Miscellanious Estimates.

Finally, the latest report of the Auditor General indicated that the unfunded liability of the combined Public Service Superannuation Account and the Supplementary Retirement Benefits Account is currently $7.5 billion. Mr. Thompson, Principal of Public Accounts, of the Office of the Auditor General, stated in a letter to me:

—the unrecorded part of the pension liability does represent a shortfall between pension entitlements and contributions to date.

The liability for the combined PSSA, CFSA and RCMPSA, which are the Canadian Forces and RCMP equivalents, is in the range of $12.5 billion, as reported by the Auditor General. In other words, these pension plans combined should have an account balance of $40 billion, as opposed to the current $27.5 billion which is on the account books, if all pension liabilities accrued to date were indeed fully funded. The equivalent for the PSSA/SRBA alone is around $23 billion in the account as opposed to the current balance of $15.5 billion. Clearly, there is no surplus in the PSSA. To claim that the $15.5 billion itself is a surplus is absolutely incorrect and misleading.

Other claims were made during the committee hearings and the debate. First, there is the claim that there is a surplus in the PSSA in the amount of $15.5 billion. This statement, as I have shown, is simply untrue. I stand on the reports by actuaries and by the Auditor General.

The second claim is that public servants have themselves contributed more than the total of all pensions paid to date. Whether or not this is true is irrelevant since our plan, thankfully, is not a pay-as-you-go plan. It is a funded plan. This means that each person's pension is paid for by that person's contributions, employee plus employer plus interest.

There have been primarily two reasons for the growth of the fund over time and the fact that the fund does now stand at $15.5 billion. First, the rapid growth in the size of the Public Service during the 1970s resulted in more people making contributions. The second, of course, is the rapid increase in the level of salaries due to inflation which greatly increased the dollar value of contributions that were paid.

• (1600)

There is another claim, Mr. Speaker, that Bill C-133 is precedent setting in that it alters an agreement which has previously been unchanged. Neither is this correct. The plan has been changed after consultation, admittedly, by the Government alone on several occasions. Initially, indexation was capped at a maximum of 2 per cent per year up until 1972. Full indexation came into effect only thereafter. During the AIB in 1976, the maximum dollar amount of indexation was capped at $2,400. In 1977, the rate of contribution to cover indexation was raised from one half of one per cent of salary to 1 per cent of salary. In 1978-79, Bill C-12 was introduced, received second reading, and was reported unanimously by all Parties back to the House from committee. It would have provided indexation only to the extent that it could be paid for by the plan itself. There would have been no guarantees and no further claim on general revenue. For the three years from 1979 to 1981, for example, it was estimated that full indexation could have been paid only on the first $7,000 of pension. Greater amounts would have been indexed by only about 7 per cent. And I believe the facts were that in 1979 it would be 8 per cent, in 1980 it would be 7 per cent and in 1981 it would be 6 per cent. As stated above, of course, this legislation never became law.

Another claim, Mr. Speaker, was that the six and five program will result in a permanent loss for pensioners, whereas working public servants can catch up for reductions in salary increases. This is an extremely tenuous proposition at best. It has not been supported over the period since 1975 when average Public Service salaries increased by less than did Public Service pensions, which was 96 per cent as compared to 102 per cent. Certainly, any public servant retiring in the next six or more years will suffer a lower pension as a result of the effects of the six and five program on salaries, and the consequent effect this has on the basic pension determined by the average of his or her best consecutive six years' salary. Further, the very difficult times we face now, and will probably face over the medium term in the employment area, will undoubtedly act to hold down future salary increases. It is highly unlikely, therefore, that such conditions will allow any widespread "catch up" to occur.

Another claim, Mr. Speaker, is that the Government's actions in Bill C-133 are a single-minded attack on retired public servants. I disagree. Every Government program, save those directed at people in greatest need, which would include the GIS and the Child Tax Credit, for example, is subjected to

the six and five program. All these actions change what we had come to expect would occur, and in some cases modifies existing arrangements. To some degree, implied or actual commitments have been changed in all of these cases. None of us is pleased that such measures have been necessary. They can only be justified by the depth of the overriding national economic crisis, and the broadly accepted urgent need to assist those suffering most from the recession and to pursue fiscal restraint to promote economic recovery.

If our pension plan is not fully funded, if pensioners under the plan are indeed being partially funded out of general revenue with regard to indexation, is it realistic to expect that such funding can be excluded from the over-all restraint plan? Is it realistic to expect the representatives of the people from other parts of Canada to support our appeal for exclusion from the restraint program? With all honesty, Mr. Speaker, I must say that I do not believe so.

Where do we stand now? Given the information provided above, could we have expected Bill C-133 to be withdrawn? I think not. But we can try to achieve certain other objectives. Specifically, we can attempt to ensure that only the portion of indexing paid by taxpayers' funds is subjected to restraint. Moneys flowing from the contributions and earnings should not be subjected to restraint, and Mr. Gray has agreed to amendments which would include that principle. More important, we can demand that the plan be put on a sound basis once and for all to prevent future political incursions. Mr. Gray, today, has agreed to seek—

The Acting Speaker (Mr. Corbin): Order. I am sorry to interrupt the Hon. Member. He still has a minute left. But I should remind him that he should refer to his colleagues in the House either by their portfolio or the name of their riding.

Mr. Evans: Thank you. I apologize, Mr. Speaker. I should have said the President of the Treasury Board (Mr. Gray). As indicated earlier, the six and five program is terribly important to the economic recovery program of the nation, if only because it has provided a concrete basis for the establishment of a national consensus for Government action. My caucus colleagues are of the strong opinion that no exception can be made to the principles of that program. Within the context of six and five, I have fought the case of Public Service pensioners, but I could not win the day since my appeals violated my colleagues' perception of what was fair and necessary in the national interest. My colleagues are willing to see modifications to Bill C-133 in this context, and are prepared to support my demand for modifications to put the plan on a sound footing and remove the possibility for future political manipulation. But to receive support in this effort it is incumbent upon me to provide support for the over-all six and five program. I cannot expect other Members to deal fairly with my appeals if, when all the facts are in, I am not prepared to accept the facts and support the results.

If I could have one more minute, Mr. Speaker, I would like to put forward the proposals—

The Acting Speaker (Mr. Corbin): I must inform the Hon. Member that his time is up. He may only continue with the unanimous consent of the House.

Some Hon. Members: No.

The Acting Speaker (Mr. Corbin): There is not unanimous consent. Is the Hon. Member for Kootenay East-Revelstoke (Mr. Parker) rising to question the Hon. Member?

Mr. Parker: Yes, I have a question for the Hon. Member. He has mentioned that he would like to see the pension on a sound basis. He has also mentioned the possibility of the principle of the six and five. I would like to ask the Hon. Member what his views are on the Government's policy of not consulting with the advisory committee of the pension group, not consulting with the unions involved, not consulting with the pensioners' groups before this action was taken. Does he agree with that process?

Mr. Evans: Mr. Speaker, since the proposal was brought in as part of the six and five program, which was part of a budget, I absolutely agree with it. There is no way that a Minister of the Crown proposing a budget can discuss budgetary proposals in advance, and that Party would be the first one to condemn the Government for violation of budget secrecy, if the Minister intended to do so. In addition, the Hon. Member's question referred to proposals, so I would like to put on the record exactly what those proposals are.

First of all, I am calling for an integration of the two funds currently comprising the pension plan. Second, a conversion of these plans to "Fully-funded/excess-interest" system of inflation protection, with the necessary modifications to contribution rates, the provisions for dealing with existing unfunded liability and the rates of interest which are paid on those account balances. Third, the establishment of an independent representative third-party body to act as a board of trustees empowered to oversee and administer the major features of the plan, to include pensioners, employees as well as the employer. I would ask that the Minister consider these modifications at the earliest possible date, and that these be brought forward for implementation no later than January 1, 1985, when full indexation is to be restored.

Mr. Parker: My supplementary is to the same Hon. Member. Is he aware that the business sector was contacted and a chairman was selected to expound on the six and five program to the business sector, and yet the Government did not see fit prior to its budget to consult with the workers or the pensioners involved in the program. I see a little bit of contradiction here, and I wonder if his executive people have given him the answer to that one also?

Mr. Evans: Mr. Speaker, I do not need any help answering any questions from that Hon. Member. The fact is that no one was notified or indicated what was in the budget prior to budget night. After the budget, certainly an advisory committee on six and five was established, but that was done after the

budget was presented in this House of Commons, as is proper and traditional in British Parliamentary practice.

Mr. Crosbie: Mr. Speaker, this is the first opportunity I have had to participate in this new enterprise of asking questions. I must say it is difficult because I have to sit through the speeches in order to ask the questions. But I have done that, and I have been sufficiently punished in having to listen to that Hon. Member try to rationalize. My question to him is: does he, as a Member of Parliament for Ottawa Centre, think that the Canadian Government has the right, legally or morally, to unilaterally change the pension plan for the Public Service retirees, those people who are already retired, as proposed in the legislation that is now before the House? That is the question, not all of these specious rationalizations which the Hon. Member has engaged in. This is a question he is being asked by people who live in his district and which he has failed to answer. He sends out form letters which do not answer the questions which he is asked.

• (1610)

I have a letter here which asks a simple question. Does the Member of Parliament for Ottawa Centre (Mr. Evans), where many thousands of pensioners live, think that he has the right to support the Government, legally or morally, in unilaterally changing this pension plan for people who are retired? Yes or no. It is a simple question which his constituents deserve to have an answer to, not all this mish-mash of this fund or that fund and amalgamate the fund. He is putting the blocks to those pensioners and they want an answer.

Mr. Evans: Mr. Speaker, I stood on my voting record at second reading, and I will stand on my voting record on third reading, in answer to that question.

Mr. Crosbie: Mr. Speaker, I do not want to blackguard the hon. gentleman unnecessarily because he is so easy to blackguard by just using the truth. Did the hon. gentleman vote for the principle of this legislation, and has he voted for it continuously since it came into the House? Because if he did, it means he believes the Government has the right, legally and morally, to change the pension plan unilaterally. His constituents want to know that.

The Acting Speaker (Mr. Corbin): Order. Before allowing that question, the Chair should perhaps caution Hon. Members that the question has to relate to the topic at hand. Questions relating to previous votes, it seems to me, stretch the matter of relevancy a great distance.

Mr. Crosbie: It is this Bill.

The Acting Speaker (Mr. Corbin): If the Chair may suggest, Members' votes are one the record for all Members and the public to see. I would appeal to Hon. Members to adhere as much as possible to the rule of relevancy and not refer to something which happened in this House at some previous time in the course of other stages of the debate. But in any case, I will recognize the Hon. Member for Ottawa Centre (Mr. Evans) for the purpose of answering the question as put.

Mr. Evans: Mr. Speaker, I will answer the question as put. As I have said from day one on this, as long as taxpayers' dollars are being used to pay, then the Government has not only the right but the obligation to see that those taxpayers' dollars are properly used. If a restraint program is going to be applied to the expenditure of taxpayers' dollars, then it should apply globally to the expenditure of taxpayers' dollars.

Mr. Crosby: Mr. Speaker, I have some sympathy for the Hon. Member for Ottawa Centre (Mr. Evans) because I can see how he is torn between his duty and loyalty to the Government which he supports in the House of Commons and his loyalty and duty to his constituents who in many cases are currently employed in the federal Public Service and in other cases are retired members of that Public Service. I want to help him along with his difficulty by pointing out to him that when the so-called six and five program was introduced in the House of Commons on June 28, 1982, by the then Minister of Finance, the Hon. Member for Cape Breton Highlands-Canso (Mr. MacEachen), the indication was that the Government was promoting a restraint in the Government spending program to bring inflation into line, and possibly to bring it down to the level of six and five. That was the goal as announced by the Government in the House, and I can see why the Hon. Member for Ottawa Centre might be prepared to support that program in the interests of his constituency which includes both retired and working federal public servants.

However, the problem I now see for the Hon. Member is that seven months have gone by, we are now at the end of January, the inflation rate is 9.3 per cent and nowhere near the six and five. Is he not now faced with revising the view he took months ago in support of the Government's program? Is he not now faced with his duty and loyalty to his constituents in that the Government has been proved to be wrong in its prognostications, there will be no 6 per cent or 5 per cent inflation rate and in fact his constituents are faced with a 9.3 per cent inflation rate?

Is he now prepared to revise his view, abandon the position he has taken in the past, and now vote against this terrible Bill?

Mr. Evans: No, Mr. Speaker. The Government's six and five program, in conjunction with other economic policies, is indeed working. Inflation has gone down from over 11 per cent in the early summer to 9.3. If we look at the last three months of the year it is down to 6.5 per cent; indeed, there was no change at all in the price index during the month of December.

On this issue, Mr. Speaker, I think there is a long Public Service tradition, with which I was raised when I was working in the Public Service, that you give the best possible advice to your Minister and then when the Minister makes a decision, you stand behind your Minister. That tradition is alive and well in the Liberal Party of Canada and, I would expect, in the New Democratic Party as well. I tell the Hon. Member that he

would have a lot fewer problems in that Party had they followed that tradition as well.

The Acting Speaker (Mr. Corbin): Order. The time for questions is over.

Hon. John C. Crosbie (St. John's West): Mr. Speaker, I am pleased to have the opportunity to participate in this debate because it is an important one and, of course, another nail in the coffin of this Government. What is happening here, Mr. Speaker? The agitation for indexation of Government employees' pensions only came about in order that they could keep up with the cost of living, which resulted from the negligence and failure of the present Government to deal with the problem of inflation. There would be no need to have Government employees' pensions indexed if there was not the threat of inflation. Why is there this threat? Because we have had a group of incompetents in charge of the economy of this country since 1968. The same group whose Prime Minister (Mr. Trudeau) said that he had stomped inflation into the ground, that inflation was overcome and conquered. That same gentleman is now introducing legislation into this House, asking us to take away the indexing of civil servants' pensions, not because inflation has been overcome, not because last year inflation was only 5 per cent or 6 per cent; he is asking us to do this because the battle against inflation has not been overcome, because his Government has been such a failure and has gone back on its sacred word to the electorate of Canada in the 1980 election. Then, Mr. Speaker, after having proven it can no longer be trusted to control inflation, and having agreed to give civil servants and pensioners the right to have their pensions indexed, people who paid for that indexing, this same Government which has shown it is monumentally incapable of controlling inflation because it went over 12 per cent just a few months ago, now brings in legislation to take away the protection its public servants had against inflation. It is not because the Government thinks it now has the answer to inflation. It does not. The Government is now proclaiming victories because the inflation rate is down, in the last year over year, to 9.3 per cent or 9.6 per cent or whatever it is. Here we have in today's paper, *The Toronto Sun*, the Finance Minister saying "Inflation is on the Ropes". This is what the Minister of Finance (Mr. Lalonde) said: "The war on inflation is almost won". How often have we heard that said by this degenerate Government, by this incompetent Government, by this inconsequential and fraudulent Government? How often has it proclaimed these victories? Then today we see the Minister of Finance saying that inflation is on the ropes. He has legislation before this House right now so that pensions next year will not be indexed in excess of 6.5 per cent. That is not 9.3 per cent year over year, and not what the Government's own agencies are doing. Here is another selection from today's paper: "Bank of Canada's pensions up 11.5 per cent". Why are they up 11.5 per cent? The Bank of Canada, by the way, is the Government's agent which is supposed to control inflation. Why are the pensions of employees of the bank going up 11.5 per cent this year? Because the bank had no choice, they say, under the bank's staff pension plan. In a statement, Mr. Bouey said that the bank felt bound to grant the increase because it was required under the rules of the bank's pension plan and that because of the rate of inflation and the increase in the cost of living last year the bank would give an increase of 11.5 per cent this year—not 6.5 or 5.5 per cent, Mr. Speaker. The Bank of Canada could ask the Government to do for its employees exactly what the Government is doing for its own former employees and that is, bring them under the legislation that is now before the House.

• (1620)

If the Government was concerned with equity and fairness, it would not allow the pensions of people who formerly worked for the Bank of Canada, which is the main institution that is supposed to fight inflation along with the Government—and they have both failed—to increase its pensions by 11.5 this year while the rest of Government retirees receive an increase of only 6.5 per cent, even though they suffer the same inflation rate as the pensioners of the Bank of Canada. There is no justice in that, Mr. Speaker.

We are dealing with pension pulverizers, actuarial arsonists, Mr. Speaker. When I listened to the Hon. Member for Ottawa Centre (Mr. Evans) give specious arguments to cover up the fact that he was turning his back on federal Government pensioners who live in his riding of Ottawa Centre, I thought he was trying to justify the tearing up and burning down of the solemn commitments made to them by the Government. He is an actuarial arsonist, Mr. Speaker, and all his speechifying and qualifying and the details and nonsense he offers is not going to obscure the fact that he is going for the long trip. When the next election comes, he will need his Member's pension. He is on the skids; he is on his way out. He is going to get the flick, Mr. Speaker.

Mr. Lang: Oh, oh!

Mr. Crosbie: If the Hon. Member opposite has a conscience he will not be able to vote for the Bill when I am through. He should just listen to what I am saying and stop bleating. The Hon. Member for Kitchener (Mr. Lang) continually bleats, Mr. Speaker, and I want him to stop bleating and to let his heart start beating.

I have in my hand a document with the heading "Notes for remarks by the Right Hon. P. E. Trudeau to the Campaign College, Toronto, January 12, 1980." This was the election platform of the Right Hon. Prime Minister and his Party. I shall not read it all, naturally, because it would sicken the people across the country who are listening to me today. They would have an automatic attack of flu if they listened to it all.

He said this:

> The Liberal program seeks to provide stability, equity, and security for the 1980s.

Security, Mr. Speaker! Is this the security that the Prime Minister said he was going to provide for the 1980s—jackbooting, blackjacking the old age pensioners and the pensions of the federal Government retirees? Is this the security he was going to provide? Then he said this:

Canadians want to cast their vote for a party which can bring some order and policy and programs. They want a party that knows where it's going.

That is not what they got, Mr. Speaker. The Government and the Party opposite does not know where it is going. It has no order or policies or programs. The public only knows that that Party is going down, that it has stabbed the public in the back and has gone back on every one of its solemn commitments.

Mr. Lang: There will be some stabbing in the back going on in Winnipeg.

Mr. Crosbie: If the Hon. Member for Kitchener will listen, he will discover why he will be defeated so abjectly in the next election.

Mr. Lang: You said that in the last election and yet I am here.

Mr. Crosbie: At the bottom of page 2, the Prime Minister said:

Our program for the 1980s consists of five major commitments:

This was from the gentleman leading the Liberal Party who had said that our budget and our program was so dastardly for the Canadian people. Looking back now, the Canadian people remember that program with fondness. All over the country statues are being put up to me, in honour of my budget. As I go around the country I am ashamed to see so many of them.

Mr. LeBlanc: It is a shame!

Mr. Crosbie: That was the Hon. Minister, formerly of fish, now of public works.

There were five major commitments, Mr. Speaker. The first was:

(1) to manage more rigorously the nation's finances in order to make more effective use of the taxpayers' money.

The deficit is now $23.5 billion so I will not go into that. The second one was:

(2) to achieve energy security at a fair price for all Canadians.

Ugh! A fair price for all Canadians? The price of energy has doubled in the last two years. The next one reads:

(3) to develop industrial policies that will provide jobs—

Imagine! With 1.6 million out of work the Government is going to provide jobs. That one goes on:

—spur growth, and increase Canadian ownership and control of the economy.

What is left of the economy, Mr. Speaker? That is the one thing they have done—increased Canadian ownership and control of the economy. There is damn little of the economy left. What is the good of an economy that is all Canadian owned when there is no economy left? We are reduced to building popsicle sticks. Number four reads:

(4) to build greater economic strength in each region of that country as the basis for overall Canadian prosperity.

They put the boots to Alberta, Saskatchewan and Newfoundland, they pushed Newfoundland down to its worst unemployment rate yet.

Point five is the relevant point, Mr. Speaker, I know you are cringing in your chair because you think I am not being relevant enough. It reads as follows:

(5) to enhance the security of the individual by helping those who most need assistance.

This was the fifth great point of the Liberal platform of January and February, 1980—"to enhance the security of the individual by helping those who most need assistance." There it is, people of Canada. I fool you not. It is in black and white, right on your TV screen. That was the promise. What are we doing today? We are voting on a Bill to take away indexing from former public servants and employees of this country who were promised it and who contributed to it. This is called enhancing the security of those individuals by helping those who most need assistance.

Let us go further with this six page document. I cannot go over it all because I do not have the time. On page five this appears:

This party will not simply stand by and let the recession come. We will fight it and overcome it.

They even knew the recession was coming. They promised to fight it and overcome it. I ask backbenchers opposite who meekly and blindly vote for everything this Government proposes, if they have seen any recession being fought and overcome during the last two and a half years. They have not. The worst recession is raging in the country since the 1930s, and it will be worse than that shortly, in my opinion. The Prime Minister claimed that the Liberals were going to lower unemployment and would use every economic tool to do so. Every day we can see on the benches opposite the economic tools the Government is using. On page six of this document this appears:

Fifth, the Liberal Party commits itself to enhancing the dignity and security of individual Canadians.

Hon. gentlemen opposite will get up and cheer and clap at the next Liberal convention when the Prime Minister says, "We commit ourselves to enhancing the dignity and security of individual Canadians". That is why there are 1.6 million unemployed. We do not give a continental damn about them, now that we are in power. We think they are going to forget it before the next election. That is why we put the blocks to the people who are on old age pensions. That is why we stopped indexing their pensions. That is why we have done the same to the crowd who get the Family Allowances. It is all because we are dedicated to "enhancing their dignity and security", and they cannot have dignity and security as long as they have incomes.

That is the new Liberal reasoning, Mr. Speaker.—you cannot have dignity and security as long as you have income. That is the principle of the legislation that is before the House.

Listen to this, Mr. Speaker, although I will excuse you if it makes you heave. On page six we find this:

We must set out sail firmly against this Tory tide of reaction and make the pledge that this party will put people first.

The people of Canada believed the Prime Minister and now they want the Tory Party back. They know that with us they will see real progress and will hear the truth. They know that they will have a Party that will carry out what it promises, not a Party that says it is committed to enhancing the dignity and security of individual Canadians but does not do anything about that except bring in legislation which flies in the face of that promise.

In the next paragraph he said:

We must endorse the right of every Canadian to have a job.

How can Members opposite stand in this House after having made that kind of commitment? How can they look at the figures for Newfoundland where unemployment runs at over 30 per cent, or at Sudbury? How can they stand the situation there? It is only because they are so used to being in power that they are beyond feeling anything. How can they say that they endorse the right of every Canadian to have a job when 1.6 million Canadians are out of work? Finally he said:

And most important of all, we must guarantee the income security of our older citizens. Retirement should be a time of peace rather than a time of fear. All this we will do. And more.

You can just see the Prime Minister in Toronto, all emotional and excited, telling the press that, most important of all, they must guarantee the income security of our older citizens and that retirement should be a time of peace rather than a time of fear, and that they will do all this.

He did not say that they were going to bring in legislation to stop people getting an indexed pension. He did not say to the tens of thousands of civil servants retired from Government employment and that he was going to cap their pensions. He did not say to the people who were getting Family Allowances or Old Age Security that those things were not going to be indexed any longer. He said that they must guarantee the income security of our older citizens.

It makes one sick to see how a Party can turn its back on its pledges and commitments and still carry on. This Party opposite will carry on right till the five years are up, right till they are forced out by the letter of the law. We will have to get writs of mandamus, injunctions and call out the army. The Governor General will have to act to get them to call an election because they are afraid to face the electorate. This is why I am voting against this legislation. I am voting against the legislation because it flies in the face of the Liberal program about which we were told in January and February 1980. These lies, deception and deceit inveigled the Canadian people to put us out before we had a chance to show what we could do, and put back in this bunch of cynics, hypocrites, defrauders and fraudulent misrepresentators. They fraudulently misrepresented their position to every old age pensioner. They promised them income security.

• (1630)

Mr. Lang: You should be ashamed.

Mr. Crosbie: You should be ashamed. You should vacate your seat. You should be the first to show some decency. The Hon. Member for Kitchener should show some decency. He should stop staying here bleating and get out. His finest moment will be the day that he resigns his seat.

Mr. Lang: It is your blood pressure that is going up.

Mr. Crosbie: I do not want to get excited, Mr. Speaker.

This legislation enables the Government to break an agreement into which it entered with public servants who are no longer there. They served their time and they are gone. This is the difference between all the other things they have done. Public servants are being—screwed is not the right word, not the polite word; what is a better word than screwed—screwed, blued and tattooed. The old age pensioners and Government pensioners are having that done to them. These people are now retired. They gave their services. They thought they had a commitment from the Government. Now they are told that they must bring down inflation by having the indexing removed from their pensions.

First the Government captures their votes, or tries to, by saying, "We are incompetent; we do not know how to overcome inflation, but we will protect you, the public servants of Canada, the Armed Forces personnel and so on, by giving you indexed pensions. Therefore, you do not have to worry about our economic incompetence. No matter how incompetent we are, if the cost of living goes up 100 per cent, your pensions will go up 100 per cent". That is what they said to those people. Many of them went out and voted for them on that condition. Then in 1980 they said what I quoted. Now they turn around and say, "It was all make believe. You will be better off if you do not get this additional income. Why, your security in your old age and your golden days you will enjoy much more if you have a Government which breaks its commitments and promises to you". That is what they have said to them. This is what the Prime Minister said when he stated that platform from which I read. He said, "We have an economic program which will enhance dignity". This is part of the program of the Prime Minister to enhance dignity—cutting back on Government pensioners. This is creating opportunities for whom? For the scoundrels that inhabit the Government like maggots in a piece of old fish. They are creating opportunities for them. They are not creating opportunities for anyone else. Yes, the patronage opportunity is there, but not for the ordinary person, not likely. "To provide security", this is what the Prime Minister said.

Where is that program? His backbenchers do not revolt. The Hon. Member for Ottawa Centre does not go into or come out of caucus saying, "I will make our leader stick to the promises or, by God, I will leave the Party". No, he is the Indian rubber man. He has no backbone, no gumption. He rises in the House with these silly hypocrisies which we heard today, the slipshod nonsense about how, after all, they are not indexing the 1 per cent which employees contributed toward the indexing, that they will only limit the indexing on the part the Government contributes.

It is a major piece of treachery. It is an act of disdain and contempt for the Canadian people, particularly pensioners. This is why I am so delighted I am here today. I was off on business and I was not able to be here.

Some Hon. Members: Oh, oh!

Mr. Crosbie: I was not able to be here last week. I am sorry I missed last week because I would have had the chance to speak three or four times to see if I could get anything across to Hon. gentlemen opposite. They are breaking faith. This is trickery. They talk in international affairs about confidence-creating measures; we must have confidence-creating measures. How can the economy ever come back with this kind of confidence-destroying tactic? There is no confidence in the business community. There is no confidence in the investor. They have all been betrayed. Now there is no confidence in the Government by the old age pensioner. There is no confidence in the Government by the person who receives Family Allowance. There is no confidence in the Government by the 1.5 million people who are unemployed.

How can the Government lead us to an economic recovery? It cannot. It can only lead us to further treachery, trickery and skullduggery. They are breakers and enterers. They should be charged with break and entry, destroying the trust and confidence which people normally have in Government. They have broken and entered peoples' minds. They are worse than the criminal who breaks and enters an ordinary home.

I am coming toward the end of my time. I say that I am voting against this legislation. It is uncaring, unheeding, unknowing, unwholesome; it is treacherous and contrary to the program which the people of Canada were promised. I hope to be around when we come marching back to try to restore some of the things Canadians deserve and should never have had removed from them.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I should like to deal with three matters which arose in the debate today. The first one is the question of the motion of the Hon. Member for Nepean-Carleton (Mr. Baker).

Mr. Crosbie: I want a question.

Mr. Gauthier: You do not deserve any questions.

Mr. Crosbie: Why am I being discriminated against? They will not ask me questions.

The Acting Speaker (Mr. Corbin): Order, please. The Hon. Member for Ottawa-Vanier (Mr. Gauthier) has the floor.

Mr. Gauthier: If I may give good advice to the Hon. Member, he has to be relevant and he has to be non-repetitive. He was not very relevant and he was very repetitious.

Dealing with the motion to hoist or to put off the vote on this motion to six months hence, I regret to tell the House that I cannot support it because I want the Bill to be disposed of today and beaten, if possible. I do not think the realities of the political world will allow that. Therefore I do not see any virtue in putting the hoist on this Bill so that it will be taken up six months hence, souring relations even more with public servants and making it very difficult for valid consultations to go on with the Bill over their heads.

I would like to join with the Minister and with other Members of the House in trying to make the consultation process work better in pension matters. I say to the Minister that I think there has to be a fundamental review of the issue and that there are several important issues at hand which must be looked at. In the Public Service Superannuation Act, the Supplementary Retirement Benefits Act and all other pension accounts, there are important technical and fundamental issues which have to be addressed at this time and quickly. To that effect I recommend an approach to the Minister. In light of the statement this morning that we should look at this in the context of national pension reform, and because of the specificity of the matter of Public Service pensions, the Minister should consider setting up a task force—and he should give serious consideration to this without delay—to canvass the views of Public Service pensioners and organizations on the future of the Public Service Superannuation Act, the Supplementary Retirement Benefits Act and all the others, respecting benefits, funding, financing, investments, administration, the role of employees and pensioners in determining these matters in future, and the long-term issues which are of concern to the Minister, to many employees and pensioners at this time.

Mr. Baker (Nepean-Carleton): Six months would give him time to set up a task force.

Mr. Gauthier: Of course the members of the task force would have to be credible to employees and pensioner organizations. Such a task force would be given full access to all pension data and records other than confidential policy papers between the Minister and his advisers. It would need staff assistance in carrying out financial and other propositions or projections. Finally, to achieve maximum credibility, I believe that it would be necessary for the report of the task force to be made available to employees, pensioners and their organizations when it is submitted to the Minister. If the Minister follows this course of action, it would enable him to make good on his promise that employees and pensioners should and will be consulted on important long-term pension matters, particularly if he moved to set up such a task force at this time and without delay. Such a task force, as I see it, would parallel basically what the Government is proposing to do by setting up a parliamentary committee to get the opinions of all interested Canadians on its Paper entitled "Better Pensions For Canadians."

• (1640)

My second point is with regard to a statement made this morning and repeated again by the President of the Treasury Board (Mr. Gray) to the effect that there is no formal agreement with respect to Public Service pensions. He said that the present pension system, and I noted that down, does not form part of any agreement arrived at by collective bargaining.

Some have said to me that the Minister is implicitly suggesting that everything should be in writing. This would lead to bargaining on pensions. I have not heard in the last few months any unions suggest that we should bargain on pensions. If we came to this, I feel it would be admitting failure on all parts. If the government persists in arguing that gentlemen's agreements, hand shake agreements, and other unwritten agreements are not binding, Public Service unions may reluctantly conclude that they have no other choice but to formalize their pension arrangements, agreements and undertakings with the Government by putting these into collective agreements. As I have said, to me this would be to admit failure.

Since second reading debate on Bill C-133 started about a month and a half ago, a growing recognition has emerged that the fundamental issues faced by this Bill are one of credibility and trust. More specifically, can employees and pensioners believe the Government when it makes a promise, and can they trust the Government as an employer to keep its end of the bargain or agreement? When public servants retired or left the labour force they were told that their pensions would keep up with inflation. They were also told that their pension rights would not be altered without prior consultation. Bill C-133, if enacted, will break faith, in my opinion, with our pensioners on both these counts. Breaking faith or trust for that matter is rightly regarded as a very serious offence in most democratic societies. Trust and faith owe their existence to a structure that is made up of such things as mutual trust, respect and confidence; a sense of fair play and adherence to a comprehensive code of values that, for the most part, is not enshrined in any written document. When these elements permeate the fabric of our society, our social and human relations can withstand great pressure and testing.

The fact that pensioners are protesting the enactment of this Bill is to be expected. What I find surprising, though, is the strength of their protests and the deep sense of grievance, betrayal and outrage that they harbour over the Bill and the effect the Bill has had in creating a spreading atmosphere of mistrust and suspicion in the minds of many pensioners and employees of the Public Service. This, in part, I feel is due to the fact that Bill C-133 was sprung on them like a bolt from the blue, and so their reaction of complete surprise and shock is easy to understand.

To gain a better appreciation of this shell-shocked reaction of employees and pensioners, it is necessary to cast our minds back to 1975 and 1977 when the indexing of Public Service pensions was a highly controversial and emotional issue. Most of us who sat on the committee dealing with the issue remember how hard we had to work on that very, very important issue of indexing of Public Service pensions. At the height of this controversy, the Prime Minister (Mr. Trudeau) stated that:

—pensioners are out of the work force and cannot bargain or strike for larger incomes. They are not the cause of inflation, they are its victims. We have an obligation to protect them.

It is important to remember that this statement and others in a similar vein that were made by the late Robert Andras and the Hon. Judd Buchanan, were not made when controversy had died down, but when controversy was at its peak. In addition, the Government in these statements was not making a back-pedalling defence of indexing, but was proclaiming for all to hear that it was a fair and just measure and that it advocated such measures for its pensioners. These statements played a major role in giving pensioners a real sense of security about the future of their indexing.

In the last five years, a good deal of the heat and emotion over indexing has abated and increasing numbers of leaders in the private sector have been calling for better inflation protection for pensioners in the private sector, and the Government, by tabling its document entitled "Better Pensions for Canadians", took the same position and encourages, in its Green Paper, better inflation protection for all Canadians.

Another worry that employees and pensioners have is that if the Government feels it has the right to change unilaterally or abandon its commitments and undertakings with respect to indexing, what assurance do employees and pensioners have that the Government will not do the same thing to other pension commitments and undertakings? Much of the worry here is centred on the broad understanding that underlies the many measures the Government has instituted over the years for budgetary reasons, to limit the amounts it puts up for Public Service pensions. These measures have saved the Government and taxpayers billions of dollars and were measures that could not be taken by employers in the private sector. The unwritten agreement involved here is the understanding that if the measures taken to accommodate Government budgetary requirements, as distinct from pension requirements, undermined the financial viability of Public Service pension programs, the Government would step in and meet the shortfall. Perhaps it would be helpful if I described a few of the ways in which the Government over the years has managed to reduce its budgetary requirements for Public Service pensions.

The pension accounts earn interest at rates that are determined by averaging interest rates over the last 20 years in Government bond borrowing. Answers provided by the Treasury Board and tabled in the House on April 21, 1982, in response to a question that was placed on the Order Paper, indicate that by using this formula instead of current interest rates like the Supplementary Retirement Benefits Account, public debt charges that must be met by taxpayers have been reduced by over $5 billion to the end of 1980. I am told that one of the unions wrote the President of Treasury Board last spring seeking an update of this figure, but has not yet received a reply. Considering the level of interest rates in 1981 and 1982, I would not be surprised if the current figure showed that these public debt charge savings have now passed the $10 billion mark.

Government budgetary requirements have also been reduced because of the fact that Government matching contributions to the pension accounts are always made one fiscal year in arrears, while employees are required to make theirs every two weeks. This means that Government contributions are perpetually in arrears by amounts varying and ranging up to $500

million or more. It is worth noting that one year's interest on $500 million is just about equal to the amount the Government expects to save in its first year's implementation of Bill C-133.

Employees and pensioners have a deep concern and worry about this rate of interest which their pension accounts will earn in the future. The interest rate on the main accounts, as I have said, is determined by averaging interest rates on long-term Government securities over a 20 year period. As a result of this formula, the Government has for many years been able to use Public Service pension funds at rates of interest that have been well below current rates of interest. This situation will change though when rates of inflation come down to more realistic levels. When this happens the interest rate lag that is built into the formula will cause the pension accounts to earn interest at rates that will be well above current rates of interest. The question put to me by many pensioners and Public Service employees from time to time is, what assurance do employees and pensioners have when this occurs? Will the Government not then change the formula to suit its own purposes? This concern, in my view, is not easily dismissed as the current formula is not prescribed by statute but, rather, is determined by regulation.

• (1650)

Frankly, I do not know how to go about putting the minds of employees and pensioners at ease when they ask, "If the Government does not consider itself bound by commitments that are enshrined in statute, why should we believe that the Government will have a stronger attachment to commitments that are contained in regulations, particularly when these regulations can be changed without seeking the approval of Parliament?"

Of all the things that have transpired since Bill C-133 was introduced, I think nothing has perplexed employees and pensioners more than the tendency they have witnessed on the part of the Government to underestimate grossly the pension savings of its six and five proposal. When Governments embark on restraint programs, they are not usually inclined to hide their light under a bushel when it comes to telling the public about the savings they have achieved. If anything, they are usually accused of overstating the savings of their restraint initiatives. "Why", employees ask, "is the Government in this instance underestimating the financial impact of its Public Service legislative proposals?"

Another question I am asked is why the Government has said nothing about the pension savings which will result from the enactment of Bill C-124. As most Hon. Members are aware, the Government is required to credit large amounts to the Public Service Superannuation Act, the Canadian Forces Superannuation Act and the Royal Canadian Mounted Police Superannuation Act each year to cover the past service pension costs of salary revisions granted every year. When salaries are restrained, these amounts, which are called actuarial liability adjustments, are greatly reduced. Estimates which were provided to the Miscellaneous Estimates Committee by one of the unions indicates that the pension savings which the Government will realize through the enactment of Bill C-124 will run between $900 million and $1 billion. I expect that this figure might run as high as $1.5 billion if we included the Armed Forces and the RCMP.

The Government, to date, has not been particularly reluctant to publicize the savings in salaries it hopes to realize from Bill C-124, but there has been not one word on the pension savings. This is difficult to understand, particularly when pension savings are bound to exceed salary savings from Bill C-124.

During second reading debate on Bill C-133, the Minister stated that the Bill, if enacted, will produce pension index savings of $165 million in 1983 and 1984. The Bill, however, would affect pensions after 1984, but no figures were provided by the Minister on the effects of the Bill on pension incomes after 1984. Estimates which were provided to the committee by some of the pensioner's organizations indicate that Bill C-133 will, over time, reduce pensioners' incomes by about $500 million.

My back-of-the-envelope calculations suggest that the $500 million figure is much too low and that we are likely to find a pensioner income loss of between $1 billion and $2 billion to be closer to the mark. I arrive at that figure by multiplying the life expectancy of pensioners who, on average, are 70 years old, by the life expectancy of 12 years, and multiply the savings of the Government in 1984, which is $105 million, by 12. One can easily understand that my projection of $1 billion is very conservative, to say the least, and is twice the amount given by some of the witnesses who informed the committee during its hearings.

Some employees and pensioners are more than perplexed by the tendency on the Government's part to play down the impact of its six and five proposals on pensions and pensioners. They feel that if true and proper figures were published, it would clearly be demonstrated that the sacrifice pensioners are being required to make is neither minor nor temporary but, rather, is substantial and permanent.

In the limited time available to me, I have not been able to carry out a comprehensive review of the claims, charges and apprehensions which have been raised with me over the past few weeks. It was necessary to read all the Miscellaneous Estimates Committee reports to try to inform myself of the aspects which were put forth by letter and telephone and in personal contact with hundreds of public servants in my riding and elsewhere. I have noticed that most of the issues which have been raised were contained in the very briefs or representations made to the committee, but they sometimes went unanswered because of the structure of the committee. Many of the points and representations made by employee unions, pensioners' organizations and others were not answered in a comprehensive manner. This may, of course, have been due to the hurried nature of the committee's proceedings and examination. Accordingly, I would like to suggest to the Minister that he carry out a detailed review of all the briefs which were submitted to the committee and that he send a comprehensive and detailed reply to the organizations and individuals who

submitted them. I am concerned that if this is not done, the organizations and individuals involved, the taxpayers, those constituents of mine who have written letters, will assume that silence denotes assent, and this cannot help but exacerbate future relations with these organizations and individuals.

One thing is crystal clear: when there is a breakdown in trust, an atmosphere of mistrust and suspicion quickly develops, which, if left unchecked, can poison a broad range of employer-employee relations for a long time. It was with this is mind that I concluded in my speech during second reading stage that this is a Bill which makes everyone a loser. The taxpayer loses, the pensioner loses and the Government loses by its presence.

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, I have no questions to ask of the Hon. Member who has just spoken. I listened carefully to a very thoughtful speech by a very thoughtful person. Certainly, there are few people in the House who could match his knowledge concerning the problems of senior citizens and indexation. Also, I suspect there is no one in the House who has more clearly seen what the Government is doing. The Government is breaking a pledge to civil servants and to the Armed Forces, and I understand that next week or sometime in the near future it will be the turn of the old age pensioner.

This morning we listened to the President of the Treasury Board (Mr. Gray) while he gave us his excuses for what was going on here. He made a few statements which absolutely astonished me. I simply cannot understand them. Perhaps he will enter into another debate next week on the Old Age Security Act and explain how he could say such things. I took down what he said at the time, and he said, "The payments to the pensioners come from the taxpayer, generally". This is very difficult for me to accept from a Minister of the Crown or from anyone else, for that matter. Another opinion was stated by Bruce Phillips, the commentator on the CTV National News last night. He is usually much more sensible. I do not know how he could state such an opinion, which I know Hon. Members opposite hope is a popular opinion, as to how people felt concerning indexed pensions, without mentioning the Superannuation Fund or the Supplementary Retirement Benefits Fund. He implied, as did the Minster this morning, that that money comes entirely from the taxpayer.

My colleague, the Hon. Member for Nepean-Carleton (Mr. Baker), placed a question on the Order Paper a few weeks ago and received an answer on January 21. Question No. 4,486 asked, in part:

> For each of the past ten fiscal years, what was the amount of (a) interest earned (b) employee contributions—

Statistics were given for several different funds, starting with the Public Service Superannuation Account. Employee contributions, which the President of the Treasury Board likes to completely ignore, as did Bruce Phillips last night, amounted to $126 million in 1972. Pension payments amounted to $121 million. Therefore, starting in 1972, more money has been paid in by employees than paid out in pensions, to say nothing of the employer contributions or, as the President of the Treasury Board would like the general public to believe, the amount derived from general public taxation. In 1973-74 the employees contributed $141.5 million and pension payments were $139 million. In 1974-75 the employees contributed $168 million and the pension payments were $161 million.

• (1700)

How the Minister can go on with this kind of "Gray's Elegy" as he did this morning, and I hope it will not be read hundreds of years from now as the other "Gray's Elegy" has been, but how he can claim that the payment out to the pensioners comes from the taxpayers generally, in view of the figures I have just read out, is beyond comprehension.

As well as that, the Public Service Superannuation Account receives interest which is credited, additional interest which is earned and employer contributions.

If I could skip to the year 1981-82, which is the last one mentioned in this answer to the question from the Hon. Member for Nepean-Carleton, the interest credited was $837 million; the additional interest earned was $355 million; the employees contributed $403 million and the employer contribution was $606 million. That is a total of $2,201,000,000, and the pension payments were $459 million.

There has to be something wrong about these figures and the statement from a Minister of the Crown that the general taxpayer is paying this. Does that mean that all these figures are just a figment of the imagination of some clerk somewhere, that they mean nothing? One would assume so, if the Minister actually believes that the pension payments come generally from the taxpayers.

I would like to mention a few figures for the Canadian Forces Pension Fund, which provides on a per capita basis for those involved, a somewhat larger amount per person. They had receipts into their fund, the interest credited, of $618 million; additional interest earned was $262 million; employee contributions, $91 million, and the employer contributions $198 million. This was in the year 1981-82, and the payment out was $291 million. From this it can be seen that the payments in far exceed the payments out, in fact that is true in almost each category. Yet the Minister had the nerve to say that the amounts in the superannuation accounts represent the amounts required to pay future benefits. Does that mean that in the answer to the Hon. Member for Nepean-Carleton, when he mentioned employee contributions, the Department officials also made that up, either from their imagination or from their computers, because, believe me, civil servants know where some of that money comes from? It comes from their pay cheques and it comes out of the servicemen's pay cheques. They have no doubt at all as to where it comes from. The servicemen and the civil servants may consider that they are the only ones putting money into it, and that may be so, from these figures. Certainly if the Government has not exactly cheated them, it has given everyone in the country the wrong impression of what is going on with the civil service pensions.

The subject was dealt with at some length by my distinguished colleague from Nepean-Carleton this morning when

he rebutted the statements of the President of the Treasury Board about a contract. The President of the Treasury Board seemed to think he was on firm ground because there was no written contract with civil servants, the Armed Forces or the RCMP signed by the appropriate Minister of the Crown, I suppose—that would be the President of the Treasury Board—and signed by every one of the hundreds of thousands of people involved, an agreement that would say, "Yes, I will pay you an indexed pension".

I have here a copy of a few pages out of the Statutes of Canada, and one part says, "This Act may be cited as a Supplementary Retirement Benefits Act". In this it defines what a pension index is. With respect to any year it is the average for that year of the Consumer Price Index for Canada as published by Statistics Canada.

What does the Minister mean when he says the Government does not have a contract? Of course it has a contract; it is spelled out in the Statutes of Canada. If he is trying to say that the Statutes of Canada are really meaningless when it comes to whether it has a contract to fulfil or not, then I think we must take a new look at the dealings between this employer and its employees. If he can say that about pensions, the Government can say that about employees' pay, their terms of service, terms of employment and so on.

What is sad about this legislation is that the Government, with the need for restraint that has become obvious to everyone in the last year—except that it may have become obvious to the Liberal Government a little later than to others—has looked at a class of people, a group of people that will suffer. This group of people is going to be moved, from the position they now hold in our social fabric, down 5 per cent. That is what it means. Instead of that group being able to buy the kind of groceries they were able to buy last year, and expected they would be able to buy this year, they are to be moved down 5 per cent, and they have to stay there forever. No longer will they be where they were this past year or the year before. They are down 5 per cent. There is no way they will ever get that money back, nor ever return to the base on which their annual percentage increase will be computed. Down they go, and this is pretty hard to take for this class of people who mainly have in common the fact that they work for the Government and that they are elderly. Some are wealthier than others and those it will not hurt as much as others, but there are quite a few who will be hurt quite considerably.

I think with some affection of the gentleman who appeared in front of the Standing Committee on Miscellaneous Estimates and spoke to us about his pension. His name was Mr. Aplin and he was an ex-serviceman. I was questioning him about the 85 rule. I sometimes think I am the only person in the House who understands what the 85 rule is about, but I know about that because I am an ex-serviceman. It is that your age and your service must together add up to 85 before you can become indexed. One of the reasons this is particularly important to servicemen is that they are not allowed to serve until they are 65 or 60. They are turned out much earlier. When I questioned Mr. Aplin, I asked him "So the 85 rule is particularly savage on servicemen where it is not on civil servants, in that they have this compulsory release age. How old were you when you were let out of the forces?" Mr. Aplin told me "forty-five". I said, "Age 45. And when will you be indexable, or are you now?" Mr. Aplin responded, "I am not indexable until January 21". That was four days ago. Congratulations Mr. Aplin, you made it. I then asked him, "And how long have you been out?" I meant out of the service. He said, "Ten years. No, 12 . . . 13 years". I said, "Might I ask how much your pension is?" His reply was, "$277.55". I said, "And has been for ten years." He said, "It has been for ten years".

That is the kind of person that we should be thinking about, a person who has been on pension for 12 years at $277.55, yet the general public thinks that immediately a person gets out of the service they retire on a fat pension. They certainly do not.

Another question is whether or not a person should lay up an income for their old age. That is a conflict between the wish of the Government for people to make their own preparations for their golden years and the Guaranteed Income Supplement. When a person is thinking of buying an annuity or working for the Government for a sufficient time to get a pension of, let us say, $250 a month, that simply means that if that is all one has when one reaches the age of 65 and retires, one might as well not have any pension at all. All it means is that it prevents one from drawing the Guaranteed Income Supplement. This is the odd conflict that we have got into by the mismanagement of the pension funds and the pension terms in this country.

In closing I would just like to say that we have participated at great length in this debate. It has been interesting and has presented quite a challenge, I would expect, to the morality of some of the Members in the Liberal Party and, I hope, they will make the right choice when the vote is taken in the next half hour or so.

• (1710)

I am much encouraged by the Hon. Member for Renfrew-Nipissing-Pembroke (Mr. Hopkins) who last night said, "Therefore, it is with regret that I state now that I cannot support Bill C-133". I looked for him last night when we were voting on Bill C-133. There must have been some earthshaking, cataclysmic event of about seven on the Richter scale that kept him from coming here to vote. We look forward to him and others making their decision in half an hour or so from now. I hope enough Members on the other side will think of the debt they owe to the senior citizens of this country and show an example that will encourage the old age pensioners whose turn will come in a few days or week, giving them hope that they will be treated in the just manner to which the Prime Minister (Mr. Trudeau) was so fond of referring in his election campaign.

Mr. Peter Lang (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I wish to speak in favour of the motion for third reading of Bill C-133, as modified by the President of the Treasury Board (Mr. Gray) to grant pension

increases under the Supplementary Retirement Benefits Act of 6.5 per cent this year and 5.5 per cent in 1984. I speak in favour because the modification to the Bill will give Public Service pensioners more than they otherwise would have received under the original proposal without violating the spirit of six and five.

The modification recognizes an important principle of not capping contributions made by the employees, matched by the employer, without upsetting the integrity of the six and five program. The modification to the Bill will not upset six and five because it follows on the principle that money set aside in the Supplementary Retirement Benefits Account as a result of prior contributions to pay for indexing should continue to be used for indexing. In this way the principle is recognized that the capping of Public Service pensions should not apply to the portion of the indexing being provided for from the Supplementary Retirement Benefits Account.

Those from the private sector who have been most active in their endorsement of the six and five program, it is understood, concur with the Government's view that modifying the pension increases in the manner indicated would not be a breach of faith with the program. Furthermore, the modification was only embraced after extensive review of all suggestions received by the Government, Members of its own caucus as well as from other sources. These representations reveal that some modification to the original proposal for restriction of Public Service pension increases to six and five could be made within the spirit of the six and five program.

The main reason for restricting pension increases to the new proposed levels dictated by the six and five program is, of course, to support the present policy for achieving price stability. There can be no sound and lasting recovery in the economy without price stability. It is something fundamental and basic that any economist will indicate to someone who inquires about this.

Price stability is sought and is desirable, not only for its own sake, but because it is necessary to re-establish growth in the economy and, with growth, to promote jobs. This is what the six and five program is all about, reducing inflation for an economic recovery and producing jobs. Thus, any breach in the program at this time could jeopardize importance national economic objectives.

It has been questioned by some whether it is now necessary to carry forward with the pensioner's part of the program since the goal of price stability is within reach. This is to overlook the role of inflationary expectations. Anticipation of the six and five program being implemented has been sufficient to start moving the inflation rate down. That is, prices move on thought; when there is conviction, the thought will be followed by implementation. To interfere with the implementation is to break the conviction. Not to carry through now is to break the very favourable expectations of lower inflation set in motion with the announcement of the six and five program. To back away at this time from the original intent and the basis of the initial success would be to jeopardize that very success. It would lead to renewed speculation of more inflation to come.

Other critics of the motion have taken a different tack. They rally around the cry of not fighting inflation on the backs of pensioners. This is to argue that while it is desirable to dampen inflationary expectations, it is not for some reason desirable to dampen the inflationary expectations of pensioners. These critics go on to maintain that it is unfair to force a reduction in living standards on pensioners. This is to ignore, however, what happens to the relative economic position of Public Service pensioners when their pensions are fully indexed for inflation when wages are not.

When Public Servants are asked to take a reduction in living standards, they suffer a loss in economic position vis-à-vis pensioners whose standards are maintained by full indexing. It seems only elementary justice to ask pensioners to share in the same reduction as active workers when this is necessary for the national good. Pensioners are not being asked to share a loss in economic position relative to active workers, only to share in a common restraint with workers that keeps the relative position of the two groups unchanged.

To keep any group at its previous level of real income at times when others are suffering a loss of their real incomes through restricted wage growth or, worse, through unemployment is to enable the protected group to gain in economic position relative to the others. This is hardly the way to have us all pull together in support of six and five and a better economic recovery.

Much has been made of the fact that there was no consultation with regard to this legislation. The answer is simple. The legislation was part of a budgetary process and at that time budgetary processes involved no prior consultation due to traditions of Parliament. However, the President of the Treasury Board when appointed to this position immediately initiated consultations with the Public Service unions. These consultations played an important part leading to a respect of the principle of not capping contributions made by the employees and matched by the employer. They played an important part in leading to the amendment that increased the cap to 6.5 per cent in 1983 and 5.5 per cent in 1984.

I now want to turn to some of the comments by Members in the Conservative Party, particularly the Hon. Member for St. John's West (Mr. Crosbie). He talked of hypocrisy. I find it difficult to understand the Hon. Member who supports restraint in general, but when it comes down to the specifics is not willing to support it. It is easy to espouse motherhood and easy to espouse restraint when you do not have to name what you are going to restrain, when you do not talk about who will get hurt. That is easy.

The Hon. Member for St. John's West is a supporter of Reaganomics. He has indicated that publicly. The major basis of Reaganomics in terms of social programs is to slash them and slash them hard, not just slashing at indexing, but cutting away at the very foundation of the program. To be a supporter of Reaganomics and then come here and try to pretend that you have a greater social conscience than the NDP is a little hard to swallow.

Supplementary Retirement Benefits Act (No. 2)

We then come to the comments by the Hon. Member for Nepean-Carleton (Mr. Baker) and his amendment to have 6 per cent apply in 1983 but not 1984. Somehow the Conservative Opposition, represented by the Official critic, in that amendment finds that it can accept the principle of six and five for one year but not for two.

Mr. Baker (Nepean-Carleton): Mr. Speaker, I do not mind the Hon. Member using my name if it is in order, but I think it is inappropriate to comment on a vote in this House.

Mr. Lang: Mr. Speaker, I am not commenting on the vote in this House. I am commenting on the Hon. Member's amendment to limit indexation to 6 per cent in 1983 but not in 1984. If it is okay to cap the pension in 1983, why is it not okay to cap it in 1984? You cannot have it both ways, Mr. Speaker.

• (1720)

I would like to ask Hon. Members from the Opposition who have endorsed some Hon. Members from the Ottawa area on this side, who, in good conscience, are voting against this legislation, to recognize and respect the right of other Hon. Members from the Ottawa area who have the personal and political courage to vote in support of the legislation. The people of Canada are looking for politicians who have integrity and courage. I would really encourage Hon. Members opposite to recognize that kind of personal and political courage from those people who, in good conscience, are voting in support of this Bill, and who believe in putting the national interest first.

Mr. Deputy Speaker: At this stage, the Hon. Member is rising to put questions to the Hon. Member who has spoken. The Hon. Member for Kamloops-Shuswap (Mr. Riis).

Mr. Riis: Mr. Speaker, actually I have only two very short questions for the Hon. Member, if he will permit. One question is about his reference to the necessity of Canadians to share in this fight against inflation, with the implication that people should be volunteering to restrict their pension increases to 6 per cent this year and 5 per cent next year.

In light of that fairness and sharing concept, which in principle, of course, one has to support, could the Hon. Member attempt to explain how the man who advises the Government on fiscal policy, Governor Bouey of the Bank of Canada, would not go along with this sharing concept and ask his retired employees to share in the six and five program, as opposed to giving them an increase this year of 11.5 per cent, which is more than the rate of inflation? Could he explain that, please?

Mr. Lang: Mr. Speaker, I would like to point out to the Hon. Member that less than 1 per cent of pensioners in the private sector have fully indexed pensions. Therefore, the Government has no necessity to ask private sector pensioners to volunteer for six and five. They are not receiving six and five. I believe that is part of the equity here. We are asking Public Service pensioners to share in the burden in the same way private sector pensioners are already. They do not have a chance to volunteer.

With respect to Governor Bouey and the Bank of Canada, the fact is that the Bank of Canada is not covered under the Public Service Superannuation Act. Bill C-133 amends the Public Service Superannuation Act. That is one point. It is not possible, therefore, to do that through this legislation.

Second, the setup of pensions in the Bank of Canada is such that it is fully contributory, not only for the basic pension plan, as it is for Public Servants in general, but also for the indexation part of the plan. So taxpayers' funds are not being used in any way to index the pensioners of the Bank of Canada, as opposed to the pensioners covered under this Act where 90 per cent of the funds to pay for that indexation are coming from the taxpayers.

Mr. Riis: Mr. Speaker, I accept the Hon. Member's very diligent response. I must say, though, Governor Bouey's call for restraint at six and five has a relatively hollow ring after today, when he deals with his employees one way and asks others to deal with their employees in quite a different way. I notice the banks as well have been very vocal in encouraging the six and five program. Looking at the annual statement of the Royal Bank of Canada I note they gave their pensioned off employees an increase of 16.5 per cent for this year. Again, while certain leaders are saying one thing, their behaviour is demonstrating quite another. We have now heard from the Chairman of the blue chip committee, Mr. Ian Sinclair, who has advised the Government on the six and five program and has been their spokesman across the country, saying virtually that now is the time to stimulate the economy. I have a newspaper clipping in which he does not refer to millions and millions of dollars, but says, Mr. Speaker, we must stimulate the economy to the tune of billions of dollars.

Mr. Deputy Speaker: I would remind the Hon. Member that a question should be short and to the point.

Mr. Riis: My question to the Hon. Member is this. It would appear now that Ian Sinclair and his blue chip Committee have abandoned this six and five course and are now asking for an incredible amount of stimulus. Would that not weaken the Hon. Member's position on Bill C-133, and perhaps even encourage him to vote agains it?

Mr. Lang: No, Mr. Speaker, on the contrary. Mr. Sinclair has been a strong supporter of the six and five program. He also recognizes, as does the Government, that six and five is not the total answer, that there are other economic measures which have to be taken to bring about an economic recovery and to deal with the serious problems of unemployment. That does not say, Mr. Speaker, it is inconsistent with reducing inflationary expectations to modify and moderate income expectations. Clearly the Hon. Member who is the finance critic for the New Democratic Party understands that in an inflationary recession, inflation is not being driven by too much total aggregate demand, but is being driven by cost-push inflation and by inflationary expectations. I do not find it inconsistent to have a program of six and five dealing with

cost-push inflation and inflationary expectations, and at the same time to advocate measures to increase investment in the private and public sectors, when we know that investment is down dramatically because of the effects of recession on corporate balance sheets. Therefore, I find no inconsistency in that at all and support what Mr. Sinclair has indicated.

Mr. Murphy: Mr. Speaker, can I speak on the amendment?

Mr. Deputy Speaker: An Hon. Member is rising to put questions? I recognize the Hon. Member for Lethbridge-Foothills (Mr. Thacker).

Mr. Thacker: Mr. Speaker, I wonder if the Hon. Member opposite would agree that the retired federal civil servants paid an extra contribution into their pension fund, some 7.5 per cent, that the superannuation account has almost $16 billion in it, and they should be allowed to use that up before having to take a cut like the rest of us? Second, who or what caused the original inflation? Would the Hon. Member agree that it was really the federal Government deficit, rather than the ordinary civil servant working faithfully at his desk?

Mr. Lang: Mr. Speaker, I have already answered the Hon. Member's question in my speech when I indicated that 90 per cent of the funds which go to pay for Public Service pensioners' indexation is coming out of the Consolidated Revenue Fund, originally from the taxpayer.

With respect to the Hon. Member's second question as to who caused inflation, I find it a little difficult to even start to answer that question, knowing that I have one minute. If the House would like to give unanimous consent to me taking 15 minutes, I would be happy to answer it.

I think it is safe to say we all had a part in creating the inflationary environment in which we find ourselves. There were not only domestic causes but also very dramatic international causes. Probably the major cause, Mr. Speaker, was the 1,500 per cent increase in the last ten years in the price of oil, which led to a 1,500 per cent increase, basically across the board, in the cost of the energy which fuels our economy.

• (1730)

Mr. Deputy Speaker: One last question, the Hon. Member for Halifax West (Mr. Crosby).

Mr. Crosby: Mr. Speaker, the Hon. Member for Ottawa Centre (Mr. Evans) made it very clear in his presentation a short time ago that he justified the application of the six and five program to retired public servants on the grounds that taxpayers' dollars were involved. To paraphrase, he said that because taxpayers' dollars are involved, the Government has an obligation to impose this program of restraint. We have heard the Hon. Member for Victoria (Mr. McKinnon) and others analyse the funding of the Public Service Superannuation Plan, the fact that there is $14 billion in the various funds, and the fact that contributions greatly exceed the amount being paid out in Public Service pensions.

I would like to ask the Hon. Member for Kitchener (Mr. Lang) if he believes that taxpayers' funds are being used to pay these benefits and that is the justification for application of this six and five program and the provisions of Bill C-133, or does he agree with me that there are no taxpayers' funds involved?

Mr. Lang: Mr. Speaker, I just answered this in my answer to his colleague's previous question. But, yes, 90 per cent of the funding which goes toward indexation of Public Service pensions comes from the taxpayer. The Hon. Member refers to $14 billion; it is actually $15.3 billion. That money is there to pay for the basic pension plan as well as 10 per cent of the—

Mr. Deputy Speaker: Order. The ten minute period of question and answer having expired, the Chair now recognizes the Hon. Member for Churchill (Mr. Murphy).

Mr. Rod Murphy (Churchill): Mr. Speaker, I wish to speak on the amendment to Bill C-133 which would prevent the passage of this Bill for six months, and also speak on the Bill itself. Before that, however, I would like to respond to a remark made by one of the Conservative Members who spoke earlier this afternoon when he said the NDP had a new-found interest in pensions.

There is not one person in this House, Mr. Speaker, who would deny the fact that our colleague, the Hon. Member for Winnipeg North Centre (Mr. Knowles), has been the spokesman for people who receive pensions throughout this country, whether they be men, women, veterans or any other Canadian.

Some Hon. Members: Hear, hear!

Mr. Murphy: Our record on pensions is consistent and stands by itself. I think some people should really research the record before they speak in this House.

When we look at this Bill before us, Mr. Speaker, we find there many objectionable features. One of the concerns we have is that the Government is breaking a trust. The President of the Treasury Board (Mr. Gray) said earlier today, there is nothing in writing. There is no written contract between the Government and the pensioners, the Public Service unions or the association representing the superannuants. That is what the Minister said. That was the Minister's justification for doing what he is doing. But there is much more to keeping your word than having a written contract. As has been referred to in a number of briefs which came before the Committee studying this legislation, there is such a thing as a gentleman's agreement and the Government giving its word to its employees and pensioners. This Government, and the one which preceded it under the Right Hon. L. B. Pearson, promised that no changes would take place in the Public Service pension without consultation. The Government did not say, "Without consultation; however, if it is a budget we will not talk to you." They did not say that. Prime Minister Pearson and Presidents of the Treasury Board—for the most part Liberal Cabinet Ministers—said, "This is your pension plan". The Government put out a pamphlet saying that there would be no changes without consultation. And this Bill breaks that trust.

Earlier this afternoon the Hon. Member for Ottawa Centre (Mr. Evans) got up and asked those same pensioners to put their trust again in this Government. He said that he had a promise from the President of the Treasury Board, one that the Minister did not make in this House, that there will be changes to the Public Service pension plan prior to 1985. Well, anyone who is quick with mathematics—I sometimes wonder if the Liberal backbenchers are—will realize that there will be an election before that time, and it is again a situation where the Government does not really expect to have to live up to the promises it is making. This legislation is a betrayal of trust, and the Government has the nerve to come to this House, the pensioners and people who are working for the federal Government, and say: "Trust us again. We broke trust today but that is only because it is a budget item. Trust us because sometime in the next three or four years we will do something different and try to make amends". I do not believe, Mr. Speaker, that the pensioners trust this Government. I do not believe we can expect that because trust has to be based on action and the action of this Government is to betray trust.

In the last few minutes I have heard some heckling from my right in the Conservative Party. In the last few days they have been getting up and talking about the Government breaking trust and contracts, and they made all sorts of fancy speeches. Not as many as they should have, but that is to be expected because they do not really defend pensioners when they have the chance. Well, Mr. Speaker, those same Conservatives who talk about this Bill breaking trust should remember that when Bill C-124 was before this House they voted with the Liberal Government, as they do on most pieces of significant legislation, and that legislation broke collective agreements the Government had signed with hundreds of thousands of Canadian workers. That was not just a gentleman's agreement, that was an agreement the Government had negotiated and signed. And the Conservatives, with the exception of two of their Members, stood up and supported the Liberals in breaking that trust. That set the stage for breaking trust with old age pensioners, people who receive Family Allowances and Government pensioners affected by this legislation. Then, Mr. Speaker, over the last few days, when there was an opportunity to fight the Government, the Conservatives have not shown that much strength. We talked about the fact that they only stayed out of the House 15 minutes and defeated our effort to prevent the Government from making a closure motion at that time. They spent 15 days protecting their friends in the oil companies.

Mr. Munro (Esquimalt-Saanich): Protecting Parliament.

Mr. Murphy: They spent a number of days protecting their friends, the export companies, over Canagrex, but they could only spend 15 minutes protecting the Government's pensioners.

• (1740)

Last night when we were voting on the amendments to Bill C-133, how many Conservatives showed up for the last vote? Fifty-two showed up and 49 were absent, Mr. Speaker. If half of those Conservative Members had been present last night, the Bill would have been defeated. Where were those 49 Conservatives? There were not that many Liberals absent. I do not know how they pair—is it one Liberal for four Tories? If their excuse is that they are paired with the Liberals, they are admitting that they have co-operated on every vote that the Liberal Government survives.

Mr. Taylor: Who sold out property rights?

Mr. Deputy Speaker: Order, please. The Chair has some concern about relevance in the debate at this point. It is a difficult matter, but I would call the attention of the Hon. Member to the Bill that is before us for debate.

Mr. Murphy: I can understand why the Conservatives in the House—not the 49 who were absent—would be sensitive about this.

Earlier I heard the Hon. Member for Nepean-Carleton (Mr. Baker) ask that more than four Liberals vote against this legislation. We need more than four on that side to support us, Mr. Speaker. We need those 49 Conservatives in the House tonight to support us and defeat this legislation which breaks the trust of Civil Service pensioners.

We have fought against this Bill because it breaks that trust. We have fought against the Bill because we know it is the result of a public relations exercise on the part of the Government. That was evident in a leaked document that came to my Leader early last year. It showed that a Public Service restraint program would be a public relations effort. It said that the main value of such a program would be that the Government would be seen as doing something to fight inflation.

We need a job-creation program in the country. We need an industrial strategy in the country. We need a lot of things to get the Canadian economy going. Something we do not need is a program to fight it on the backs of Government pensioners. We do not need to fight it on the backs of those who receive the old age pension. We do not need to fight it on the backs of the women and children who receive Family Allowances. We need the fat cats in the Liberal Party and the silent and invisible Members of the Conservative Party to support Canadians in need. What we do not need is the hypocrisy we have seen in this debate.

This Party has been consistent in the debate and we have been consistent in fighting the six and five legislation. We have been consistent in calling for a job-creation program. We have been consistent throughout the debate on six and five. The Tories cannot claim that. They supported the Liberal Government under Bill C-124 and now they hop on in the other side of the bed.

Some Hon. Members: Oh, oh!

Mr. Murphy: There seems to be some sensitivity among Conservative Members, and I can well understand that.

Let me speak on behalf of old age pensioners and the others affected by this legislation. We will continue to fight despite the fact that it upsets some Tory backbenchers, despite the

fact that it has upset some Liberal backbenchers, because we believe in fighting for adequate pensions for Canadians. We will keep doing that despite the heckling of some people in this House who do not give a damn.

[*Translation*]

Mr. Deputy Speaker: Order, please. It being 5.45 p.m., it is my duty pursuant to the order made on Thursday, January 20, 1983, to interrupt proceedings and to put forthwith every question necessary to dispose of the third reading stage of the Bill.

[*English*]

The question is on the amendment of Mr. Baker (Nepean-Carleton). Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: All those in favour of the amendment will please say yea.

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

The House divided on the amendment (Mr. Baker) (Nepean-Carleton) which was negatived on the following division:

(*Division No. 282*)

YEAS

Messrs.

Althouse
Andre
Anguish
Baker (Nepean-Carleton)
Beatty
Benjamin
Blaikie
Blenkarn
Bosley
Bradley
Broadbent
Cardiff
Clark (Yellowhead)
Coates
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crombie
Crosbie (St. John's West)
Crosby (Halifax West)
Darling
Deans
de Jong
Dick
Domm
Ellis
Elzinga
Fennell
Fraser
Fretz
Friesen
Fulton
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hargrave
Hawkes
Hees
Hnatyshyn
Hovdebo
Howie
Huntington
Jarvis
Jewett (Miss)
Keeper
Kempling
Kilgour
King
Knowles
Kristiansen
Kushner
Lambert
La Salle
Lawrence
Lewis
Lewycky
MacDougall
Malone
Manly
Mayer
Mazankowski
McDonald (Ms.) (Broadview-Greenwood)
McGrath
McKenzie
McKinnon
McKnight
McMillan
Miller
Mitchell (Mrs.)
Mitges
Munro (Esquimalt-Saanich)
Murphy
Neil
Nickerson
Nielsen
Nystrom
Orlikow
Parker
Patterson
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Rose
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Skelly
Stewart
Taylor
Thacker
Towers
Vankoughnet
Waddell
Wenman
Wilson
Wise
Wright
Young—102.

NAYS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (Cardigan)
Chénier
Chrétien
Collenette
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Frith
Garant
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Harquail
Henderson
Herbert
Hudecki
Irwin
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro (Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rossi
Roy
Savard
Schroder
Smith
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—132.

● (1810)

Madam Speaker: I declare the amendment lost.

Motion (Mr. Baker (Nepean-Carleton)) negatived.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Supplementary Retirement Benefits Act (No. 2)

Some Hon. Members: Yea.

Madam Speaker: All those opposed will please say nay.

Some Hon. Members: Nay.

Madam Speaker: In my opinion the yeas have it.

And more than five Members having risen:

Madam Speaker: Call in the Members, and let us dispense with the bell.

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

● (1815)

(*Division No. 283*)

YEAS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (Cardigan)
Chénier
Chrétien
Collenette
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Frith
Garant
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Harquail
Henderson
Herbert
Hudecki
Irwin
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro (Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rompkey
Rossi
Roy
Savard
Schroder
Smith
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—132.

NAYS

Messrs.

Althouse
Andre
Anguish
Baker (Nepean-Carleton)
Beatty
Benjamin
Blaikie
Blenkarn
Bosley
Bradley
Broadbent
Cardiff
Clark (Yellowhead)
Coates
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crombie
Crosbie (St. John's West)
Crosby (Halifax West)
Darling
Deans
de Jong
Dick
Domm
Ellis
Elzinga
Fennell
Francis
Fraser
Fretz
Friesen
Fulton
Gauthier
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hargrave
Hawkes
Hees
Hnatyshyn
Hopkins
Hovdebo
Howie
Huntington
Isabelle
Jarvis
Jewett (Miss)
Keeper
Kempling
Kilgour
King
Knowles
Kristiansen
Kushner
Lambert
La Salle
Lawrence
Lewis
Lewycky
MacDougall
Malone
Manly
Mayer
Mazankowski
McDonald (Ms.) (Broadview-Greenwood)
McGrath
McKenzie
McKinnon
McKnight
McMillan
Miller
Mitchell (Mrs.)
Mitges
Munro (Esquimalt-Saanich)
Murphy
Neil
Nickerson
Nielsen
Nystrom
Orlikow
Parker
Patterson
Reid (St. Catharines)
Riis
Robinson (Burnaby)
Rose
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Skelly
Stevens
Stewart
Taylor
Thacker
Towers
Vankoughnet
Waddell
Wenman
Wilson
Wise
Wright
Young—107.

Madam Speaker: The motion is carried.

Motion agreed to and Bill read the third time and passed.

Madam Speaker: It now being 6.25 p.m. I do now leave the Chair until tomorrow at 2 p.m.

At 6.25 p.m., the House adjourned, without question put, pursuant to Standing Order 2(1).

HOUSE OF COMMONS

Wednesday, January 26, 1983

The House met at 2 p.m.

● (1405)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

THE LEADER OF THE OPPOSITION

Mr. David Berger (Laurier): Madam Speaker, I would like to read extracts from an editorial entitled "Mr. Clark Goes Overboard" in this morning's Montreal *Gazette*. Commenting on a recent *Maclean's* interview with the Leader of the Opposition (Mr. Clark), the *Gazette* states:

Tough political criticism is a fair, indeed necessary, part of democratic debate. Outright untruths, however, are beyond the pale.

The editorial continues:

Mr. Clark says that in the referendum campaign Mr. Trudeau "lied" to Quebecers.

Mr. Clark: That is correct. He did lie.

Mr. Berger: The editorial quoted Mr. Clark as stating:

He told them there would be a more flexible federalism . . . That wasn't the truth. He brought in, instead, a unitary constitution.

The *Gazette* continues:

But Mr. Trudeau did not lie to Quebecers. He promised them that he would start to work immediately after the referendum to achieve constitutional change; he did just that. He said a No vote would be interpreted as a vote to increase liberties; the constitutional charter of rights does that.

Mr. Trudeau did *not* promise vast increases in provincial power . . . It is thus no surprise that the reformed constitution did not include every item on the provinces' shopping list for expanded powers.

Mr. Hnatyshyn: Author?

Mr. Berger: The editorial continues to state:

Mr. Clark further suggests that Mr. Trudeau has given us a "unitary constitution." This is a preposterous assertion, one which Mr. Clark unfortunately has made several times.

Mr. Clark: And will make again.

Mr. Berger: The editorial continues:

Nothing, no contortion of logic or dose of skepticism, can see in this "a unitary constitution." Mr. Clark is not a stupid man.

Some Hon. Members: Hear, hear!

Mr. Berger: The article continues:

It follows that he knows he is not speaking the truth when he makes such allegations—

Madam Speaker: Order.

* * *

AIR TRANSPORT

LICENSING OF NORTHERN COMMERCIAL OPERATORS

Mr. Dave Nickerson (Western Arctic): Madam Speaker, the regulations and procedures respecting the licensing of commercial aircraft operators by the Air Transport Committee of the Canadian Transport Commission do not make sense when applied to small operators in remote areas of Northern Canada.

The highly complex and legalistic licensing system may be suitable for Air Canada, CP Air and some of the regional carriers which could afford to dedicate the services of expert personnel to regulatory matters while the rest of the people get on with the serious and productive business of running an airline. In the North, however, most operations are small and must be flexible in order to meet rapidly changing markets in a region where frequently the only means of transportation is by air.

The owner-operators are fiercely independent and have little time for red tape. They are often not averse to telling Ottawa bureaucrats, and even the Minister of Transport (Mr. Pepin), precisely what they think. It is seldom flattering.

Mr. Pepin: Think about Dubin.

Mr. Nickerson: The present licensing system is slow, unresponsive to public needs, encourages chiselling, and turns healthy competition by way of superior equipment, improved routes and services and lower prices, into back-biting complaints and—

Madam Speaker: Order, please.

* * *

TRADE

FINANCING OF CANADIAN EXPORT BUSINESS

Mr. Stanley Hudecki (Hamilton West): Madam Speaker, it has come to my attention through the Hamilton and District Chamber of Commerce that exporters of capital goods in my riding of Hamilton West, like most Canadian exporters, are in

serious competition with foreign producers, some of whom offer concessional financing to perspective purchasers. This type of financing is often done with the direct or indirect involvement of the foreign government, which provides interest rate subsidies. In many cases, for Canadian exporters, the difference between obtaining an order or not is the financing terms which they can provide in negotiations with overseas customers.

The Canadian Government has a mechanism by which it can provide financing and support for Canadian export business, namely, the Export Development Corporation. If funds could be made more readily available by the Corporation to Canadian business in order to secure offshore contracts, this would certainly help to stimulate the Canadian economy. With this in mind, Bill C-110, which proposes, among other things, to increase the authorized capital of the EDC from $1 billion to $2 billion, must certainly be viewed as an important step in the process of achieving greater Canadian competitiveness in the export market, and should be given consideration by all parties for rapid passage.

* * *

AGRICULTURE

INCREASE IN NUMBER OF FARM BANKRUPTCIES

Mr. Gordon Taylor (Bow River): Madam Speaker, in 1981, 260 farms went bankrupt, and in 1982, 410 farms were forced into bankruptcy. Statistics Canada states that in 1982 farm income dropped 28 per cent from a loss position in 1981. Scores of farms across this nation are on the verge of bankruptcy and thousands of farmers are worried.

The Minister of Agriculture (Mr. Whelan), instead of doing something to save our farms, tells the world that "agriculture is in a healthy state". The Minister and the Government of Canada should be taking effective steps, including the following, to help save our farms: Reduce the federal Government's tax on farm fuel which, at 60 cents per gallon, is far too excessive; eliminate the excise tax on gas which, besides other ill effects, is cutting down production because more and more farms cannot afford to fertilize their land; eliminate the capital gains tax so that elderly Canadians may retire in dignity and younger men and women can start farming.

The National Energy Program of the Liberal Government is forcing our farmers to pay a far greater share of taxation than any other group in the country. Saving our farms should have top priority in any economic recovery and should not be left on the backburner, where it is now.

• (1410)

TRADE

EFFECT OF UNITED STATES MEASURES ON CANADIAN EXPORTS

Miss Pauline Jewett (New Westminster-Coquitlam): Madam Speaker, President Reagan, in his State of the Union Address last night, said that the United States " . . . must remain committed to free trade . . . " Perhaps our Government should remind the President that his country's trade practices are not so free as he would have Americans and Canadians believe. A new "buy America" law will act to exclude Canadian concrete and steel firms from U.S. funded highway and bridge projects. One estimate of the dollar loss to Canadian cement firms alone is in the tens of millions.

The United States Department of Agriculture's Blended Credit Program, offering credit guarantees to selected countries buying American wheat, will make it impossible for Canadian wheat producers to export to those countries.

Also of great concern is the future of the Canadian forest industry, and particularly the British Columbia lumber export trade, in light of the current opposition in the United States to our forestry exports to the U.S. I ask our Government to say to President Reagan that his administration cannot " . . . remain committed to free trade . . . " until it " . . . becomes committed to free trade . . . "

* * *

NUCLEAR ARMAMENTS

PROPOSED DEPLOYMENT OF PERSHING II MISSILES IN WEST GERMANY

Mr. Paul E. McRae (Thunder Bay-Atikokan): Madam Speaker, the two super powers are now using the phrase "launch on warning" to describe their response to certain new weapons. The Pershing II missile to be deployed in West Germany late this year is such a weapon. It is extremely accurate and will destroy an enemy missile 1,000 kilometres away in six minutes. The only defence against this weapon is to get your own missile out of the silo before it is destroyed, and the only means, given the short time available is to launch on warning.

What does "launch on warning mean"? There have been, over the past 20 years, many warnings of possible enemy missile launchings, bombers and such, reported by NATO and NORAD. Each has been tracked down and found to be false, so no defensive action occurred. "Launch on warning" means that, since there will be no time to investigate these warnings, a computer malfunction or misinterpretation would result in a launching and trigger a nuclear holocaust.

We Canadians, as members of NATO and NORAD, are part of a process this year which could turn the remote possibility of an accidental nuclear war into one of probability. This House must demand in the name of humanity that the concept and weaponry which could cause a "launch on warning" be forever abolished.

ENERGY

NEGOTIATIONS BETWEEN FEDERAL GOVERNMENT AND NEWFOUNDLAND ON OFFSHORE RESOURCES

Hon. John C. Crosbie (St. John's West): Madam Speaker, I am concerned about the apparent breach of faith in negotiations concerning offshore resources. It is an issue of immense concern to Canada and to the economic life or death of Newfoundland.

The Minister of Energy, Mines and Resources (Mr. Chrétien) said before Christmas that he was prepared to consider for Newfoundland an agreement on the offshore resources different from that with Nova Scotia. Mr. Marshall of Newfoundland contacted him. They had several meetings and they agreed verbally on certain points of principle which would govern an agreement. The Minister of Energy wanted only a verbal agreement, not an agreement in writing. When the officials sat down to carry out the principles which had been agreed, it was discovered that the federal Government officials did not accept the points of principle on which the Minister had agreed.

There was to be a joint management board of both Governments, for example, with paramountcy in certain areas, but it turned out, according to the federal officials, that all the employees of the board were to be appointed and responsible to the federal Minister.

There are differences between what the Minister agreed to and what his officials say he agreed to. Newfoundland has now telexed the Minister asking him to respond in writing to 17 points of principle. The Minister is refusing to do that. He must do this or be accused of bad faith. Surely it is necessary and reasonable for the points of principle to be agreed upon in writing before officials draft a suggested agreement. Has the Minister of Energy been "hung out to dry" by the Minister of Finance (Mr. Lalonde)?

* * *

• (1415)

TRUST COMPANIES

CALL FOR COMMITTEE STUDY OF REGULATORY AGENCIES

Mr. Don Blenkarn (Mississauga South): Madam Speaker, the federal Government, under our Constitution, has powers over banks and banking, the use of credit, money supply, and interest. Our forefathers gave the federal Government that responsibility to ensure that Canada would have a sound financial system.

Since this Government came into power three years ago, serious concerns have developed with respect to financial institutions and insurance companies. In the trust field we have had the bankruptcy of Astra Trust and its associated company, Remor. And now we have the defalcations of Seaway, Greymac, and Crown. In the insurance field we have had receiverships in Pitts, Strathcona, and Caledonia. Yesterday concern was raised with respect to the Canadian Commercial Bank.

Clearly there is evidence that the Department of Insurance, the Inspector General of Banks, the Canada Deposit Insurance Corporation, and the Bank of Canada, the Government's agencies that are supposed to be the policemen managing financial institutions, have been asleep. The Government has failed to conduct inspections, failed to follow up on information, failed to act promptly.

Confidence in our financial system is essential. That confidence is damaged by the Seaway, Greymac, and Crown matters, and the concerns reported yesterday with respect to the Canadian Commercial Bank. It is imperative that this House constitute a special committee to examine in detail all of our agencies managing financial institutions to give people renewed confidence.

ORAL QUESTION PERIOD

[*English*]

TRUST COMPANIES

QUERY RESPECTING ACTION TO PROTECT INVESTORS IN SAVINGS PLANS

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, my question is for the Minister of State for Finance. Last week, when I put a question to him as to when the Government was aware of problems with the various trust and loan companies which are in question right now, he gave a very evasive answer. However, outside the House of Commons he acknowledged that he was aware, indeed, that the Government was aware of the problems in those companies a full year before.

I ask the Minister what action did the Government take when it first learned of these problems, in order to protect the savings and the Registered Retirement Savings Plans of many Canadians? Did the Government undertake an investigation with each precise problem brought to its attention and, if so, when?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, the Hon. Member has not cleared his confusion of last week even today. He has made reference to trust companies which fall under the jurisdiction of the Province of Ontario. This administration, the Canada Deposit Insurance Corporation, and the Superintendent of Insurance for Canada do not regulate those companies, Crown Trust, Seaway Trust, Greymac, and I would invite the Hon. Member to direct that type of question and that concern to where the responsibility obviously rests. His questioning should be of Dr. Elgie in the Ontario House.

Mr. Wilson: I do not know whether the Minister has been reading his mail or not, but there is a question of some hundreds of millions of dollars which will be paid out, if these

companies go bankrupt, by the Canada Development Deposit Corporation, which is his direct responsibility. That is the basis of the questions I have been asking, and he is giving sleazy evasions to those questions every time I put them to him.

OFFICIAL'S REPORT

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, let me follow up on something here that is directly under the Minister's responsibility. Under the Loan Companies Act, the Superintendent, who is responsible under the Minister for those loan companies, shall report to the Minister if the assets of a loan company are not sufficient to give adequate protection to those Canadians who have their moneys on deposit. Has that report been given to the Minister and, if so, what was the date when that report was given to the Minister, and when will the Minister report to the House on what action he is taking in response to that report?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, indeed the Canada Deposit Insurance Corporation is subject to the jurisdiction of the Government of Canada under the British North America Act. I am not sure which corporation the Hon. Member is referring to when he refers to the "Canada Development Deposit Corporation". That is a new one to me. However, I would like to remind the Hon. Member that the federal Government indicated its intention over a week ago. Under its jurisdiction the Canada Deposit Insurance Corporation has moved to increase deposit insurance coverage from the $20,000 limit to a $60,000 limit, which was part of the recommendation of the Finance Committee, supported by the Hon. Member, in the Committee's report on bank profits to this House.

• (1420)

Mr. Wilson: I do not know whether the Minister heard the statement given to the House just a few minutes ago by the Hon. Member for Mississauga South. It is that type of evasive answer that indicates to Canadians that the Minister is not in control of the situation, and that undermines the confidence that Canadians want to have in their financial institutions but are being robbed of by his incompetence or his lack of knowledge about what is going on.

ROLE OF CANADA DEPOSIT INSURANCE CORPORATION

Hon. Michael Wilson (Etobicoke Centre): Madam Speaker, under the Canada Deposit Insurance Corporation Act, if the Corporation believes that a trust company or a mortgage company is following unsound business practices it can threaten to terminate the deposit insurance provided for that company's depositors. Did the CDIC uncover unsound business practices? Did the Corporation threaten to terminate deposit insurance with any of the five companies involved in the Crown-Seaway-Greymac mess and, if so, when?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, I think it is widely known to most people—with the probable exception of the Hon. Member who raises the question—that the Loan Companies Act indicates that if the superintendent is concerned about any federally incorporated companies under his jurisdiction then, in a report to the Minister of Finance, he may indicate that concern, and request confirmation of his opinion that there are difficulties with those companies.

As probably every Canadian except the Hon. Member knows, at about the same time as difficulties with Crown Trust arose, the superintendent did indicate that situation with reference to two federally incorporated mortgage companies. Under the Act the principals of those firms have a right to a hearing. In one case the hearing has commenced, and in the other case, the solicitors have asked for time for a hearing. In both cases the Minister has to act in a quasi-judicial capacity in response to their request. As those proceedings are going on, and because I have to act in a quasi-judicial capacity, I cannot report until the hearings have been completed.

ACTION TAKEN BY MINISTER

Mr. Don Blenkarn (Mississauga South): Madam Speaker, the Minister was aware that there were problems with Greymac and Seaway nearly a year before the matter became public. When was the first time that the Minister took the action he is required to take under the provisions of the Loan Companies Act, and what action was taken under the Canada Deposit Insurance Act after the Minister heard these rumours and after these concerns became apparent to him?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, I am sure the Hon. Member was in the House when I answered the last question put by his colleague. It was the same question. I invite him to look at the answer in *Hansard* if he did not hear it or understand it.

QUERY RESPECTING ROLE OF MINISTER

Mr. Don Blenkarn (Mississauga South): Madam Speaker, with respect to the provincial companies the Minister has said that he has no responsibility. Why is it, then, that the Canada Deposit Insurance Corporation is putting up all of the cash with respect to these defalcations? Why is it that the Province of Ontario is not putting up a nickel? Is it because the Minister really has responsibility here? Is it because the Minister did not follow up on the information he had for a long time? Is it because the Minister is afraid of a real investigation?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, if the Hon. Member has questions concerning the trust companies under the control of the Province of Ontario, that were incorporated under the laws of the Province of Ontario and that, under recent legislation, have come under the ownership and control of the Province of Ontario, then I invite him to direct his questions to the Premier of the Province of Ontario.

THE ECONOMY

PROVISION OF FUNDS FOR MUNICIPAL JOB CREATION PROJECTS

Hon. Edward Broadbent (Oshawa): Madam Speaker, I have a question for the Minister of Finance. In the news this morning the Minister was reported to have said that he agrees with the need for additional stimulus in the economy to provide jobs and specifically, he said, in terms of providing additional infrastructure and municipal works. I point out to the Minister that there is not a municipality from St. John's all the way across Canada to Victoria that does not have at least half a dozen projects ready today that would create jobs throughout the land.

• (1425)

Given the need of more than 1.5 million Canadians to find jobs, and given the presence in municipalities of plans to create jobs, why is the Minister planning to wait another two months, until budget time, to allocate money to provide jobs? Why does he not act now?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the question raised by the Hon. Member was inspired by an excellent meeting I had with representatives of the Canadian Labour Congress, and speaking on behalf of two million workers, I am very pleased with the spirit of co-operation shown by the CLC on that occasion. I realize the Hon. Leader of the New Democratic Party may be somewhat upset about this, but I trust that in the final instance, he will realize it is a development that should be applauded by all Members of this House, and it is to be hoped that labour will work closely with employers and the governments concerned towards the economic recovery this country so urgently needs.

As for the Hon. Member's specific question, I shall repeat, if I may, what I said yesterday after the meeting, namely, that I have received numerous representations from a variety of organizations which seem to indicate there is a growing consensus that stimulus should be given to investment in the public sector at the municipal, provincial and federal levels, and that consumer spending should also be stimulated. It seems that support for these general measures is very widespread, and I shall, of course, take these representations very seriously because, as I said before, they were made by a large number of organizations.

As for what specific decision will be made in this respect, I would ask my hon. colleague to wait until the next budget.

[*English*]

REQUEST FOR EARLY ANNOUNCEMENT

Hon. Edward Broadbent (Oshawa): Madam Speaker, the Government has not brought forward a new program since October when NEED was announced. From October to the end of March will be five months before we will get a budget. There is some real need, and a feeling of urgency by the people of Canada in respect to obtaining new jobs. The Minister has already indicated that the Government is prepared to provide additional stimulus. What is holding him back from announcing it now and saying to municipalities across the land, "Don't wait for another two months; provide some employment right now for Canadians and you will get it from the federal Government"? Why does the Minister not say that?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I remind the Leader of the New Democratic Party that the Government has already provided over $2 billion of stimulus in the June budget and in my October economic statement. That stimulus is showing its effects in the figures which have come out in the last few months.

Some Hon. Members: Oh, oh!

Mr. Lalonde: As a matter of fact the leading economic indicators were all up in the last quarter. Housing has increased for the first time in 16 months. Employment rose in December. There are a number of clear indications that we are on the way to recovery. This is due, in good part, to the measures announced by the Government in the last six months, since the last budget in June. These measures are taking effect. That expenditure of over $2 billion is going into the economy at the present time.

I have had a very fruitful meeting with my provincial colleagues, the Ministers of Finance. We have agreed that we will be looking together at everything that could be done at the municipal, provincial and federal levels to help ensure an even stronger recovery. This process is ongoing at the present time. It was made clear at the time, and my provincial colleagues recognized this, that this did not mean the federal Government would be paying for all these activities—that the municipal, provincial and federal Governments had room to borrow and proceed with activities of their own. This is what is taking place at the present time.

If there is to be a federal contribution it will be known at the time of the budget, but in the meantime my provincial colleagues are showing more common sense than the Leader of the New Democratic Party. They are working hard at this themselves, and municipalities that have projects to go ahead are welcome to go ahead with those projects right now.

• (1430)

Mr. Broadbent: Madam Speaker, the Minister took about five minutes to say that he is not going to do anything in the next two months before the budget. That is what that amounted to.

REQUEST THAT GOVERNMENT WITHDRAW EXPENDITURE RESTRAINT PROGRAM

Hon. Edward Broadbent (Oshawa): Madam Speaker, my supplementary is also for the same Minister. We pointed out last summer that the six and five program was taking money out of the economy, and the Bishops of Canada pointed that out over Christmas. Yesterday Statistics Canada reported that

because of the six and five program money was being taken away from Canadians which otherwise would be going into their pockets and would be spent to create jobs. Will the Minister at least acknowledge that the six and five program is counter productive and will he withdraw it so at least there will be a little equity in the country?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, would the Leader of the New Democratic Party at least have the honesty to reflect the views expressed by Statistics Canada properly? This is not at all what Statistics Canada indicated in its last report. I want to stress to the Hon. Member again that Statistics Canada indicate there are many signs of recovery taking place. Employment rose for the first time in 16 months in December, which Statistics Canada indicated. Statistics Canada also indicated that there is a resurgence in consumer confidence and a resurgence in investor confidence in the business sector.

Mr. Broadbent: Why do you not listen to the question and answer it?

Mr. Lalonde: This is the report of Statistics Canada. It is not the type of cooked question raised by the Hon. Member.

* * *

[*Translation*]

INDUSTRY

REQUEST THAT GOVERNMENT ASSUME RESPONSIBILITY FOR ADMINISTRATION OF CANADIAN INDUSTRIAL RENEWAL BOARD

Mr. Gérald Laniel (Beauharnois-Salaberry): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce and concerns the Canadian Industrial Renewal Board.

Considering the Board's lack of efficiency in its decision-making and administrative procedures, and the mediocre results obtained after seven special areas were designated in Quebec and in Eastern Ontario, and especially considering the fact that the Board failed to create even a single job during this nine-month period in my own riding in the area of Valleyfield, I want to ask the Minister whether he would be willing to consider dismantling the Board of Directors of the CIRB, chaired by Mr. Paul Desmarais, and as a more efficient alternative, to take on full responsibility for this program, whose objectives raised high hopes at the time the program was presented.

[*English*]

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, while acknowledging that there have been some difficulties in some constituencies with respect to the operations of CIRB, I want to indicate to the Hon. Member that a substantial number of jobs have been created by that organization. There has also been financial assistance to the clothing industry, to the textile industry and to the footwear industry as a result of the $267 million which the Government of Canada allocated for that program. But I do agree with the Hon. Member that there are some areas which could be improved upon, and I will be addressing that matter with the chairman of the board and the administration.

* * *

ENERGY

NEGOTIATIONS BETWEEN FEDERAL GOVERNMENT AND NEWFOUNDLAND ON OFFSHORE RESOURCES

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is for the Minister of Energy, Mines and Resources. In December the Minister indicated that the Government of Canada was prepared to change its approach to an agreement with the Province of Newfoundland on offshore mineral resources. The Minister then met with Mr. Marshall of Newfoundland. They both agreed on certain principles that could govern an agreement. Their agreement was a verbal one at the Minister's insistence that he did not want it in writing. Federal officials then met with provincial officials to draft a suggested agreement, but it was discovered that the federal officials were not following the Minister's agreement.

Why did the federal officials not follow the principles which the Minister agreed upon with the provincial Minister? Why were there changes made? Were they authorized by him or not? Were the principles which the Minister agreed upon agreed upon by his colleagues in cabinet, or was he doing this in some manner that was unauthorized? Why have we now had this crisis in negotiations?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I think the statement made by the Hon. Member has no foundation in reality. Over two months I met many times with Mr. Marshall. Both of us were supposed to have mandates from our respective Governments to try to develop an agreement that would be satisfactory to both Governments. Mr. Marshall and I agreed to meet at a referendum and refer our proposition to our Governments.

I discovered last week that officials of the two Governments had met for four days. They had drafted many, many notes that were to be part of the agreement. At one time the Newfoundland officials were to come back to collect a document that had been mostly written by both parties. In fact, they never appeared. After that I discovered Mr. Marshall did not want to see me either. I offered to meet him on Thursday. It was not possible. On Friday, after a lot of insistence he met me for a few minutes. On Saturday he was not available, nor Sunday, nor Monday, nor yesterday. For two days he has not been available, and, therefore, I think he does not want to have a deal.

Every time Mr. Marshall came to see me I discovered, that when he was in one hotel with me Mr. Peckford was across the street in another room. The Prime Minister gave me his confidence and he let me handle the problem myself. The

Prime Minister is not known to follow his Ministers into other towns and wait across the street to give information.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

TELEXED MESSAGE

Hon. John C. Crosbie (St. John's West): Madam Speaker, I have a supplementary question. Is it not correct that Mr. Marshall, on behalf of the Newfoundland Government, telexed the Minister on Monday after meeting him on Friday to inform him of this verbally, and to outline 17 points of principle to which a response was needed from the Minister in writing. The Minister's verbal promises or assurances are no longer sufficient because his officials will not follow them. The Finance Minister has hung him out to dry. He has pulled his chain and the Minister has been hauled back.

Is the Minister prepared to answer in writing the 17 points of principle put forward by the Newfoundland Government so that these negotiations can start again and the officials can start drafting? They cannot draft an agreement if they do not know what has been agreed. Why is the Minister keeping his agreements verbal? Is it because he has not got the authorization of the Prime Minister who was off in Southeast Asia when he should have been in a hotel room keeping an eye on the Minister?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, first I would like to deny one affirmation of the Hon. Member. Following each meeting I had with Mr. Marshall we would call our Deputy Ministers. Both of them took notes of the agreements that we made, which were transmitted to officials of both Governments. There were notes taken after each meeting we had. The notes were taken by Mr. Abery and by my own Deputy Minister. From these notes officials ten days ago drafted some aspects of an agreement, 22 pages in total. To claim there is nothing in writing is absolutely untrue. The problem is that Mr. Marshall did not have a mandate to negotiate in good faith with me. He had to go back to the next room—

Mr. Clark: You could not find your Prime Minister.

Mr. Chrétien: —and I did not have to go back to my Government because my Government told me to try to make a deal that is acceptable to Canada and Newfoundland "and we will back you up." But Mr. Marshall did not have such a mandate.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Crosbie: The Minister is telling absolute falsehoods.

Madam Speaker: Order, please. The Hon. Member for St. John's East.

NATURE OF AGREEMENT

Hon. James A. McGrath (St. John's East): Madam Speaker, may I ask the Minister a supplementary question? Will the Minister of Energy please tell the House why he has refused to reply to the legitimate request of the Government of Newfoundland to put in writing the 17 points verbally agreed to by the Minister and his Newfoundland counterpart?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I am sorry but the 17 points are not the 17 points on which we had agreed. These were other points agreed to. Many of them were new questions which Mr. Marshall and I had never debated. They were not the points on which we had agreed. I took the speech that Mr. Peckford made on October 6 in which he made four objections to the proposition of my predecessor. I met the four points. Now that I have met the four points, they come with 17 new ones. When you are serious and you want to have a deal, that is not the way to act, and you never negotiate through telegrams.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Crosbie: You were authorized—

Madam Speaker: Order, please. The Hon. Member for Victoria.

Some Hon. Members: More.

Some Hon. Members: Oh, oh!

Madam Speaker: Order, please. I guess the House has now had its recess and we can go back to business. The Hon. Member for Victoria.

* * *

• (1440)

NATIONAL DEFENCE

MOVEMENT OF 409 SQUADRON FROM COMOX, B.C. TO COLD LAKE, ALTA.

Hon. Allan B. McKinnon (Victoria): Madam Speaker, in the absence of the Minister of National Defence I would like to direct a question to the Prime Minister. In the Comox, British Columbia area there is considerable economic distress. Lumbering is down by over 50 per cent in British Columbia and fishing income has declined significantly. To add to the difficulties the Minister of National Defence has decided to move the 409 Voodoo Squadron from Comox to Cold Lake, Alberta. Would the Prime Minister tell the House what prompted the Government to move over 400 jobs out of this already distressed area?

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Madam Speaker, the unfortunate aspect of phasing out the Voodoo airplanes from the 409 Squadron

has necessitated reducing the number of people who are required at that particular base. However, that base will be used for search and rescue. It will eventually be used for the CF-18s when they are deployed from their home base which will be at Bagotville or Cold Lake. That will increase the number at that time.

In addition, the Maritime Patrol will still be functioning so that there will be a very respectable number of people employed at that level. There are currently 1,950 employed. The net loss in total personnel will be 430. It is regrettable, but this is a result of phasing out the CF 101 aircraft at that post.

Some Hon. Members: Hear, hear!

Mr. McKinnon: It is surprising to see the applause from the Liberal ranks at the loss of 400 jobs in Comox, British Columbia.

Some Hon. Members: Oh, oh!

SEARCH AND RESCUE COMPLEMENT AT COMOX, B.C.

Hon. Allan B. McKinnon (Victoria): Madam Speaker, I will direct my supplementary question to the Parliamentary Secretary to the Minister of National Defence. I thank him for the fullness of his first answer.

The Cabinet has overruled the recommendations of its own search and rescue report that a Minister other than the Minister of National Defence should be responsible for search and rescue. Will the Parliamentary Secretary tell us if there are any plans for increasing the size of the search and rescue squadron at Comox, or for moving in any other units to replace the 400 who are moving out with the 409 Squadron?

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Madam Speaker, the answer in that respect is that in light of the phasing out of the 409 Squadron there would be less need for search and rescue equipment and personnel. On the other hand, arrangements had been made to increase the number of cutters for the West Coast.

* * *

ENERGY

PRICE OF NATURAL GAS EXPORTED TO UNITED STATES

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, my question is directed to the Minister of Energy, Mines and Resources. In recent press reports several U.S. Congressmen are claiming success in pressuring the Canadian Government to reduce the price of Canadian gas going into the U.S. market. The Minister has publicly indicated that he is flexible on this subject. His officials will also be visiting Washington on Tuesday to pursue this matter further. Would the Minister assure the House that he is not prepared to cave in to American pressure to reduce the price of Canadian gas going into the U.S. market?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I think the question of price is part of an agreement between the Canadian administration and the American administration which was signed some two or three years ago. The price is $4.94. It has not been increased over the last two years because of the current market conditions.

In terms of the price for future exports, I am waiting for the report of the National Energy Board which is supposed to be published tomorrow in which they will decide if there is surplus and to whom they will give the licence for export. It is only after that that we will have to decide about the price.

At this time the price is part of an agreement between the two Governments. I explained that to the Congressmen, as well as telling them that they cannot blame the increase in the price of natural gas in the United States this winter on a price that was set three years ago and has been in their system for three years.

Mr. Skelly: That certainly is not an answer that would give any assurance to provincial Governments that are already having great difficulty with revenue problems.

LINKAGE TO PRICE OF OIL

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, there was an assurance in the National Energy Program to consumers that in order to convert through the off-oil program to natural gas and other alternatives it would maintain gas at 65 per cent of the price of oil. Yet in the face of a temporary glut and the threat of price reduction, it looks as if the price of natural gas is over that 65 per cent level. Can the Minister give some assurance that, in order to protect alternative energy programs, the Government will in fact make sure that the price of natural gas tracks at 65 per cent of the price of oil in the face of oil reductions?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, the natural gas and gas liquids tax has been set in such a way that the price of gas would be very advantageous to consumers. Our intention, as announced in the National Energy Program update, was to maintain that tax at a level of approximately two-thirds the price of oil in 1982 and 1983.

I am reviewing this matter at the present time and I expect to be able to announce a decision in that regard. I want to assure the Hon. Member, however, that we will reduce the natural gas and gas liquids tax significantly to honour that commitment fully and maintain a very significant advantage in favour of natural gas as compared to oil, as far as consumers are concerned.

THE CONSTITUTION

MINORITY LANGUAGE RIGHTS IN QUEBEC

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Madam Speaker, I have a question for the Prime Minister. During the Christmas recess there was an exchange of correspondence between the Prime Minister and the Premier of Quebec regarding a possible Quebec veto and certain language rights. There was an inference in the press reports that the Prime Minister might be willing to reduce even further certain minority language rights in Quebec in order to get Quebec's agreement to the Constitution.

Would the Prime Minister clarify this matter and, since we all would like to see Quebec accept the new Constitution, would he consider suggesting to Quebec that there could be a certain constitutional veto in exchange for stronger minority language rights, not only in Quebec but throughout the country?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member will understand that it is not in my power to offer Quebec a stronger veto right in exchange for anything at all. The veto right, if it is recognized for Quebec much as every Province had recognized it in the 1971 agreement, which Quebec rejected, will be a consequence of all Provinces agreeing to the new amending formula. Therefore, I cannot offer any pay-off.

However, I do want to clarify, for the benefit of the House and the Hon. Member, what I wrote in my letter to Mr. Levesque concerning language protection. In essence I was offering to sit down and write a text which would be more protective of minorities, both French and English, across Canada in the educational system. That was the line that the Premier pretended had been adopted at the St. Andrews' meeting in 1977 and the Montreal meeting in 1978 when all Premiers agreed to protect the minority language rights in their Provinces.

It will be recalled that, as the agreement was being reached in November, 1981, I made the same offer at that time to the Premier of Quebec, saying that if the Charter and the particular section concerning language rights did not correspond to the agreement they had reached in St. Andrews and Montreal, I would be prepared to change its wording. But it was not a watering down, as has been suggested by some editorialists, which was indicated in my letter. On the contrary, it was a rewording which I would hope would go even further in respecting the minority language rights.

Some Hon. Members: Hear, hear!

CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

ENDEAVOUR TO PROTECT BUDGET

Mr. John Gamble (York North): Madam Speaker, in the absence of the Secretary of State for External Affairs I would like to direct my question to the Minister of State for International Trade. Is he aware of an endeavour to be made by CIDA, by way of a self-serving propaganda campaign, to convince the media, Members of Parliament and the development community that it is appropriate that none of its budget be cut in these difficult economic times, as part of the difficult task of proving to Canadians that CIDA is an efficient, effective, and responsible institution?

• (1450)

Hon. Gerald Regan (Minister of State (International Trade)): Madam Speaker, the article the Hon. Member refers to may be slightly erroneous in one regard. One official in CIDA had done a certain amount of work and had prepared a recommendation for a policy in that direction. That policy has not been adopted.

It is true that some senior officials of CIDA were aware that work was being done on the examination of a policy, but the proposed policy is merely the opinion of one person in CIDA and has not been adopted.

PURPOSE OF PROPOSED EXPENDITURE

Mr. John Gamble (York North): Madam Speaker, I am gratified with the Minister's response and I take it from that reply that it will be the intention of the Government to see that this kind of frivolous expenditure is not incurred, having regard to the fact that the taxpayers' dollars which are put into CIDA, according to this plan if it is ever implemented, are to be used for the purpose of convincing Members of Parliament, who are also paid by the taxpayers, how they should do their jobs, and also convincing the development community, consisting of such organizations as CUSO, how they should use taxpayers' dollars funded to them through CIDA, all for the purpose of persuading the general public how they should respond to this issue.

Hon. Gerald Regan (Minister of State (International Trade)): Madam Speaker, obviously the Hon. Member did not listen to my first answer, or he decided that he wanted to flail away at the subject even though he had nothing at which to flail. The situation is, of course, that the official in question was asked to look at a communications strategy. The Hon. Member is well aware of the value of CIDA. It is probably the best organization of its type in the world, and it is essential that Canadians have a knowledge of that. Indeed, it is important in its work that its method of operation be well understood. The Hon. Member can be reassured that there is no intention on the part of the Government or the officials of CIDA to pursue a course of propaganda.

In relation to what he said about Members of Parliament, I would hope that Members of Parliament on all sides would have taken the time to be aware of the many worth-while achievements of CIDA in various parts of the world.

* * *

CANADIAN NATIONAL RAILWAYS

ELIMINATION OF JOBS IN SAINT JOHN, N.B.

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, my question is directed to the Minister of Transport. The CNR has announced its intention to eliminate 44 jobs in the Maritimes, a move which can hardly be received warmly in a region of the country in which unemployment has already ravaged countless households.

However, the ramifications are much more substantial than 44 lost jobs. In the name of efficiency the port City of Saint John, whose facilities handle more tonnage than any other port on the East Coast, has been reduced to a second class status from a "carload centre" to a "satellite". Will the Minister not recognize the negative impact that this change will have on users and potential businesses in the city, and reinforce the position of the port and the security of the port workers by assuring the city it will not lose its classification as a "carload centre"?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, there are two answers to questions of that kind, which I receive regularly two or three times a week. One is to emphasize that if we Canadians want our railways to be efficient we have to accept the fact that they have to keep up with improvements, to rationalize, to be efficient. That means, unfortunately, and we all regret it, occasionally the transfer or pre-retirement or lay-off of some people. That is the first answer. It is a question of knowing what we want and having in mind the real interests of Canadians and of shippers, and trying to develop as efficient a railway transportation system as we can.

The second answer is, and it is a traditional one in Canadian politics, for the Minister to say that we have Crown corporations in Canada and the Minister is not involved in the daily operations of these institutions. That is in line with the best practice throughout Canadian history.

REQUEST FOR POSTPONEMENT OF ACTION

Mr. Bob Corbett (Fundy-Royal): Madam Speaker, the port city of Saint John must remain efficient and it must serve a useful purpose, just as the CNR should be serving it. That city has received body blow after body blow—the cancellation of VIA services, the non-utilization of the port for a fair share of grain movement, to name two recent events—and now this. I will ask the Minister will he not confer with his officials, because he does have an opportunity to influence the CNR, and he should not try to deny that, and ask them at least to postpone the disembowelling of the city of Saint John until parties at all levels have had some opportunity for input into this decision?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I will do so, but I do not accept the proposition which is apparently at the basis of the Hon. Member's question, that the Port of Saint John has not been thriving in recent years. On the contrary.

* * *

MEDICAL CARE

CONTRACT TO MANAGE HAWKESBURY HOSPITAL

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, my question is for the Minister of National Health and Welfare. The Minister is no doubt aware of the controversy surrounding the approval which the Ontario Conservative Government has given to the contract signed between the District General Hospital in Hawkesbury and the Canadian subsidiary of American Medical International which will manage the hospital according to profit criteria, as opposed to health criteria, and of course in return will get a share of whatever profits they can generate.

Does the Minister consider this contract, which sets a serious and dangerous precedent in the privatization and, indeed, the Americanization of health care in Canada, to be in violation of one of the five founding principles of medicare, which is the principle of non-profit administration?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, when I read the news in the newspapers, like many other parliamentarians, I immediately inquired into the repercussions on the five basic principles upon which medicare is established, and well established. I must immediately, and I am pleased to have a chance to do it in answering the Hon. Member, point out that the Medical Care Act refers to a medical care insurance plan of a province as being administered on a non-profit basis.

According to the legal advice that I have received, medical practitioners or institutions related to health could operate on a profit basis. It is the plan covering the client services that must be administered publicly, not for profit.

I would therefore suggest, before we all panic and think there is something deeply wrong with what Ontario is doing, which by the way is being studied carefully with the purpose of imitating it in other provinces, that we ask the proper question, which is, if that hospital makes a profit, and it is good for the hospital as long as its clients are well served, where will the money go? I think it should increase the services needed in health promotion, for example, and in new work on health concerns. That is where the pressure should be put.

Mr. Blaikie: We know where the money will go, Madam Speaker. It will go to the same place where all money generated by multinationals in this country goes; it will go back to

the United States. That is where the money will go, it will not go into health care.

QUERY RESPECTING MINISTER'S POSITION

Mr. Bill Blaikie (Winnipeg-Birds Hill): Madam Speaker, I would like to ask the Minister whether or not she approves of this, not whether or not there is some legalistic distinction between the Medical Care Act and the Hospital and Diagnostic Services Act, which there may well be. What I am asking the Minister is, does she approve of this in principle and, if she does not, will she include something in the next draft of the Canada Health Act to address this problem, because it certainly goes against the spirit of health care in Canada as it is understood by the majority of Canadians.

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, women are not priests, and at times that is practical. I do not approve or disapprove on moral grounds. My job is to administer and act for the benefit of Canadians. Let us start with the facts. It would help. I have just answered, black and white, that that is not a breach of the conditions in the Act. What else does the Hon. Member want me to do? Second, I am offering him what is a good political line, which is where will the money go? If the answer you gave me is in a letter from Mr. Larry Grossman, the Minister of Health in Ontario, I would like a copy, because I am sure he never was asked in the provincial legislature, "Where will the money go if the hospital makes a profit?"

* * *

AGRICULTURE

REQUEST FOR ASSISTANCE FOR BEEF INDUSTRY

Mr. Maurice Foster (Algoma): Madam Speaker, my question is directed to the Minister of Agriculture. In view of the very depressed situation in the Canadian beef industry this year, with low cattle prices last fall and continuing high input costs for interest and farm machinery repairs, is the Minister planning to implement the provisions of the Anderson-Vandermeulen Report on the beef industry, or provide stabilization payments to producers this winter? What action is planned by the Government?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the Hon. Member has asked what action is planned by the Government to help with the plight of the beef farmer at this time. We are having discussions every day and hope to be able to meet the industry and the provincial ministers very shortly.

• (1500)

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table reports of the Clerk of Petitions stating that he has examined the petitions presented by Hon. Members on Tuesday, January 25, 1983, and finds that the petitions meet the requirements of the Standing Orders as to form.

* * *

POINT OF ORDER

MR. BAKER (NEPEAN-CARLETON)—STATEMENTS PURSUANT TO S.O. 21

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, at the outset of proceedings today, during the period of time devoted to Members' statements, the Hon. Member for Laurier (Mr. Berger) made a statement in the House purporting to be under the section concerning Members' statements. What he did, in effect, was to quote completely, for 90 seconds, an editorial from the Montreal *Gazette*.

I am not arguing the substance of that editorial, its rightness or wrongness, but I am arguing the question whether that was within the spirit of the rules, and I believe it was not. The rules are designed for Members of Parliament to make statements, not for editorial writers of newspapers to make statements. If the Member of Parliament agrees with the statement, and I am sure he does, I am not arguing whether he is right or wrong.

Mr. Clark: He always agrees with it.

Mr. Baker (Nepean-Carleton): However, no matter what the situation, it ought to be the Member's statement in that period of time, 90 seconds, and it should not be filled up with a long quote.

Mr. Crosbie: Brainless quote.

Mr. Baker (Nepean-Carleton): We dealt with the whole question of poems and other things. Your Honour said that a poem could not be quoted to use up the entire period; one could use small quotations. I think the same principle applies here and the matter should be dealt with now. We allowed Standing Order 43 to fall into disrepute as a result of misuse and we do not want this period devoted to Members' statements to meet with the same fate.

Some Hon. Members: Hear, hear!

Madam Speaker: Just to refresh the Hon. Member's memory, when I spoke about quotations in answer to the question whether statements could be made in verses, I said that I did not think the spirit of that particular Standing Order would

allow Members to make their statements in verses but that I would allow quotations from poets—

Mr. Baker (Nepean-Carleton): Small quotations.

Madam Speaker: —if they seemed to fit into the statements of the Members.

As for the Hon. Member's statement today, I was waiting to see whether the Hon. Member would finish his quotation by stating his opinions of that particular editorial rather than simply reading all of it. I think this matter deserves some examination on my part in consultation with those who decided that they would make a change to Standing Order 43.

The Hon. Member for Nepean-Carleton (Mr. Baker) is right. I think this change was for the good. The House is receiving statements from Members concerning questions which they feel are important, and I think we should keep it that way. I will look at the statement of the Hon. Member for Laurier (Mr. Berger) and I will consult with those who were in the committee. I will give some guidance on this matter once I have completed those consultations.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Nielsen: Madam Speaker, may I direct the question which is usually asked on Thursday to the Government House Leader today and ask him what the business will be for next week? We know that we are not sitting this Friday and that tomorrow will be an Opposition day for the NDP; but could he lead us as far as he can into next week with respect to House business?

Mr. Pinard: Madam Speaker, the hon. gentleman is right; no one expects Friday to be very productive.

Some Hon. Members: Oh, oh!

Mr. Baker (Nepean-Carleton): At least not for you.

Mr. Pinard: I want to designate tomorrow as an Opposition day and on Monday we will resume debate on Bill C-139 with respect to the Income Tax Act. On Tuesday and Thursday we will resume debate on Bill C-131, which is related to Old Age Security.

[*Translation*]

Therefore, Mrs. Speaker, next Monday we shall proceed with consideration of legislation to amend the Income Tax Act, and next Tuesday and Thursday, debate will be resumed on Bill C-131 whose purpose is to restrict indexation of old age security benefits.

[*English*]

Mr. Nielsen: I would like to ask the Government House Leader one further brief question. I ask these questions today because I will be unavoidably absent tomorrow for one of the greatest exercises in Canadian democracy.

Some Hon. Members: Oh, oh!

Mr. Nielsen: Will it be the Government's intention to designate one day next week as a further allotted day?

Mr. Pinard: I will consider that request, Madam Speaker, and report to my hon. colleague some time at the beginning of next week.

* * *

PRIVILEGE

MR. SKELLY—REPLY OF MR. HUDECKI DURING QUESTION PERIOD

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, arising out of the remarks of the Parliamentary Secretary, I wonder whether I might have an opportunity of raising a question of privilege at this point. The figures given by the Parliamentary Secretary for the Minister of National Defence (Mr. Hudecki) with regard to Comox were wrong and understated the problem. He implied, as well, that the search and rescue—

Madam Speaker: Order. That is not a question of privilege.

Some Hon. Members: Nice try.

ROUTINE PROCEEDINGS

[*English*]

LAW REFORM COMMISSION

TABLING OF ELEVENTH ANNUAL REPORT

Mr. Al MacBain (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Madam Speaker, I am pleased to lay upon the Table of the House, in both official languages, a copy of the eleventh annual report of the Law Reform Commission, 1981 and 1982, and I ask that the report be referred to the Standing Committee on Justice and Legal Affairs.

* * *

PETITIONS

MR. KEEPER—LONG-TERM EMPLOYMENT

Mr. Cyril Keeper (Winnipeg-St. James): Madam Speaker, I have the honour of presenting a petition to this House which was brought to me by a number of students in an upgrading program who are despairing of the opportunity to get some real training and, even if they get training, of the opportunity

for employment in the future. Therefore, they are calling upon the House to do some real economic planning in order to provide long-term employment for Canadians.

MR. SCHELLENBERGER—IMPAIRED DRIVERS' LEGISLATION

Mr. Stan Schellenberger (Wetaskiwin): Madam Speaker, I have the duty to present a petition on behalf of my constituents. The purpose of the petition signed by 131 citizens of the Town of Leduc is to register concern that fines and restrictions handed out for legally-charged impaired drivers are too small and that a much larger fine and longer restriction of their driving licences should be implemented. The nature of this petition is to request that Parliament enact tougher legislation with regard to legally-charged impaired drivers.

The petitioners hope, Madam Speaker, that in your examination of their petition you will find the petition in order, sense the urgency of their plea and that you might use the powers of your office to allow for discussion and referral to committee.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,592, 4,615, 4,631 and 4,664.

[*Text*]

CANADIAN WHEAT BOARD—EURODOLLAR BORROWINGS

Question No. 4,592—**Mr. Murta:**

1. Did the Canadian Wheat Board recently borrow $50 million U.S. on the American market and, if so (a) for what purpose does the Board require eight year moneys (b) what provision has been made to carry the risk of exchange rate fluctuations over that period of time?

2. Was the borrowing for the acquisition of some asset and, if so, what source of funds will be used to repay the capital?

3. Since the Board is accountable only to Parliament but uses producers' money to purchase assets, for what reason does this procedure not merely amount to a transfer tax on producers?

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): 1. The Canadian Wheat Board recently floated a U.S. $50 million Eurodollar bond issue.

(a) These proceeds will be used for the general purposes of the Board including the repayment of bank indebtedness incurred to finance its holdings of railway hopper cars and of grain which the Board has acquired.

(b) While no specific exchange rate provisions have been made at this point, and it is not practical to do so, the Board's selling prices are changed each day to reflect the current exchange rate, thereby creating a built-in hedge in the price of Board commodities.

2. The borrowing was for the purposes of repaying bank indebtedness incurred to finance railway hopper cars and holdings of grain which the Board has acquired. The bonds will be redeemed at maturity out of the proceeds from the sale of grain and/or bank loans and/or another bond issue.

3. All purchases made by the Board, be it real property, hopper cars or purchases of grain, are paid for with producer funds and/or bank loans. In the case of real property purchases or hopper cars, these costs would be amortized in Board accounts over a period of years and become a cost to the producer as do the interest costs resulting from bank loans incurred in financing such purchases.

DIMETHYL SULFOXIDE

Question No. 4,615—**Mr. Mitges:**

1. Is the pain-killing drug Dimethyl Sulfoxide (DMSO) available for human use in Canada and, if so, is it available for any specific disease or affliction?

2. Are there any side effects from the use of the drug by humans and, if so, what are they?

Mr. Jim Schroder (Parliamentary Secretary to Minister of National Health and Welfare): 1. In Canada, Dimethyl Sulfoxide (DMSO) has been cleared under the Food and Drug Regulations as a 70 per cent solution for the treatment of scleroderma by application to the skin and as a 50 per cent solution for direct instillation into the urinary bladder for the treatment of interstitial cystitis, a fibrous disease of the bladder wall. DMSO is available on prescription.

2. In humans, the possible side effects include a garlic-like odour on the breath and an associated peculiar taste in the mouth. Increased warmth, burning, irritation, itching and eruption of the skin, headache, nausea, dizziness, sedation and certain chemical abnormalities in the blood reflecting possible liver and kidney malfunction have also occasionally been observed in persons taking DMSO.

GOVERNMENT TELEPHONE DIRECTORY

Question No. 4,631—**Mr. Stewart:**

1. Was a 1703 map of New France printed on the front cover of the government telephone directory for the National Capital Region and, if so, for what reason?

2. Was the description of the map printed on the back cover, in both French and English, and the map itself only in French and, if so, for what reason?

3. For what reason did the front cover not portray (a) an English language map (b) a map in both French and English?

Hon. Francis Fox (Minister of Communications): 1. A 1703 map of New France was printed on the front cover of the National Capital Region government telephone directory at the request of Public Archives Canada. The purpose was to commemorate the seventy-fifth anniversary of the National Collection of Maps and Plans of the Public Archives.

2. The description of the map was printed on the back cover in both official languages, in accordance with standard procedures. The map, which was originally published in French in 1703, was simply reproduced on the front cover.

3. This map was selected by Public Archives Canada to be reproduced on the NCR directory as the first map to depict

the latitude and longitude of Canada more or less correctly. Other historical maps, some of which were in English, were reproduced on government directories elsewhere in the country. As the historical maps were all published originally in either French or English, there were none available to be reproduced in both languages.

TRAVEL EXPENSES OF CABINET MINISTERS

Question No. 4,664—**Mr. Munro (Esquimalt-Saanich):**

What were the travel bills for all Cabinet Ministers other than the Minister of Agriculture for the fiscal year 1981-82?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): See Public Accounts of Canada, 1981-82, Volume II, Section 38.40.

[*English*]

I ask, Madam Speaker, that the remaining questions be allowed to stand.

[*Translation*]

Madam Speaker: The questions enumerated by the parliamentary secretary have been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

* * *

[*English*]

MOTIONS FOR PAPERS

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

[*Translation*]

Madam Speaker: Shall all notices of motion be allowed to stand?

Some Hon. Members: Agreed.

• (1510)

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*Translation*]

Madam Speaker: Shall all orders preceding No. 56 under the heading: Public Bills and made by Members be allowed to stand, by unanimous consent?

Some Hon. Members: Agreed.

SALARIED PEOPLE'S PENSIONS

OPPORTUNITY TO ESTABLISH TRANSFER SYSTEM WITH PROVINCES

Mr. Marcel Roy (Laval) moved:

That, in the opinion of this House, the Government should consider the advisability of providing, in association with the provinces, a scheme whereby the pensions of all employees in Canada who contribute to a pension plan shall be portable from one employer to another without any loss of accrued benefits.

He said: Madam Speaker, it is with great satisfaction and pride that I rise in the House today to present the motion read just now. It was tabled on December 10, 1980. I just want to explain the procedure I had to follow to get this motion before the House today. Madam Speaker, I am particularly proud to be speaking on behalf of over 60 per cent of Canadian workers who do not enjoy the same advantages as their colleagues in the public sector with respect to pension plans, and also the manner in which such plans provide protection for the spouse.

That is therefore why I put this motion, at the request of a number of workers employed in small- and medium-sized businesses who, because they had changed jobs and owing to various circumstances had reached the age of 45 or 44 or 42 without having any kind of pension. During the last election campaign, I promised, and I made a commitment in my parliamentary bulletins to the constituents in my riding of Laval that I would draw the Government's attention to this situation which is penalizing 60 per cent of our workers because they work in the private sector and because they have not had an opportunity to work in the public sector. I therefore put this notice of motion. Several discussions were held in the Liberal caucus among Members from Quebec, Ontario and all the other provinces. In fact, the Liberal Government has been a major force in improving the quality of worklife and developing pension plans in Canada.

As a Member of this party, I could almost rest assured that the Minister of National Health and Welfare (Miss Bégin) and the Government would demonstrate a firm resolve to take a comprehensive look at the pension plan situation in Canada, and the purpose of my motion today is to propose that for workers in the private sector, pension plans should be portable from employer to employer, until the employee retires.

In view of worker mobility, one aspect of pension plans that should be considered is portability, so that workers will be able to live comfortably upon retirement. In other words, Canadians in the private sector would, upon retirement, have a reasonable chance of avoiding a serious drop in their standard of living.

The purpose of my speech is to ask the Minister to refer this motion to the special committee of the House of Commons, to review the status of pension plans in Canada, and I am thus speaking on behalf of all those workers, men and women, in the private sector who do not enjoy the same protection as do employees in the public sector, at the municipal, provincial and federal levels. In the public sector, pension plans are portable, which means the employee is not penalized if he changes jobs.

Private plans financed by the employer represent only 14 per cent of total benefits paid to persons of 65 and over, that is, $1 out of $7, while 60 per cent comes from Government sources, that is, $3 out of $5. At the present time, the most urgent social problem is pension reform, for the simple reason that neither the Canada Pension Plan nor private plans provide an adequate income for Canada's senior citizens.

Today, 53 per cent of 2.3 million retired Canadians have incomes that are low enough to make them eligible for the Guaranteed Income Supplement, which is $194.37 per person for a married couple and $252.10 for a single person. The supplement is added to the monthly $251.12 provided under the universal Old Age Security Program.

This means that one pensioner out of five, or nearly 400,000 Canadians, have no income other than their Old Age Security and the Guaranteed Income Supplement, although they have worked all their lives.

How does the pension system in Canada work? It is often referred to as a three-tiered system. The first level consists of Federal programs including Old Age Security—$251.12 per month—the Guaranteed Income Supplement of $194.37 for a married person and $252.10 for a single individual, and the spousal allowance which is granted to the spouse of a pensioner who is receiving Old Age Security and the Guaranteed Income Supplement, if the spouse is between 60 and 64 years old. Since the Old Age Security Act was amended, about 90,000 pensioners have been receiving these benefits, which represents an annual expenditure of Government funds of approximately $175 million.

At the second level, we have the Canada and Quebec Pension Plans to which contributions are compulsory and linked to earnings, and which apply to practically all Canadian workers between the ages of 18 and 64, unless they are receiving retirement or disability benefits under the Plan.

The third level is the pension plan which comprises private pensions, personal savings and investments which represents approximately 25 per cent.

If we want to ensure the well-being of private sector workers in the years to come, we must treat them as equal partners, and pension plans must be on a level with those in the public sector. It is along these lines that I am going to continue the balance of my speech.

Private pension plans have a number of drawbacks which prevent the elderly from receiving an adequate income upon retirement. Only 40 per cent of Canada's labour force contribute to a private pension plan. There are 380,000 Canadians living solely on Old Age Security and Guaranteed Income Supplement benefits, despite the fact that they have worked for a number of years. This problem must be solved first of all, because even if we do change the rules on portability, it would not do much good if 60 per cent of our workers were not able to benefit.

A number of arrangements regarding vested rights leave much to be desired. The employee is entitled to his pension plan contributions as soon as the employer's share becomes the employee's property. A number of companies require a long period of service—as much as ten years—and the recipient must be 45, before they agree to pay the employee what he invested in the pension fund as soon as he turns 65. An employee who leaves a job and does not have ten years of service with the same company, loses the employer's share. The employer returns the employee's share, keeps his own, and the employee may receive interest of up to 4 per cent. The result is that all these workers are penalized because pension funds are not portable. Sometimes workers reach the age of forty without having any pension plan whatsoever.

If we look at figures provided by Statistics Canada, we see that in 1976, only 10 per cent of contributors to private plans were eligible to receive the full amount contributed to their pension plans. In view of the very considerable mobility of Canadian workers, people who change jobs have no protection at all as far as pension funds are concerned.

Mr. Speaker, I am not setting myself up as an actuary or an expert on the subject, but I believe that as a Member of Parliament I have a responsibility, with my fellow Members, to try and correct this unfortunate situation which is penalizing men and women working in the private sector and I believe we have a duty to ensure they have at least the same level of protection afforded to public sector employees. That is the purpose of my motion, and I realize that eventually a price will have to be paid, and that the Government, in addition to "recharging the batteries" of our Canadian economy and safeguarding and creating jobs, will also have to continue its efforts in the area of pension reform and consider my notice of motion as one of its priorities. I appreciate the Minister's concern for the predicament of spouses who are not protected in the private sector, as our legislation now stands.

I am well aware of the rules of this House, and I do not intend to use up all my time. I wish to appeal to all parties to make this notice of motion more than just an earnest wish expressed by a Member of this House on behalf of 60 per cent of the working men and women of Canada, and to have this motion referred to the special committee announced in the House by a Government that is indeed making a tremendous effort to improve the status of pensioners in Canada. On December 9 last year, we tabled in the House a document entitled: "Better Pensions for Canadians", and we also announced the formation of a special committee. I should therefore appreciate it if this notice of motion were referred to the committee.

• (1520)

[*English*]

Mr. Neil Young (Beaches): Mr. Speaker, first of all I want to express my appreciation to the Hon. Member for giving us an opportunity to debate the merits of this particular motion.

The need for greater probability of private pension schemes is obvious to most Members of this House, particularly in a period of high unemployment. There are literally thousands of individual workers who have paid in to private pension plans and are now suddenly faced with, and affected by, plant shutdowns. Because they do not have a particular number of years of service and a vested interest in a private pension plan, they suddenly find that the pension they thought they had bought is in fact not there at all. Very often all they are entitled to is the return of contributions, and even that at a very low rate of interest; sometimes it is something less than 4.5 per cent based on the contributions they have made to that particular plan.

While all workers, male and female, are affected detrimentally by that kind of situation, for women it presents a different kind of problem. The reasons for that have been stated by the present Minister of National Health and Welfare (Miss Bégin), who has pointed out on a number of occasions that simply because of the position of women in society and the workforce, they tend to change their jobs about six times during their work life. That being the case, it becomes increasingly difficult for many of those women to build up a pension benefit through the private pension plan system. And not only that, very often it is impossible for many women in the workforce to earn a pension benefit on retirement because of the inequalities and inequities built into our workforce structure.

The mover of this motion, when he wound up his speech, Mr. Speaker, referred to the green paper on pension reform which was recently tabled in the House by the Minister of National Health and Welfare. As the Hon. Member knows—but it may come as a surprise to the House—that green paper dealt primarily with reforms to the private pension system. When I asked the Minister a question about what was going to happen to that green paper, she made it absolutely clear that the thrust of the green paper and the statements it contained—they were not even recommendations—were related directly to the private pension system.

Now, while I would be the first to agree that there will always be a place in our retirement income structure for private pension plans for those individuals who wished to buy an additional benefit over what public plans provide, I think it is an abdication of this Government's responsibility to place the total thrust of any policy development to improve retirement incomes on the private system. I say that for a number of reasons. First of all, the private plans cover less than 50 per cent of the workforce, and out of that number of people only about 33 per cent are women. At the National Pensions Conference held here in Ottawa several years ago there was absolutely no doubt in the mind of anyone who participated that the private pension system is totally inadequate for the needs of people who retire today. In fact, there has hardly been a newspaper editorial since that green paper was tabled, and for some time prior to that, which has not emphasized that if there is any kind of policy development on reforming our pension system, it should be weighted in favour of the public plans, particularly the Canada Pension Plan. The reasons for that are obvious.

The Hon. Member's motion is welcome in terms of allowing the House to debate the merits of this particular proposal to improve portability from one private pension plan to another. I want to point out, however, that the best kind of portability is already provided for in the Canada Pension Plan. It is completely portable. If you are laid off at one plant and then become employed at another, the Canada Pension Plan is still there; your contributions are still there, the benefits you bought are still there and it is guaranteed to be paid to you at retirement age. In my view, that is the best kind of portability that can be provided. It does not demand a certain level of income to allow you to buy an additional benefit, as would be necessary under a private pension plan. In my view and that of many other people, the Canada Pension Plan is probably much more desirable than any improvement in the private system which would provide a benefit to the largest number of people in the country.

• (1530)

There are obviously other problems which many Members on this side of the House addressed in the debate on Bill C-131 which took place in the House in the last several months. We pointed out repeatedly that the benefits provided under the Old Age Security Act are totally inadequate. That statement is justified when it is recognized that the vast majority of single women over the age of 65 have annual incomes of something less than $5,000 per year under the Old Age Security Act. I challenge any Member of the House and most Canadians to try and scrape by on that.

While we are talking about improved portability provisions within private pension plans, I think we would be remiss in our responsibilities if we did not address these other serious problems that are built into the income replacement system for retirement that we have in this country.

A number of groups and individuals have been concerned with the plight of retired Canadians and those who have not had an opportunity to buy into a private pension plan over the years. One such group is the Social Planning Council of Metropolitan Toronto which, on December 10, 1982, issued a statement that addressed the particular problems faced by single, elderly people. It said, in part:

> On average, unmarried elderly persons in Ontario who are supported only by government income guarantees are currently living over $1,300 below federal poverty lines. In large urban centres, such as Toronto, Ottawa or Hamilton, such persons have incomes which are nearly $2,000 below the poverty line. The Social Planning Council estimates that a minimum adequate income for unmarried elderly persons in Ontario is about $350 a year more than the poverty lines in 1982. These elderly persons cannot wait until after the much delayed process of pension reform reaches parliament in 1984 or later . . .
>
> While pension reform for those who have not yet retired is urgently needed, the needs of those who have already retired, particularly elderly persons who live alone, is much more urgent. The current debate on pension reform will not help the poor elderly person, because few have any pension benefits in the first place.

That is a matter that should be of serious concern to anyone who has any sensitivity or recognizes that there should be a form of social and economic justice in the country.

At a recent conference held by the International Association of Machinists and Aerospace Workers, the whole question of pension requirements was addressed. The research director, Louis Erlichman, stated as follows:

> Resolving the pension issue is becoming increasingly urgent as the number of needy elderly Canadians grows.
>
> Statistics Canada figures show there now are two million Canadians over 65 and more than half of them are living on less than $6,000 a year.
>
> The federal agency's figures also show that once the baby boom generation of the 1950s starts to retire, the number of over-65s will more than triple.
>
> Meanwhile, about 43 per cent of the country's population has no investment or private pension income.

A discussion on the need for complete portability between the pension plans in the private system is welcome, but I think we have to extend the discussion to requirements in the public pension system as well.

I want to thank the Hon. Member for giving us this opportunity to address this particularly serious question today.

Hon. Bill Jarvis (Perth): Mr. Speaker, I want to join with the previous speaker in thanking the Hon. Member for Laval (Mr. Roy) for bringing this matter to the attention of the House. I believe it is important because it is an issue that will be with us for a long, long time. As the previous speaker indicated, it is a problem for a growing number of elderly people in the country.

When one looks at what we have come to call the post-war baby boom bubble moving through society—I presume they are now in their thirties and forties—one can see that the issue is not just one of immediacy for people now aged 65 and over, but that it will be exaggerated enormously when the baby boom bubble moves into retirement in the next two or three decades.

As I understood the remarks of the Hon. Member for Laval, the principal thrust was that the committee consider the nature of this motion as part of its mandate when it studies the broader issues. To that I enthusiastically and whole-heartedly subscribe. For the last ten years I have believed that the greatest underutilized force of this Chamber is our committee system. I hope that the parliamentary reform proposals will do something to correct that. I have some serious reservations, however, about the genuineness of certain Members of Cabinet in terms of fulfilling that potential for committees, but I hope I am wrong. As we move into a rather changed committee system, I have great hopes for improvement.

I cannot think of any subject—although I am sure there are some—that would provide a better subject matter for intensive study than the whole issue of pensions. I sincerely hope the issue of portability will become one of the major issues that the committee will study.

The Hon. Member for Laval professed that he was neither an accountant nor an expert on pensions. I do not think that is very important from a committee point of view, Mr. Speaker. As a bachelor, I am sure the Hon. Member was not an expert on wife battering, yet he chaired the committee that studied the subject and which, I say in all sincerity, was one of the greatest stimulants in society. In my riding, an active committee of volunteers was created as a direct result of the committee and it is now working on the problem.

The Hon. Member need not make any apologies to the House for not being an expert on pensions or for not being an accountant, because were that performance to be repeated by the committee studying pensions and a report drafted that would have as much success and progress and make as much impact as the one on battered wives, then the Hon. Member would have made a very significant contribution not only to the House but to society.

● (1540)

Let us talk a bit about the problem of pensioners. I claim not to be unique at all, but I come from a riding in which the principal employer for many decades was the CNR. One of the great attractions of working for the CNR, as many of us will remember, was its pension plan. By comparison, in the 1940s and early 1950s its pension plan was very attractive. As a result, CNR pensioners in my riding and dozens of others across the country looked forward to a reasonable retirement in their own homes. That pension plan, as many others, has become a victim of inflation. The pension has been so seriously eroded by the ravages of inflation that the reasonable expectations of these pensioners have not been met.

I should like to direct my remarks particularly to portability. I agree that women have been the principal victims of pension plans or the lack of viable pension plans. If one looks at typical young persons in the work force served by private pension plans and acknowledges the mobility of workers, not only geographically but from one employer to another, one finds that many of them upon changing jobs regard for good reason the contributions they have made to the pension plan of their previous employer, together with any interest which has built up, as a sort of savings. Suddenly it becomes—and I hate to use the word—a windfall gain when they have their previous employer that may be used to purchase a car, to take a holiday or to pay debts, which would be more likely in today's society. In my view, it is because of lack of portability that they have been regarded as temporary savings plans rather than as plans for future retirement.

If we can do anything to encourage a change in attitude toward that contribution, we should do so. We should work in the House and in the committee toward changing the attitude among young people in the work force who regard it simply as a supplementary savings plan to be cashed in when they change jobs. Their attitude should be changed to regarding it as something to supplement the Canada Pension Plan and the Old Age Security.

The Hon. Member pointed out a number of people were receiving GIS. This is directly attributable to the fact that people have become either discouraged or uncaring during their working years about supplementing income for retirement years or creating additional income for retirement years. Certainly portability is one of the best tools available to us toward changing that attitude and experience. Therefore, I

hope the Government consider, as a result of the Hon. Member's motion, that the portability factor be one of the major items to be studied by the committee.

I hope I do not imply something incorrectly in the motion. In part it reads:

—the Government should consider the advisability of providing, in association with the Provinces, a scheme whereby the pensions of all employees in Canada who contribute to a pension plan shall be portable from one employer to another without any loss of accrued benefits.

I do not believe the Hon. Member is suggesting that we exclude private carriers or that the Government pension plan should supplant all private plans. He is suggesting, rather, that the Government should take some action, in consultation with private carriers, to encourage portability of private plans. I see him nodding in the affirmative. I very much support that concept.

I was somewhat disturbed by the spokesman for the New Democratic Party. I think he intimated that the Government should be the exclusive carrier of pension plans. That was not the intention of the Hon. Member for Laval. Again I thank him very much for bringing the matter before the House of Commons in this form. I wish him great success in convincing his ministerial colleagues that the substance of this motion should be included in the terms of reference for what I hope will be a very successful committee study.

Mr. Young: Mr. Speaker, I rise on a point of order. I would not want the Hon. Member to misunderstand what I said. I said that I recognized there would always be a place for private pension plans in the country. However, I would be disturbed if the major thrust or weight in reforming the pension or income retirement system was to rest on the private sector, where I do not think it should be. I recognize that there will always be a place for private pension plans, but there should be a greater emphasis upon vastly improving the public pension scheme.

Mr. Jarvis: Mr. Speaker, I rise on the same point of order. I apologize for misunderstanding the Hon. Member. I do not think we agree on the major thrust: I think it should be on the private sector and the Hon. Member thinks it should be on the public sector. I misunderstood his remarks and I withdraw my comments in that regard.

Mr. Douglas Fisher (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I should like to begin my remarks by commending the Hon. Member for Laval (Mr. Roy) for his very timely and very fine reminder of the importance of this issue. At the end of his comments he mentioned the pressing need to look at the economy and that he did not want to divert us from that issue. I assure him that the issue of pensions deserves our attention at this stage and that it will not divert us from other economic topics. We are indebted to the Hon. Member for his timely reminder and for the ideas he put forth.

I know that in his work as Chairman of the Standing Committee on Health, Welfare and Social Affairs he has constantly shown a concern over this matter. I know as well that he raised these comments in correspondence and in our caucus meetings. He has travelled about his own riding gathering evidence and commenting with his constituents. Today's discussion moves the issue one step further. We are all the beneficiaries of this and we thank him for it. They are important ideas which deserve our attention now. Some of them deserve our immediate action.

I should like to refer the Hon. Member to some comments which were made before the Finance Committee during its special hearings in September. At that time we looked at the Income Tax Act and our discussions touched upon quite a few points, including the problems in terms of pensions, especially equity issues for farmers, small-businessmen and professionals who need to take a capital asset and turn it into a pension. We discussed how they could do that without suffering undue tax burdens. There was a very useful discussion of the problem at the time. The Hon. Member may want to take a look at it as a smaller issue inside the one which he raised.

We all have observations which we want to make on the topic. Personally, I am struck by the importance of home ownership for many Canadians. Very often home ownership gives retired Canadians a great degree of security, a kind of security which is not apparent when we look at the otherwise low incomes they enjoy. For example, one of my neighbours is a widow who is in her eighties. She owns her own home and takes advantage of public sector pensions. She is able to live in that manner because she does not have a heavy burden in terms of shelter costs; she is able to enjoy her own home.

I wonder whether we should be exploring further the question of using RRSPs for home ownership, given the obvious evidence that Canadians are able to live at home and not rely too much upon outside pensions; they are able to get by with what otherwise seems to be minimal incomes. I know there are some tax issues involved with that proposal. It is an old idea; it does not originate with me. It seems to me that we should be able to overcome the tax-related problems of immediate benefit, of creating an undue tax shelter and so on. We should be able to work out some kind of compromise between the tax issues and the needs of Canadians in that respect.

• (1550)

Last December, as the Hon. Member knows, the Government presented its green paper on pension reform. I want to talk about some of the issues on pensions that come from the Finance Department. I know my colleague, the Parliamentary Secretary to the Minister of National Health and Welfare (Mr. Schroder), has some other comments that he wants to raise from that department's point of view. From the Finance Department's perspective, we published a paper on pension reform that we thought set out an important array of proposals and some issues involved in upgrading our private sector pensions and our income support system. At the same time, I think it has been proposed that a special parliamentary committee be formed that will submit a report by the end of 1983. I think the idea which the Hon. Member for Laval has raised should be directed to that committee, which should be asked to react to these very important insights.

The portability of private pension plans has long been a concern of the Government of Canada. The Prime Minister (Mr. Trudeau) and other Ministers have promised that pension plan credits will be made more portable than they are now. These initial studies that we have undertaken are the first steps along the line.

The difficulties created by the existing limitations on pension portability are well known. The Hon. Member for Laval raised some and so did Members on the other side. One problem is that belonging to an employer-sponsored pension plan does not necessarily mean that employees will ultimately receive a pension at retirement. They lose their pension rights if they change employers or if they lose their jobs before retirement.

While such employees may have their own pension plan contributions returned in such circumstances, they frequently forfeit the benefits that would result from the contributions made by their employers. I heard the ideas put forth by the Hon. Member for Perth (Mr. Jarvis). I thought it important that we look for some way and some incentive to keep younger people involved in pension plans rather than simply encouraging them to spend the money right away. I know we found similar problems with young employees who regard health and dental plans as unnecessary expenses, for example. They do not see the sense in these kinds of plans in their stage of life. We might want to take a look at that idea to see if there is some incentive that can be built into the system to follow up on the Hon. Member's ideas.

Many workers end up in their retirement years either with low pension benefits or none at all, even though they may have worked most or all of their working lives with various employers who offered pension plans.

In Canada the problems involved in portability of pension benefits are exacerbated by the high labour mobility that exists here. We have estimates that a male worker can hold jobs with as many as six employers during his working years. The average female worker may expect to have even more than six different employers during her working life. On the one hand, this mobility is a very healthy sign, both for the individual and for the economy. For the individual it means greater opportunity to switch employers rather than to progress slowly up the ladder in the same company. For the economy, there is a great deal more productivity coming from these people and many more benefits because of the greater use of their skills and knowledge. But the limitations to pension portability are creating a real barrier to job mobility for many Canadians. It becomes a disincentive for them to switch employers, to seek better opportunities and to make more productive use of their skills.

Therefore, in the green paper we find, as just one of several of its considerations, a whole series of proposals aimed at promoting high mobility through greater portability of pension rights.

First, we have to consider the question of the vesting of an employee's rights to pension plan contributions made by the employer. This is naturally an issue that is very closely related to pension portability. The Government believes that vesting provisions, that is, the time or age at which an employee is entitled to receive a pension credit based on the employer's contribution, must be substantially improved. The green paper proposes that vesting occur after two years of service. Otherwise, improved portability provisions would in many cases merely have the result of transferring the credits resulting from the employee's own contributions.

In respect of portability itself, the green paper has suggested that three options should be available to an employee when he leaves a job after his pension rights are vested. Subject to adjustments related to the funded status of the pension plan, the employee could have the following three choices. First, the employee could transfer the entire value of the pension to a registered pension account. This would be a new retirement savings plan, and I will elaborate further on that in a few minutes.

As a second option, the employee could leave the accumulated credits in the former employer's plan and take a deferred pension when he or she reaches normal retirement age.

Another option would be a combination of the two I have just mentioned. The value of the employee's contributions, with interest, would be transferred to a registered pension account while he or she would take a partial, deferred pension by leaving the remainder of the value in the plan with the original employer if the employer agreed. Or the employee could transfer the value of the accumulated pension to a new plan with the new employer, if that new employer agreed. Alternatively, amounts that could be transferred to a registered pension account could instead be transferred to a pension plan with the new employer.

How does this proposed new approach compare with the current provisions under pension law and income tax rules? The present legal framework generally allows employees to transfer the value of their vested pension benefits, tax free, to another pension plan or to a Registered Retirement Savings Plan, provided certain conditions are met. However, pension plans are not required by law to provide for such transfers.

In practice, we find a variety of approaches to this question. In the public sector many employers have reciprocal agreements among themselves to transfer credits for pensionable service when an employee moves from one such employer to another.

In the private sector the Canadian Life and Health Insurance Association has sponsored a somewhat similar arrangement among some of its member companies. A few industries, such as construction and forestry, have some multi-employer pension plans. However, in practice the majority of private industry pension plans do not provide for the transfer of vested benefits.

There are a number of other issues which have a bearing on the portability of pension rights. For example, most private plans do not provide for automatic indexation of benefits to maintain the purchasing power of pension rights in the face of inflation. Until such indexation becomes more prevalent, many

employees might be better off if they simply took the cash on leaving an employer and invested it in such flexible instruments as Registered Retirement Savings Plans which could remain constant with inflation as the years go by.

• (1600)

This situation has led the Government to bring forward, as a proposal for consideration, the idea of requiring a minimum degree of inflation protection. This is the so-called excess earning method. Under this method, adjustments would be based on the difference between the five-year average of Government of Canada long-term bonds and 3.5 per cent. This proposal clearly has long-reaching implications and there must be broad consultations with the private sector and provincial Governments before it can be implemented.

I spoke earlier of the proposal in the green paper for a new retirement savings vehicle, the registered pension account. This would operate in a rather similar fashion to a Registered Retirement Savings Plan except that employers would also be able to contribute to an employee's registered pension account on a tax-deductible basis.

The proposal for a registered pension account has the potential of providing a very simple but effective way of improving pension portability. The details of such a plan are currently being developed within the Government and it is intended to publish a discussion paper on the whole question within several months. It should, however, be an important part of public discussion and debate which the Government hopes will take place on the whole question of pension reform.

Naturally, provincial Governments will have to be involved. They will play a key role. As the Hon. Member for Laval indicates in his motion, the Provinces have an important input in any decision on pension portability. The Provinces are responsible for regulating 90 per cent of workers and their pension plans in Canada. Over the years the federal and provincial Governments have co-operated closely in building a pension system that is substantially uniform throughout the country. In this way we have established and maintained Canada-wide standards, encouraged labour mobility and minimized administrative burdens for our employers. Federal-provincial co-operation will be more important in tackling the next stages of pension reform.

One point that I am trying to make in these remarks is that pension portability is important but it is not the only issue that must be considered as we attempt to achieve reform in our pension systems. There are other important matters that I have not mentioned which have to be carefully examined. There are questions of broader pension coverage for our working population and questions of improving pension treatment for women. We must ask ourselves, for example, what kind of balance we should strive for in seeking better retirement income protection between employer-sponsored pension plans, the more broad-based contributory Canada Pension Plan and Quebec pension plan, and the universal Old Age Security system.

It is noteworthy, for instance, that in the last several years there has been little or no increase in the proportion of workers covered by employer-sponsored pension plans. The percentage of employed paid workers in such plans increased from 42 per cent in 1970 to 47.9 per cent in 1979, but dropped marginally to 47.7 per cent in 1980. We must also ask ourselves how much pension reform can be afforded. It may in fact be necessary to choose among the elements of reform if they cannot all be afforded at once.

The green paper on pension reform examines all these wider issues. It contains proposals to improve the Canada Pension Plan and strengthen Government support for the elderly with low incomes. It also discusses issues related to financing the Canada Pension Plan.

The green paper proposes that a special parliamentary committee be set up to examine all of these proposals and to submit its report by the end of 1983. I hope that it will be possible to proceed at an early date with this committee study. I wish the committee well and at the same time I want to recommend to the committee the thoughtful presentation which we heard today from the Hon. Member for Laval. I want to thank him for raising these issues again and providing a chance to discuss them once again.

Mr. Jim Schroder (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, in the short time that I have available I would like to say that I know my Minister would consider the subject of pension portability, the subject of this motion today, to be well within the mandate of the special committee on pension reform. I am sure she will be anxious to have the subject referred to this committee and that it be given open and full discussion by the special committee on pension reform.

I am pleased to have an opportunity to speak on this motion put forward by the Hon. Member for Laval (Mr. Roy). I commend him for bringing this motion forward, as it contains the elements of a solution to one of the main problems with Canada's pension system. Indeed, I am certain that the reason or rationale behind the motion must be immediately apparent to anyone who has been following the pension debate in Canada over the last several years. Of course, I am speaking of the problems caused by the lack of suitable vesting and portability provisions in private pension plans.

As a result of the interaction of these two factors, vesting and portability, few workers in Canada who have had at least some degree of coverage under a private pension plan during their careers reach retirement age with any significant amount of income from this source. The only people in Canada today who are likely to receive an adequate pension from a private pension plan are those who have not only paid into the pension plan but have been working for the same employer for all or most of their working years. Far too few Canadians fall into this group. This is a very strong factor which contributes to the inadequacy of pensions today.

The obvious solution to this problem is contained in this motion. Let all employees in Canada take accrued benefits

with them when they change employers. Of course, the problem in fact becomes less simple under detailed examination. That is why the problem remains with us. However, that is not to say that it is insoluble, nor that it has been ignored by Governments in the past. Indeed, as a direct result of Government action, there are two contributory pension plans in Canada at this very moment which achieve everything which could be provided as a result of this motion. I am sure Hon. Members are aware that I am speaking of the Canada and Quebec Pension Plans. Hon. Members will recall that one of the main forces, if not the force, behind the introduction of these plans was the need to solve the problem caused by a lack of transferability of an employee's accrued benefits from employer to employer.

How did the introduction of these two compulsory, contributory social insurance schemes deal with the problem of portability of accrued pension rights? The answer lies in several key elements of these two plans. First, membership is compulsory for virtually all workers in Canada between the ages of 18 and 65 as long as annual income is above a certain basic amount. This means that every worker in Canada is covered by one of these two plans, regardless of their length of service with the employer, the size of the company, the industry they work in or even the number of hours they work in a week. Unfortunately, all of these factors can affect the employee's coverage under an employer-sponsored pension plan at any given point in time.

The second key element is that all pension credits attributed to any one contributor to the Canada or Quebec Pension Plan are immediately vested.

The Acting Speaker (Mr. Blaker): I regret to interrupt the Hon. Member. As I am sure he is aware, it is my duty pursuant to Standing Order 24(2) to interrupt the proceedings at this time and move on to the next stage of Private Members' day.

• (1610)

PRIVATE MEMBERS' PUBLIC BILLS

[*English*]

The Acting Speaker (Mr. Blaker): Shall all orders listed under Private Members' Public Bills preceding Order No. 117 be allowed to stand by unanimous consent?

Some Hon. Members: Agreed.

* * *

CANADA LABOUR CODE

AMENDMENT RESPECTING SAFETY OF EMPLOYEES IN FEDERAL UNDERTAKINGS

Mr. Sid Parker (Kootenay East-Revelstoke) moved that Bill C-317, an Act to amend the Canada Labour Code (Safety of Employees), be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

He said: Mr. Speaker, I am pleased to introduce Bill C-317, a private Members' Bill to amend the Canada Labour Code. The purpose of the Bill is to amend the Canada Labour Code to make the provisions of Part IV, relating to the safety of employees, applicable to all federal work undertakings, including the operations of trains, ships and aircraft, departmental corporations and private and local works in the Territories.

I would first of all like to make it clear that I do not suggest that this Bill will solve the problems of health safety facing the workers of Canada. This Bill will deal with a few of the problems but, more important, I hope we can use the debate to convince the Government of the need for major changes in health and safety legislation. I shoulld not have to work hard to do this because it is not a partisan issue. The Minister has admitted in speeches that we lose more time through injuries than through strikes.

The Conservative labour critic has spoken often on this subject, and the NDP conducted a task force which travelled right across Canada and saw at first hand the problems that workers face in the workplace each day. It is a very, very serious problem.

Mr. Speaker, we all agree on the size of the problem. According to Workmen's Compensation Board figures, there were over a million work injuries in 1978. In the ten years before that the size of the work force had risen by 29 per cent and the number of injuries had risen by 69 per cent. Under the Canada Labour Code, one in every eight workers suffered a work injury or was killed in 1978. The same figure was true for workers in federal Crown corporations. On top of that, the Department of Labour admits that these figures may underestimate the problem by as much as 20 per cent. It is quite possible that there are a much larger number of injuries than even these figures report.

There is a great deal which could be done to reduce these injuries. In the first place the Labour Department does not have enough inspectors. Back in 1978 there was an article in the old *Labour Gazette* which contained a comment that is as true today as it was then. That article said that the main problem was:

> A system which put the inspectorate in the front line of the battle for occupational health and safety, in insufficient numbers, with confused and inadequate battle orders and a poor supply of armaments.

Less than a year ago we discussed this whole question for an estimates committee. We found at that time that there were 13,200 work sites under federal jurisdiction. There were 8,000 new work sites added, with the addition of the post office, under the Canada Labour Code. To inspect those 20,000 work

sites there are about 135 labour affairs officers and about 40 of them have a safety specialty.

The Government has tried to deal with some of these problems through safety service agreements with the Provinces, but the Provinces have problems of their own. In Ontario there are only about 120 inspectors for 66,000 work sites. In Alberta the situation is even worse, with only about 50 inspectors for 60,000 work sites. The result of this is that on many work sites, both federal and provincial, the Government just does not enforce health and safety regulations or make inspections. On many occasions it just takes too long to find an inspector, even where there is a specific problem. As a result, many of the inspectors, given an impossible job, let the employers set the standards.

Labour Department officials told the Finn Commission looking into West Coast grain elevators in 1976 that our approach to the company and the industry, whether the grain industry or any industry, is to talk to the people about establishing procedures and systems that, over a long period of time, continuously take care of the situation. That approach is still being followed today.

Last year a safety officer told an inquest: "I leave it up to the individual company to draw up any procedures to suit their regulations". That inquest was into the death of Paul Jovanov. Mr. Jovanov was killed in a Windsor grain elevator which had been open for two years. The elevator had never been inspected.

I want to make it clear I am not blaming the inspectors. We ask them to do impossible jobs, to police vast numbers of job sites with no resources. They spend most of their time stamping out forest fires, so we cannot blame them for infrequently planned inspections.

I could not believe the response of the former Deputy Minister of Labour when I asked why some of the recommendations of the Finn Commission into safety in grain elevators had not been brought in. I asked him why there were not more frequent inspections of grain elevators. He told the standing committee that the Finn Commission had been looking into West Coast grain elevators and that Windsor was not on the West Coast.

Conflicting jurisdictions: that is the area to which my Bill speaks most directly. I would like to read a brief quote from the Science Council of Canada's report entitled, "Policies and Poisons". It said:

> We have reviewed the existing jurisdictional complexity in Canada and conclude that the confusion between jurisdictions has led in the past to difficulty in identifying with precision the Department or body actually responsible for any existent situation.

A report on mineral policy published last year by the Mines Department put it even more clearly. It said:

> The situation clearly presents problems—inconsistency from one Act to the next, bureaucratic struggles over jurisdiction, lack of accountability, variability of standards.

The Department of Labour has admitted this problem in reports to Cabinet. In 1981 in a presentation to Cabinet the Department of Labour said:

> Part IV of the Labour Code does not apply to employees of enterprises coming under the federal jurisdiction that are regulated by other Acts. These include longshoremen when they are working on board or alongside ships, crews of ships, tugboats, dredgers and other small vessels, aircrews, employees on offshore drilling rigs and on oil and gas pipelines. Nor does it apply to the federal Public Service, where Treasury Board is in the anomalous position of being both employer and the standard setter for safety and health governing its employees.

Clearly a conflict of interest. This complication had tragic results last year with the sinking of the *Ocean Ranger*, and shortly before that with the deaths on board the *Hudson Transport* on the St. Lawrence River. We do not know if better safety regulations would have made the difference in the *Ocean Ranger* situation, but we do know that safety regulations were inadequate. And in the case of the *Hudson Transport* we also know that if survival suits had been on board that vessel, lives would have been saved.

Another immediate problem is the enormous confusion which still exists over health and safety in the uranium mining industry. Uranium miners are still denied good health and safety protection because of the confusion between the federal and provincial regulations. This has been going on for years. I would like to quote for a moment from the report of the task force of the New Democratic Party as we toured across Canada, and mention some of the unbelievable things which took place. The bulletin issued on December 31, 1980, with respect to miners in Elliot Lake, stated:

• (1620)

> No hourly rate employee will be hoisted to surface other than his regular hoisting times at the end of day shift or the end of night shift, unless:
>
> 1. he has been injured while on the job.
>
> 2. he has a written note signed by his Supervisor saying he may be hoisted early.
>
> 3. all other rules apply.
>
> 4. no exception for sickness.

It is unbelievable that there is no exception for sickness.

In December I raised the question again with the Minister of State for Mines (Mrs. Erola) in the committee. Her response at that time was that a consultant was considering the whole affair and that the problem might be resolved within a year. She said that she was being generous. Those uranium miners have already been waiting for years. Why they must wait another year or longer is beyond me and, in fact, it is beyond belief.

I would like to discuss the whole area of hazardous substances in the workplace, but I do not think I have time right now. Perhaps it is sufficient to say that there are over two million chemical compounds. While consumers have the right to know the contents of what they are eating, workers do not have the right to know the contents of materials with which they are working. Considering the fact that some people argue that the majority of cancers are related to chemicals, this is astounding. During our task force meetings we were also told of railway employees who had entered a car to clean it out and the chemicals in the car affected them in such a way that they had to go to the hospital. The former Minister of Labour said:

> We may not know for another 20 years whether chemicals introduced in the 1960s were dangerous. Various types of diseases take from 12 to 20 years to

develop. This has to cause us all great anxiety, especially since one-third of all cancer deaths are said to be occupationally related.

I would like to quote from a report on the hazards concerning the reproductive system at work. The President of the Canadian Advisory Council on the Status of Women, Lucie Pépin, said:

We have found that almost all workplaces contain hazards to the reproductive system; not only factories, nuclear plants or mines, but also hospitals, offices and schools. These hazards do not simply harm pregnant women, but other women, men and future generations as well.

It is a very serious problem. In spite of that fact, we have no federal law enforcing disclosure of chemicals in the work place and the Provinces do not have the power to do it.

I would like briefly to speak on the right of workers to police the safety of their own environment. The Government told us it would give workers this right in 1978, when it introduced amendments creating health and safety committees and allowing the right to refuse dangerous work. However, the health and safety committee were not mandatory. In 1981 only 700 such committees were in place on our 20,000 federal job sites and, of those 700, only about 50 had been imposed by the Minister. The difference between a voluntary committee and an imposed committee is that the imposed committee has a great deal more power. That is why many employers will try to get the unions or workers to agree to a weak voluntary committee. Once again, the former Minister of Labour had admitted he was disappointed at the small number of committees which had been formed, but even those committees have few rights.

The right to refuse dangerous work is based on imminent danger. In other words, if a truck is about to fall on someone, it is immiment danger. However, if someone were dying by degrees from chemicals in the air, there is nothing that one could do.

The state of health and safety laws at the federal level is awful. They are also the worst in Canada. The NDP knows this, as does the Official Opposition. Certainly Canadian workers know it, and even the Government knows it. For two years the Government has been sitting on recommendations which would bring about needed improvements, such as making committees mandatory and improving the right to refuse dangerous work. The legislation is written. I asked the Government to present it and perhaps save some lives.

The annual cost because of health and safety problems is nearly $4 billion. Surely that kind of saving is more important than the money saved by cutting Public Service pensions. Surely the loss and ruin of lives of Canadian workers should be our first, not our last, priority.

Finally, I ask the Government to go further and give the Department of Labour the kind of funding it needs to carry out its mandate. Within its existing mandate and funding, surely the best thing it could do to improve the quality of the working life would be to remove the danger of loss of workers' lives.

The Bill I have presented today deals with one aspect of the problem I have raised, the problem of other Government legislation having more power than the safety and health provisions of the Canada Labour Code. I hope by raising these other matters that I might encourage the Government to act on them as well.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I want to congratulate the Hon. Member for Kootenay East-Revelstoke (Mr. Parker) for raising this matter in the House this afternoon. The opening remark of the Hon. Member, when he said that the issue of health and safety was not a partisan one, was appropriate, and I think all Members of the House share his concern for the safety and security of public servants of Canada.

In rising to speak on Bill C-317, an Act to amend the Canada Labour Code, I would like to refer to the explanatory note which gives us insight as to the purpose of the Bill. The note states:

The purpose of this bill is to amend the Canada Labour Code to make the provisions of Part IV relating to safety of employees applicable to all federal undertakings, including the operation of trains, ships and aircraft, departmental corporations and private and local works in the territories.

As Your Honour knows, Part IV of the Canada Labour Code sets out a range of minimum standards to be used by employers to protect the safety and health of their employees. Employees who are within federal jurisdiction are in such enterprises as banks, broadcasting, airlines, shipping, railways, interprovincial trucking, telephones, and other undertakings which have been deemed to have been for the general advantage of Canada. As things stand at the moment, federal public servants do not come within the purview of the Canada Labour Code and I think the Hon. Member was quite right in his research on this question. Their safety and health are protected by the provisions of the Treasury Board policy and standards which are indeed similar to the requirements of Part IV of the Code.

The occupational safety portion of the Treasury Board's program is handled in a similar manner by Labour Canada, but Health and Welfare Canada administers the occupational health portions of the program. The objective of these regulations is, of course, to ensure that work is respectful of human life. The law also underlines the general principle that all Canadians have the right to a healthy and safe work environment regardless of the jurisdiction.

Another point I wish to bring to the attention of Hon. Members is that Part IV of the Labour Code does not apply to employment involving the actual operation of ships, trains or aircraft. Bill C-317 does have definite merit. I am pleased to inform Hon. Members that the Minister of Labour (Mr. Caccia) has been holding extensive consultations with representatives of labour, industry and other federal Departments in order to prepare a comprehensive revision proposal for Part IV of the Canada Labour Code. These discussions are proceeding, and I anticipate that an amendment proposal to the Canada Labour Code will be introduced in the House in the very near future. Any proposed changes to the application of the Code must, however, accommodate situations where international laws, agreements, public safety, and a concern for passenger

safety in the transportation field take precedence over the "safety of employees" provisions included in Part IV of the Code.

• (1630)

Bill C-317 is, however, in my opinion, slightly regressive in one area, that is to say, where the Bill proposes that the undertakings or business of a local or private nature within the Yukon or the Northwest Territories should revert to federal jurisdiction. This recommendation, in my view, is contrary to current practice and can only be seen as a sorry step backwards to what is supposed to be an orderly evolution in the development of the Territorial Government.

Although several aspects of Bill C-317 are commendable, the Bill should be considered in the context of the development of a more comprehensive amendment to Part IV of the Code. This process must involve extensive consultations, which we believe are currently under way, to develop an amendment proposal which considers all aspects of a contemporary occupational safety and health legislative program.

I have not taken much of the time of the House, but I wanted to put those comments on the record. I would like to congratulate the Hon. Member for presenting this Bill. I know how interested he is in this matter. I have had the privilege of working with him in committee. He is preoccupied with the safety and health standards of this country. I want to congratulate him, and I hope that this Bill is accepted.

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, I wish to say a few words on Bill C-317, which is an Act to amend the Canada Labour Code, (safety of employees). The Hon. Member who introduced the Bill has asked that trains, ships and aircraft, departmental corporations and private and local works be included in Section 80 of the Canada Labour Code, Part IV, dated May, 1981. It states that ships, aircraft and trains are to be excluded from this section of the Act. I do not know how that came about because I was not involved in the drafting of this particular piece of legislation, but if the Minister is going to bring in changes and improvements to the Labour Code, I believe we can make some inquiries in committee as to why trains and ships have been excluded in Section 80 of the Canadian Labour Code.

We, of course, are all concerned with the health and safety of all workers, whether they are in a mine or a factory, in an office, or even in the home. It is interesting to read some facts and figures which indicate there are more accidents in the home than in any other location, and a lot of this is caused, for example, by a person using an unsafe ladder or standing on the edge of the table, or what have you.

I notice the Ontario Government uses television extensively to get the safety message across, and I think that has been most effective because actual demonstrations are given of just how accidents happen. I hope they continue with that kind of exposure and that the day will come when they will expand into areas other than the industrial area. In order to have proper safety practices, Mr. Speaker, management training is very important. If a manager does not understand the rules of safety and cannot explain and train his staff in the importance of the rules of safety, for example, the use of hard hats, safety glasses and safety shoes, then he is not much of a manager and he will not have much of a safety record with his crew.

I was a foreman in industry for many years and I took a great interest in safety. I found that proper training will eventually get the message across, but it is difficult. A lot of people want to take a lot of shortcuts. They do not want to examine their ladders. They do not want to wear a hard hat or to wear safety shoes. It is difficult to get the message across to some people on the importance of safety.

I found it very rewarding over the years as the majority of my crew eventually caught on to the art of safety inspections of their equipment, and it certainly pays off in the long run. There are a lot of excellent films available across Canada on the subject of proper safety procedures, and I used these safety films extensively. There have been great advancements in safety equipment as well. Perhaps one of the most prominent pieces of safety equipment is the hard hat. Everyone who works on new building construction sites or renovation sites is wearing a hard hat, so the message has certainly been put across in regard to wearing hard hats on construction sites.

The Hon. Member who introduced the Bill spoke extensively of problems in mines. I agree with him that there could be a lot of improvements made in that area. If you are 500 or 600 feet below the ground, you certainly do not want any risks to be taken. We certainly want the most up-to-date safety equipment for anyone working in a mine.

I am looking forward to the changes which the Minister is going to be bringing forward, and I am sure the Hon. Member who introduced the Bill will be present at the committee meetings. We will have also representatives from the Conservative Party at the committee to review carefully the new recommendations which will be coming from the Minister. I believe his Parliamentary Secretary is here today and perhaps he will enlighten us further on what changes the Minister will be bringing forward.

[*Translation*]

Mr. Antonio Yanakis (Parliamentary Secretary to Minister of Labour): Mr. Chairman, I should like to make a few comments on the statement made by the Hon. Member for Kootenay East-Revelstoke (Mr. Parker) concerning Bill C-137, An Act to amend the Canada Labour Code (safety of employees) Part IV. As I understand it Mr. Speaker, the purpose of this bill is to extend the scope of Part IV dealing with employee safety to all employees coming under federal jurisdiction, including employees of the Public Service of Canada and of private and local companies operating in the Territories.

I think that it would be worthwhile to provide this House with a brief background of Part IX of the Canada Labour Code and point out some technicalities contained in other orders. The Canada Labour Code is a digest of various federal

measures dealing with labour issues. It sets out some standards for workers in the private sector who come under federal jurisdiction. Part IV of the Canada Labour Code deals with health and security at the workplace and includes statutory provisions provided under the act and setting forth minimum standards which employers must enforce in order to ensure the security and health of their employees.

Even if Part IV of the Labour Code is the only federal legislation which deals exclusively with those issues, it does not apply to all workers in the private sector coming under federal jurisdiction.

That situation, Mr. Speaker, stems from restrictions related to the application of Part IV of the Code. Because of such restrictions, any other Act of the Parliament of Canada and its regulations take precedence over Part IV, the provisions of which do not apply to persons employed on ships, trains or aircraft, including their operation, unless the Governor in Council has issued an Order in Council stating otherwise. Part IV excludes as well any undertaking which is defined as a department or a corporation under the terms of the Financial Administration Act. In accordance with recent amendments to Part IV of the Canada Labour Code, employees now have the right to refuse to work under conditions which, in their opinion, constitute an immediate danger to their safety or their health. In addition, as a result of the proclamation of provisions giving them the right to create health and safety committees made up of employer-employee representatives, workers now take a more active part in the operations of the company, except, as I just said, those who work on ships, trains and aircraft.

• (1640)

Mr. Speaker, the laws dealing mainly with public safety on the safe operation of various means of transportation overrides the Labour Code provisions concerned with safety and health. The health and safety in the workplace of employees subject to those acts are looked after by departments and agencies whose primary responsibilities and expertise are not related to those areas.

Those departments enforce laws that deal with a specific sector, namely railways, and look after their safe operation and the safety of the public.

During the early discussions on the Canada Labour Code (Safety), it was clearly established that the Code would only complement existing federal laws and would only apply in those instances where those laws contained no similar provision on safety and health in the workplace.

At the time, Mr. Speaker, labour organizations had strongly recommended that the Code should apply to all employees coming under federal jurisdiction. Since 1966, they have taken that stand on several occasions. Yet, it was decided that the purpose of the legislation, which was to guarantee the safety and health of all workers, could be achieved by enforcing the Code only in those instances where no such protection was provided under existing legislation. In the last several years, there has been far more concern for the health and safety hazards in the workplace. Due to the work-related diseases suffered by some of their members, unions have become more aware of those hazards and a good number of them are now giving top priority to safety and health problems.

Many western industrialized countries have now recognized the need for regulatory agencies to deal better with health and safety problems and have therefore increased the number and the quality of their programs to ensure safety and health in the workplace, mainly by combining all regulatory agencies into a single agency. Thus, Mr. Speaker, when it endorsed the recommendations of the Roben Commission, the commission inquiring into health and safety in the United Kingdom felt that the separation of legislation from its administration was causing a scattering and a compartmentalization of the technical facilities and knowledge available across the country to fight occupational hazards.

Mr. Speaker, occupational safety and health problems vary from one industry to the next, but the Commission felt that many had technical characteristics in common and required the use of similar professional and technical knowledge.

During the same period, the U.S. government was facing similar problems. Following discussions within the government the Occupational Safety and Health Authority was set up to administer the Occupational Safety and Health Act (1970), which includes many acts which until then came under various agencies.

In Canada, the provinces are taking similar steps to do away with the fragmentation of legislation in this respect. However, as far as Federal jurisdiction is concerned, it is often impossible to act quickly and efficiently to protect the health and safety of a large number of workers, because responsibility is spread over a large number of departments where there is a definite lack of co-ordination of activities. Many workers covered by other parts of the Canada Labour Code are not covered by Part IV.

Mr. Speaker, it is sometimes said that work-related hazards come under two clearly defined headings: health and safety. Experts on prevention agree that when they want to determine causes and set up preventive measures, the two concepts are so closely linked that it would be unthinkable to consider them separately. Mr. Speaker, that is why most national bodies in industrialized countries have set up health branches that are solely concerned with occupational health. The branch reports to a central, regulatory body that is responsible for occupational health and safety in all sectors.

This division was created in accordance with the recommendations of the board of directors of ILO, according to whom occupational health and safety cannot be considered separately and must therefore be dealt with as being part of the same problem.

Mr. Speaker, more recently, Commissioner James Ham stated in his Report of the Royal Commission on the Health and Safety of Workers in Mines, Ontario, 1976, that certain cases of occupational stress affected both health and safety. Dealing separately with health and safety as far as workers are concerned constitutes another false dichotomy, maintained by company policies and regulations.

Mr. Speaker, I am pleased to see that the technical resources of Labour Canada, including the support required for investigations as well as an analysis laboratory, have been expanded so that now most of the hazards occurring in the occupational environment, both in the public and private sector, can be dealt with. With these new facilities and the full time services of a specialist in industrial medicine Labour Canada has been able to improve its work safety and health services.

Mr. Speaker, I strongly support the principle of this bill which concerns employee safety. Guaranteeing the safety of workers is not only a matter of interest, but a major concern for the Minister of Labour and the Government. Because of this, the Minister of Labour has undertaken a series of major consultations with interested groups with a view to developing a cohesive set of amendments to the Canada Labour Code. Of course, this includes the principles of the bill now before us. Mr. Speaker, I believe that these amendments should be reviewed as a whole rather than in isolation. I believe that the Government wants to introduce all these amendments at the same time to the House in the near future. This is why, Mr. Speaker, I would recommend that this bill not be supported in its present form.

• (1650)

[*English*]

Mr. Gordon Taylor (Bow River): Mr. Speaker, I enjoyed the address of the Parliamentary Secretary to the Minister of Labour (Mr. Yanakis) until the last sentence. I cannot follow his line of thought. This Bill is not partisan; it has nothing to do with political Parties. The whole object of the Bill is to prevent accidents and to extend the provisions of the Canada Labour Code.

I want to commend the Hon. Member for Kootenay East-Revelstoke (Mr. Parker) for bringing the Bill forward. I hope the Government will take a positive view of it because it does not affect one political Party more than another. It is to the credit of any political Party to try to prevent accidents in this country, and the broader we make the provisions of the Canada Labour Code, the better it will be for everyone. The object is to prevent accidents.

The Parliamentary Secretary stated that the Minister was going to introduce amendments, and of course that would be an excellent thing. What better way of doing it, though, than by canvassing the ideas of a parliamentary committee on this and on other amendments? If this matter were referred to a parliamentary committee, it could do all the work and the Code would be better as a result, as more minds would be directed toward its improvement. If Hon. Members opposite have not made up their minds already that they are not going to support the Bill, I suggest it would be a feather in their hats if they were to send it to committee. This would be in the interests of the safety of workers in this country, but to talk the Bill out on second reading would be a disgraceful thing. I urge Members of the Government to think positively about this matter.

If this were a Bill that affected one political Party more than another I could understand Members of the Government talking it out, but I cannot understand their talking out a Bill that is intended to prevent accidents and make the workplace safer for our workers.

I intend to complete my remarks and sit down, Mr. Speaker, so that the Bill will not be talked out, but there are two points that I should like to make.

I do not think we are making enough use of workers' and employers' safety committees today. In the coal mines I have found that for many years employers have resisted safety committees, but after experience with them, employers found that the committees reduced the cost of compensation and reduced the pain and agony suffered by employees as accidents were prevented. The safety committee was composed of workers who knew the conditions in the coal mines; we should make greater use of their knowledge regarding safety.

Most of the safety inspections of working conditions are inadequate. There are not enough inspectors. There should be better inspection, particularly where intricate machinery is involved. It sometimes happens that machines are left exposed and, as a result, a worker loses a hand or a foot or some other part of the anatomy. These matters could be discussed in committee, and the Canada Labour Code could be improved as a result.

I urge Members of the Government to send the Bill to committee, not to be prejudiced and negative and talk it out. It would be to their credit to refer the Bill.

Mr. Neil Young (Beaches): Mr. Speaker, I have no intention of assisting the Government in talking this Bill out, either. I want to commend the Hon. Member for Kootenay East-Revelstoke (Mr. Parker) for presenting it to the House. I cannot think of anything that is of greater importance to working people than the proposals it contains. In fact, it is the kind of measure that the Government should have introduced a long time ago, instead of waiting for a Member of the Opposition to do so.

As the Hon. Member pointed out, the sensationalism caused by man hours lost due to strikes in the country is always brought to the public's attention. It should be realized, however, that in each of the last 12 years, more man hours have been lost due to industrial illness and injury than were lost due to strikes or labour disputes.

That fact does not seem to be generally known but it demonstrates the need for the kind of amendment that the Hon. Member has proposed today. I think it would be to the shame

of the Government if its Members were to talk the Bill out rather than refer it to the committee for action.

Mr. Gérald Laniel (Beauharnois-Salaberry): Mr. Speaker, I also should like to commend the Hon. Member for presenting this Bill, and I agree in principle with what he proposes to do. At the same time, I must say that I disagree with some of the comments of the Hon. Member for Bow River (Mr. Taylor). I had the impression that he had not even listened to the speech of the Parliamentary Secretary who said that the Government wanted to do more than the Bill sets out to achieve and has not decided to put aside its objective of extending the application of the Canada Labour Code.

It is easy to blame the Government for filibustering something or for blocking legislation proposed by a private Member. One should recognize, however, that when a piece of legislation is not complete in itself, it should be examined in that perspective. I did not hear the two Members of the NDP who spoke make a point about the implications of this Bill for the Northwest Territories and their autonomy. Nor did they say anything about the matter mentioned by the Hon. Member for Ottawa-Vanier (Mr. Gauthier) concerning the effect of modifying, without examining the impact, the application of the Canada Labour Code to labour organizations or Government corporations that are subject to international law. These are things worth looking at when we deal with this kind of legislation.

• (1700)

[*Translation*]

Mr. Speaker, I must say however once again that I am in agreement with my colleagues who congratulated the Hon. Member for Kootenay-East-Revelstoke (Mr. Parker) for introducing Bill C-317, which aims at extending the provisions of Part IV of the Canada Labour Code relations to the safety of employees.

Mr. Speaker, Hon. Members will know that the Canada Labour Code combines several federal statutes establishing standards for private sector employees who come under federal jurisdiction. Part IV of the Code deals with the safety and health of employees and set out a range of minimum standards to be used by employers to protect the safety and health of their employees. However, Part IV does not apply to all private sector workers under federal jurisdiction, and this is precisely the situation that the Hon. Member wants to remedy. In principle, I agree with him on this point.

Moreover, as stated in the existing legislation, Part IV of the Labour Code does not apply to sea, rail and air workers. Hon. Members would probably be interested to hear that, in the federal government, nine major departments or agencies administer 16 different statutes dealing in various degrees with work safety and health. This is one problem. These government departments are the Departments of Labour, National Health and Welfare, Agriculture, Environment, Indian and Northern Affairs and Consumer and Corporate Affairs. The Hon. Member has made a suggestion and I am certain that today's debate will give us a better understanding of the problem and will make it possible for the government to take all necessary action to improve the situation.

[*English*]

Most of the 16 statutes to which I have referred were enacted to regulate particular industries such as the railways, to ensure the safety of their operations and the protection of the public. It was piecemeal legislation developed over the years. In all of them, occupational safety and health is incidental to their main purpose. It was because of this that the original Canada Labour (Safety) Code, which later became Part IV of the consolidated Canada Labour Code, was enacted by Parliament in 1966.

[*Translation*]

Mr. Speaker, the purpose of Bill C-317 now before us is to extend the application of Part IV of the Act and not to increase the number of inspectors as the Hon. Member from Bow River (Mr. Taylor) mentioned. The administration of the Act would remain unchanged but Part IV of the Canada Labour Code would apply to all federal workers. As I said earlier, this is a very commendable purpose insofar as it will provide better and more comprehensive safety and health protection for federal employees. I do not intend to vote against the principle of this bill even though some of its provisions should be amended.

[*English*]

For example—and I referred to this in my opening remarks—the territorial exclusion provided in Subsection 80(1) would need to be retained. To take the right to regulate works, undertakings or businesses of a local or private nature away from the Governments of the Yukon Territory and the Northwest Territories would not only be unjustified at this time but would run counter to the steady development of Territorial Governments and autonomy.

The proposed Bill would also extend the coverage in Part IV to include federal public servants. In this respect I would point out that in the federal Public service, with the Treasury Board acting as employer, the Government several years ago affirmed the policy of applying the principles of the Canada Labour (Safety) Code and the regulations and standards adopted thereunder to the Public Service. I do not know why we have to send the Bill to committee so quickly since the Government is applying these at this moment.

The portion of the proposal which would make departmental corporations subject to the Canada Labour Code has merit, but a case is still being developed to demonstrate that adequate occupational safety and health protection for federal public servants can best be achieved under the provisions of Part IV of the Code itself, not in an application clause.

[*Translation*]

Mr. Speaker, I understand from what my colleague the Parliamentary Secretary said earlier, that the Minister of Labour (Mr. Caccia), in conjunction with other ministers, has

been holding consultations for several months in order to develop a safer environment at the workplace and to update the Labour Code so as to provide a better protection for workers in today's High-tech world.

[*English*]

Since the Minister has been consulting to achieve a better Labour Code which would be more adapted to the 1980s and 1990s, I do not think we should accuse Hon. Members of the House of not being interested in the safety of Canadian workers in general or of those who fall under federal jurisdiction. Hon. Members should understand that our main objective is not to have the House make a quick decision. We want to take the necessary time and wait for a few weeks for the Hon. Minister to come forward with a complete proposal to revise the Code so that it will meet the approval of labour organizations themselves.

Although we support the intent of the Bill, with the exception of the Territorial reference, we do not believe it should be considered until a complete package of code amendments is developed following a consultative process with labour, industry and other federal Departments. I do not think I can recommend to the House at this time the passage of the Bill on second reading.

[*Translation*]

Mr. Speaker, too often Opposition Members have blamed us for our inefficiency and incomplete legislation. We have been told many times there is a lack of planning in our policies. Well, given the fact that a Minister of Labour has finally undertaken a complete review of the Canadian Labour Code, especially Part IV which prescribes security and health measures concerning employees under federal jurisdiction, it seems to me that we should commend the Minister and thank him for not relying on ad hoc volitions. We are duty bound to help him introduce soon a bill which will be debated, and which, hopefully with the support of the whole House, will achieve the goals pursued by the Hon. Member.

The Acting Speaker (Mr. Corbin): Order please! Pursuing to Standing Order 24(2), it is now my duty to interrupt the debate.

* * *

• (1710)

[*English*]

CANADA CONTINENTAL SHELF ACT

MEASURE TO ESTABLISH

Hon. James A. McGrath (St. John's East) moved that Bill C-373, an Act respecting the continental shelf be read the second time and referred to the Standing Committee on Fisheries and Forestry.

He said: Mr. Speaker, the purpose of this Bill is to extend Canadian jurisdiction of the sea to the extremities of the continental shelf for the purpose of conservation, protection and management of marine resources. It is interesting to note that this Bill speaks to the length of this record session because it received first reading on May 2, 1980. One might suggest that it has been overtaken by events in that since May, 1980, Canada has signed the Law of the Sea Treaty. However, I intend to establish arguments that this Bill is just as relevant today as it was when it received first reading several years ago. I can anticipate the argument of the Government, especially that of the Secretary of State for External Affairs (Mr. MacEachen). Likely it will be that foreign nations during the course of discussions leading up to the Law of the Sea Treaty have made it very clear that they have very strong views against any further extension by Canada of our 200 mile limit. I accept that. However, it is equally true that the countries with which we enjoy bilateral fisheries relations, our partners in the Northwest Atlantic Fisheries Organization, recognize our special interests beyond 200.

I believe the case can be made, just as the case was made for our unilateral move to declare jurisdiction within 200, to extend our jurisdiction for purposes of managment, if not for the continental shelf then at least for those two areas known as the nose and tail of the Bank. This is an area of the Grand Bank which is currently outside of the 200 mile limit. I think we can make that case the same way by getting support and agreement from our partners within the North Atlantic Fisheries Organization. They would recognize our right to manage stock beyond 200 on the nose and tail of the Bank just as they recognized our right in the bilateral agreements leading up to the extension of our jurisdiction to manage the area within 200. This makes sense because fish know no boundaries. We are talking about transboundary stock when we talk about the area of the Grand Bank known under the old ICNAF system as 3NO, DLN, 3-0 and 3LNO.

I remember one of the first things I had to do upon assuming the responsibilities of the portfolio of fisheries was to close this particular area of the Grand Bank to further fishing of cod because the stocks were so depleted at that time.

However, we have been very successful in rebuilding the stocks within our jurisdiction under the 200 mile limit, but we have not been successful in the management of this particular stock because we do not enjoy the exclusive right to do so. That situation is complicated by the fact that the most offending nation is Spain. Spain has, for its own reasons, elected to stay outside of the NAFO convention. It is not part of the North Atlantic Fisheries Organization, and does not come under NAFO management. If Spain does not come under NAFO management and it does not come under Canadian management, then Spain is beyond control, and that is the problem.

To give you an idea of the importance of that stock, Mr. Speaker, the average groundfish catch on the Grand Bank, the 3NO and the 3LN area is 124,000 tonnes, broken down into 25,000 tonnes of cod; 32,000 tonnes of redfish, and the balance in various species of flounder. The problem we are facing with Spain choosing to remain outside of NAFO and our own

inability to extend our own management regime is that Spain is depleting stock by the persistent use of a technique known as pair trawling. What the Spaniards do in that particular area known as the tail of the Bank is to have two trawlers that trawl together and sweep up everything. Our own experience based on experimental fishing indicates that with that kind of pair fishing one gets 50 per cent cod with the balance by-catch being flounder. The Spaniards are not interested in flounder or flatfish, or whatever you want to call them; they are only interested in the cod which they salt and take back to Spain to dry. By and large, the flounder is thrown over the side. It is lost. It is destroyed. That has impacted directly on the plants situated along the south coast of Newfoundland which depend to a large extent on this stock. These plants have established markets for flounder. What the experience has been year after year as this situation continues out of control is that the size of the flounder keeps getting smaller and smaller because the stock is not managed.

I know that I would be out of order if I were to refer to the Kirby Task Force which was supposed to have reported in November, then again in December. It is now almost the end of January and the Kirby Task Force still has not reported, Mr. Speaker. But the reason I mention the Kirby Task Force is to inject into my remarks the seriousness of the situation in terms of the Atlantic fishery which is currently on hold, having gone through perhaps the worst crisis in its history awaiting the results of the Kirby Task Force. I realize that the Kirby report will not address itself to this particular problem. I realize that while it is a special interest problem for the Department of Fisheries, it is the specific responsibility of the Department of External Affairs, regardless of what Kirby recommends, to address itself to the problems of plants that are currently down especially along the south coast of Newfoundland. Unless we get this situation under control all of the recommendations in the world will not address the basic problem resulting from the fact that Canada does not enjoy total management of this stock.

• (1720)

I do not want to take up too much time so that other Hon. Members will have a chance to participate in this debate. My colleague, the Hon. Member for Esquimalt-Saanich (Mr. Munro) will be addressing some remarks to the Law of the Sea. It is important to remember that we are not talking about the seabed, fossil fuels or seabed mining. We are concerned with the management of the marine resources and Spain's failure to comply with international conventions or to recognize Canada's right to manage this stock.

The record will show that Spain has been harvesting the major bulk of this stock over the years, thereby representing a prima facie case. We have made attempts to come to grips with the Spanish situation. There is a current offer being considered in which I believe we have offered 5,000 tonnes of groundfish in our zone in exchange for access of a limited amount of our fish in the Spanish market, with the understanding that they would be good boys and play the game. That deal has not materialized as yet and, quite frankly, I call it blackmail. Even if that deal is consummated—which I hope never happens—the Spaniards will still not adhere to an adequate management regime. This is because they answer to no one and are not subject to inspection either by NAFO or Canada. They are totally on their own and totally out of control.

There was an interesting report published by the Economic Council of Canada last year which was entitled "The Promise of Abundance: Extended Fisheries Jurisdiction and the Newfoundland Economy". They had this to say at page 61 about the Spanish situation, including by-catches which I have referred to. It reads:

> It is much to be hoped that Spanish-Canadian relations will improve in the future, both so that the management of 3NO cod as a transboundary stock will be improved, and so that the aforementioned co-operative arrangements can, at a minimum, be explored. It would be unfortunate, to say the very least, if both opportunities were lost to Canada.

These opportunities are lost to Canada. Our experience with Spain on bilateral agreements has not been a happy one. We must get tough with the Spaniards.

I believe that if we were to pursue this with our partners within the North Atlantic Fisheries Orgnization, we would receive their support in extending our jurisdiction beyond 200, at least to take in the area known as the nose and tail of the Bank. If this does not occur, we will never have control of the management of that stock and we will continue to be faced with a situation where we do not control the by-catch and have no access in terms of inspection of what happens out there.

It is indeed worth mentioning that one of the suggestions made by the Economic Council of Canada was that Spain be allowed to land its cod catch in Canada in return for agreeing to conservation and Canadian management. Of course that would give us an opportunity to acquire the very expensive by-catch, the majority of which is flounder, that is currently being dumped over the side. I might add that this is seriously affecting the flounder stock which, in turn, is adversely affecting the plants and operators on the south coast of Newfoundland.

I hope that Hon. Members will agree with the arguments that I have presented. It is not an unreasonable proposition and one that would be supported by our fishing partners. I believe that it would enjoy support within NAFO since I do not think Spain has any intention of signing the NAFO convention. While there is a suggestion that Spain may eventually join the European Economic Community and thereby become part of the NAFO agreement, we still have to deal with the Spanish problem until that time comes. Unless we deal with it in a direct and effective way, unless we get tough with the Spaniards, we may have to close that very important traditional fishery, which again is so important not only to the fishermen of Newfoundland but to the fishermen of Nova Scotia.

Mr. W. Kenneth Robinson (Etobicoke-Lakeshore): Mr. Speaker, I am pleased to have the opportunity to speak to Bill C-373. I note from the explanatory note that the purpose of this Bill is to extend Canadian jurisdiction of the sea to the extremities of the continental shelf for the purposes of the

conservation, protection and management of marine resources. Without doubt, this is a most commendable objective. I congratulate the Hon. Member for St. John's East (Mr. McGrath) for bringing it forward. There is no question that it is a timely matter and one which must be properly dealt with. The Hon. Member has made some very powerful arguments for its immediate consideration. He has mentioned the Grand Bank. I suggest that it has always been understood throughout Canadian history that the Grand Bank belongs to Canada in their entirety. I do not believe anyone would question that fact. The Hon. Member also stated his concern about the pair-trawling that takes place, particularly by the Spanish fishermen. He also talked about the resulting wastage of flounder that occurs. I wish to commend the Hon. Member for bringing these issues to light.

On January 1, 1977, Canada established a 200 mile fishing zone. This was done following many years of careful preparation and a host of bilateral and multilateral negotiations.

Prior to the extension of jurisdiction in 1977, Canada negotiated bilateral agreements with, *inter alia*, France, Norway, the Soviet Union and Spain. I suggest it is noteworthy to see that Spain was included at that time, prior to the extension of the jurisdiction in 1977. These agreements anticipated and cleared the way for the establishment of the 200 mile zone. Multilaterally, Canada was one of the handful of countries chiefly responsible for bringing about a consensus on the 200 mile fisheries limit at the United Nations Law of the Sea Conference. This consensus—I stress consensus—on fisheries jurisdiction helps to transform customary international law and enables countries like Canada to adopt the 200 mile limit without provoking chaos and conflict with other countries.

While working to advance Canadian fisheries interests at the Law of the Sea Conference, Canada was also pursuing regional initiatives to the same end, in particular through the International Commission for the Northwest Atlantic Fisheries. Beginning in 1972, we obtained through the International Commission for the Northwest Atlantic Fisheries steadily growing recognition of the coastal states' preferential rights to the harvest of fisheries resources off their shores. In 1975, we obtained, once again through this international commission, a 40 per cent reduction in foreign fishing effort in 1976 for groundfish, as well as a reduction in the total allowable catches for depleted stocks and higher quotas for Canadian fishermen for stocks of particular importance to them. In 1976, we obtained, once again through the International Commission for the Northwest Atlantic Fisheries, a further reduction for 1977 in total allowable catches that we considered necessary, together with estimated allocations for Canadian fishermen generally corresponding to their harvesting capacity. In effect, this amounted to recognition of extended Canadian fisheries jurisdiction even before this extension had taken place.

Furthermore, in the closing weeks of 1976, Canada secured an agreement on amendments to the International Commission for Northwest Atlantic Fisheries Convention that restricted the Commission's management authority to the area beyond national fisheries limits, and left management within 200 miles to the authority of the coastal state, while also leaving Canada with the right to board and inspect foreign vessels beyond the 200 mile limit under the International Commission for the Northwest Atlantic Fisheries' scheme of joint international enforcement.

• (1730)

The efforts made by Canada and other countries in bilateral and multilateral forums created the conditions essential for the extension of Canadian jurisdiction: the extension was consistent with international law and had won international political acceptance.

We in Canada are neither boy scouts nor superpowers. We could not impose our will on others by force, even if we believed it were proper to do so. Nor are we among the countries of the world that can pretend to play David out to slay Goliath, hoping that sympathy for the little guy can win our battle for us. We were able to enforce our jurisdictional claims because they were accepted by other countries. It would have been much more difficult to impose them if other countries had been determined to resist.

Had Canada acted in defiance of international law, then not only would it have become much more difficult to enforce Canadian law and regulations within the areas of claimed jurisdiction, but Canada would have been less able to rely on international law in order to safeguard its other interests as well, including those in the fisheries sector.

Canada relies on international treaties, generally accepted principles of international law and international co-operation in order to protect, for example, its valuable salmon fisheries. This is of particular importance on the West Coast where, in the words of the report of the Commission on Canadian Pacific Fisheries Policy, presented in September, 1982, it said:

—the five species of Pacific salmon are by far our most important fishery resource in both quantity and quality.

If the Canadian Pacific salmon fishery were open to unrestricted foreign high seas fisheries it would provide for fewer benefits to Canadians than it does today. It is international law and international co-operation which prevents that situation from arising. International law and co-operation are also of importance to Canada's East Coast salmon fishery. It benefits from provisions of Canada's fishery treaty with the European Community as well as the provisions of the Atlantic salmon convention.

We also rely on international law and international co-operation in order to protect Canada's fishing interests with respect to our continental shelf fish stocks, some 10 per cent of which are outside our jurisdiction. Canadian concerns here are addressed in part by the Northwest Atlantic Fisheries Agreement. It is, however, essential that we continue to obtain the co-operation of other countries to ensure the proper conservation and management of these outside stocks and appropriate allocations for Canadian fishermen.

The last example I will cite of a fisheries resource that requires international co-operation if it is to be protected, is

halibut, a straddling stock. The halibut fishery is among the oldest on the Pacific Coast. The fishery began in the nineteenth century off the coast of Washington State, and significant Canadian participation began during World War I.

Landings by Canadian and U.S. fishermen peaked in the 1920s, at some 70 million pounds, then declined to about 30 million pounds in the 1930s. Recognizing the need for co-operation, Canada and the United States included a halibut treaty in 1923. I might digress at this moment to say that the 1923 treaty marked the importance of a milestone in Canadian history because it was the first international treaty that Canada signed in its own right and not by the United Kingdom acting on Canada's behalf. The conservation programs established pursuant to the treaty were successful in rehabilitating the stocks so that landings rose to 75 million pounds in 1962. The halibut treaty was revised in 1979 and is still in force and makes a significant contribution to the productivity of the stock.

Bill C-373 seeks to address the question of outside stocks mentioned a moment ago. It, however, would seek to govern those stocks without any international political or legal support. Such a claim to jurisdiction would be very difficult to enforce, if adopted, and would harm the initiatives that Canada has taken to protect Canadian fisheries interests. For the long term, it would likely undermine the international co-operation that is necessary to protect those stocks not already fully protected by the establishment of the 200 mile zone.

Mr. Speaker, I congratulate the Hon. Member for bringing forward this very timely matter, which is just as timely today as it will be tomorrow and in the foreseeable future. I commend him once again for keeping this in mind because the more we have control over and the better we manage the Grand Banks and other areas, including the continental shelf, the better it is for Canada and all Canadians.

Mr. Ted Miller (Nanaimo-Alberni): Mr. Speaker, it is my pleasure to also speak on Bill C-373 today, and I would note that, as the Hon. Member for St. John's East (Mr. McGrath) said, this Bill was introduced for first reading in 1980.

I think it is reflective of the lack of ability of the federal Government to deal with the Grand Bank, and particularly the Flemish Cap—the nose and tail of the Grank Bank—that we still find this Bill is as pertinent today as it was in 1980, and it is reflective of another failure of the fishing industry off the East Coast, that is, the agreement which failed between the United States and Canada on Georges Bank and the very valuable fishery in that area, in particular the very valuable scallop fishery.

So we have a situation again where, for the purposes of conservation, to say nothing of the implications for employment and foreign exchange in those fisheries, we have a Government which has failed to come to some international agreement with a nation which, granted, has had a long history of fishing off the Grand Bank, and that is Spain. But the problem still exists that our stocks on the Grand Bank beyond 200 miles are indeed being threatened by overfishing, just as the stocks within 200 miles have been threatened by overfishing in the past.

We have been able to demonstrate in Canada that given the opportunity to manage stocks, we can foresee a revival of fish stocks on the Grand Bank and off our East Coast in general.

Nevertheless, despite the agreements under the Law of the Sea—and I think we all recognize that there are some tremendous benefits to Canada from the Law of the Sea and from the signing of that treaty earlier this year in Jamaica—we are still faced with a situation where we really do not have control over some of the fish that are transboundary fish. They do not know what the 200 mile limit is and obviously the federal Government has not been able, either through the Department of Fisheries and Oceans or, more particularly, through the Department of External Affairs, to come to a suitable agreement with Spain, just as they failed to come to suitable agreements with the United States with respect to Georges Bank.

To the credit of the Canadian fishermen, they are not prepared to enter into a fishing war off Georges Bank with their counterparts in the United States, despite losing hundreds of millions of dollars of revenue, because the U.S. fishermen and the United States administration, and in particular the U.S. Senate Foreign Relations Committee, sees fit to allow their fishermen, the scallop fishermen in particular, to break any international understanding, even if was not an agreement, finally signed.

I think this Bill is timely. I think it should go to the Fisheries and Forestry Committee for further study. I think it would indicate to the Spanish Government the commitment of the House of Commons that we come to an agreement on stocks that are being exploited and which are damaging employment opportunities, not only here in Canada, but which will certainly in future affect employment in Spain both of fishermen and onshore workers.

The situation in the fishing industry in Newfoundland, as many of us know, is very critical. Communities in Newfoundland are losing their fish processing plants, particularly in Burin and on the Grand Bank. There is a great deal of doubt whether those fish plants will continue in operation. The employment situation in the Province of Newfoundland is deplorable, as it is in most Provinces. So I see a great deal of merit in sending this Bill to committee and for the committee to study the implications that the Hon. Member for St. John's East pointed out.

• (1740)

However, when we are discussing marine resources beyond the 200 mile limit, I think we can also study the mechanisms within the limit to protect and conserve marine resources. There is certainly some question involving protection of our fisheries in Atlantic Canada from pollution caused by offshore oil exploration. We know that when Bill C-148 was being discussed in the House and in committee, we really did not have any input from the Minister of the Environment (Mr.

Roberts) or the Minister of Fisheries and Oceans (Mr. De Bané), two Ministers who should have been more prominent in the discussion of offshore exploration for natural gas and oil. Certainly, if Canada ever gets to the point where it starts further exploration of other mineral resources on the East or West Coast, this Bill would give opportunity to the Members of the Committee on Fisheries and Forestry to assess more accurately our capabilities of managing, conserving and protecting marine resources within the existing 200 mile limit.

Therefore, speaking on behalf of the New Democratic Party, I think the Bill has merit. We would certainly like to see it referred to the committee and would give our support and congratulations to the Hon. Member for St. John's East for presenting the Bill as far back as 1980.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I am delighted to have the opportunity to say a few words about this Private Members' Bill, Bill C-373. I note that it was given first reading on May 2, 1980, when the Law of the Sea Convention was in the process of being negotiated. On December 8 and 9 of last year, if I remember correctly, the Law of the Sea Convention was signed in Montego Bay, Jamaica, by a number of countries. That did not make it international law. It will become effective upon the deposition of the ratification instruments by 60 nations. Canada did sign, of course. One of the interesting things is that Spain did not, its objection to this particular convention being matters concerning international straits. Obviously, it had Gibraltar in mind. Incidentally, as I hope to show before my allotted time has expired, there is another matter which we should be able to persuade Spain to accept which would resolve this very delicate matter in terms of the existence of the flounder stocks off the coast of Newfoundland, off the Grand Banks.

The matter at issue concerns the extension of the very extensive provisions respecting "conservation, protection and management" of the living marine resources beyond the 200 mile limit, where Canada already has very extensive jurisdiction.

The territorial sea concept is a very particular one dealing with the first 12 miles from the baselines off our coast. There we are not solely concerned with marine resources, although they are there too. The clauses of the treaty mainly deal with the passage of vessels, military and otherwise, free traffic including submarines and the over-flight. However, the text of this particular Bill deals with the territorial sea and its extension out of the edge of the continental shelf for purposes of the conservation, protection and management of marine resources. It has been clearly stated that marine resources means the living marine resources of the sea. The Hon. Member for St. John's East very carefully and fully explained the matter at issue. The extension involves hundreds of square miles, not thousands of square miles. It is a small portion. The graphic illustration on page 16 of the document to which he made reference, entitled "A Promise of Abundance", published in 1980 by the Economic Council of Canada, shows just what amount of territory is involved.

An effort ought to be made to secure co-operation from all those members of the North Atlantic Fisheries Organization in order to preserve the stocks for them and for the rest of mankind. Canada has a responsibility in that exclusive economic zone, as well as privileges, and its responsibility is to care for the stocks of fish which are to be found there and breed there. Its responsibility is to establsh that amount of fish which can be taken without destroying stocks. This small portion just beyond the limits is recognized in the Law of the Sea over which Canada does not have jurisdiction.

Flounders, as I remember correctly, are groundfish. They sit on the bottom of the sea, and that is certainly part of the problem. They are scooped up by draggers from the bottom of the sea inside the elusive economic zone. If they are destroyed in their breeding time, they will cease to be an economic resource for Canada or any other country, even those who fish and throw their catches over the side because they do not want them.

It is interesting to consider the provisions of the Law of the Sea Convention. Article 76, for example, defines the continental shelf. We are discussing the edge of the continental shelf at the moment. It defines the continental shelf of a coastal state as extending "beyond its territorial sea throughout the natural prolongation of its land territory to the outer edge of the continental margin". This is a very good illustration. It states that the "coastal state shall establish the outer edge of the continental margin" wherever it extends beyond the 200 nautical miles in a manner which fixes "points which are not more than 60 nautical miles from the foot of the continental slope". That is a very clear definition of how far out this Bill seeks to extend Canada's jurisdiction.

Canada's jurisdiction is undisputed and will be undisputed when the Law of the Sea Convention is ratified and becomes operative throughout the world. By the anomaly of geology, I suppose, the plate on which Newfoundland sits, the Grand Banks, extends just beyond those 200 miles.

For those Hon. Members who are wedded to metric I might suggest that 200 miles refers to 200 nautical miles, 240 statute miles or 370 kilometres. That is the breadth of the sea over which Canada has jurisdiction and can make arrangements with foreign fishermen to fish within that area on the basis of quotas. And that is basically—and I am over-simplifying perhaps—one of the things which the North Atlantic Fisheries Organization purports to do within that area and beyond. There is a general agreement out in the North Atlantic that fisheries will be managed, but one particular country has so far refrained from becoming a member of that Organization, as we have heard described.

• (1750)

The Law of the Sea Convention extends a number of powers to the coastal states, which they may exercise out to the edge of that shelf. On the East Coast the edge, as we have already seen, extends beyond the 200 miles. We have also seen how that extension is defined within the terms of the Law of the Sea Convention. Canada, having signed the Law of the Sea

Convention in Jamaica last month, I am sure will abide by its provisions. Within that 200 mile limit, which is known in the Law of the Sea Convention as the "exclusive economic zone", Canada, as the coastal state, exercises, as its name implies, exclusive economic powers limited only as prescribed in the Convention, relating to innocent passage, as I mentioned, over-flight and other matters relating to commercial navigation.

For present purposes, however, in this Bill we are considering only conservation, protection and management of living resources, and those rights already exist in the Convention within that exclusive economic zone. Those extra hundreds of square miles beyond were described, I believe, as the "nose and tail". I would describe it from this picture as the nose and chin, even, because it is almost a human face here, but I will accept the nose and tail description of the Grand Bank, those few square miles. It should be no great problem, I should think within the context of the North Atlantic Fisheries Organization, and bilateral agreement to have that extension worked out.

What are the exclusive economic sovereign rights of Canada within that area? Article 56 of the Law of the Sea Convention makes it quite clear what the coastal states can do and to what extent its sovereign rights are exercisable. Those sovereign rights exist for exploiting, conserving and managing the natural resources, living or non-living, of the waters superjacent to the sea-bed and of the sea-bed. With respect to "sea-bed" we are talking about flounders. They are on the sea-bed. As the Hon. Member said, we are not talking about drilling rights, mining rights, over-flights, or hampering of commercial traffic. We are dealing solely with the moving resources, the living resources of that area which already exist within the exclusive economic zone, together with marine scientific research which is involved in preservation and protection of the marine environment, another necessary power which the coastal states ought to be able to exercise in order to conserve, protect and manage any resource.

The rights and duties of other states within that area are also significant, and they appear under Article 58. In that exclusive economic zone all states enjoy, subject to relevant provisions, the freedoms referred to, and so on. In exercising those rights and performing those duties, however, those states, other than the coastal states, shall have due regard to the rights and duties of the coastal state, which concerns management, and shall comply with the laws and regulations adopted by the coastal state. We are considering, again, those laws and regulations relating to conservation.

In Article 61 one finds that among the management rights which the coastal state enjoys, are those of determining the allowable catch of the living resources in its exclusive economic zone. That is what we seek in this Bill, Mr. Speaker, to be extended those few hundred square miles to the nose and tail of the Georges Bank.

The territorial sea which is mentioned in the Bill is already included within that exclusive economic zone, so we can think of it not in terms of the technical definition of the territorial sea, but rather as part of the exclusive economic zone which this Bill seeks to extend. To all intents and purposes, therefore, this Bill does no more than seek to extend jurisdiction over fisheries and fishermen for preservation over a few extra square miles or square kilometres which it now exercises within the exclusive economic zone, seaward beyond the edge of the 200 mile limit, so that it may conserve, protect and manage those stocks which flow into and out of, which move back and forth, in and out of the exclusive economic zone.

This is not an outrageous demand, Mr. Speaker, given the peculiarities of the continental shelf off the East Coast, and taking fish breeding grounds into account. What this Bill does not seek to do, and I believe this is most important, it does not seek to extend drilling rights. They are already there at a price. Nor does it seek to impede the passage of any commercial vessel or waterborne traffic, nor to hamper the passage of aircraft.

There is one matter that I would like to mention in conclusion. Perhaps we could somehow persuade Spain to accept a portion, anyway, of Article 64 of the Convention dealing with highly migratory species. Section 64 provides that the coastal state, and other states, whose nationals fish in the region for the highly migratory species—this is in Annex 1— shall co-operate directly and through appropriate international organizations with a view to ensuring conservation and promoting the objective of optimum utilization of such species throughout the region, both within and beyond the exclusive economic zone. In regions for which no appropriate international organization exists, the coastal state, and other states, whose nationals harvest these species in the region, shall co-operate to establish such an organization and participate in this work. That provision is now within the Law of the Sea Convention, Mr. Speaker. It may be difficult, but I do not think it is impossible, that Canada should be able to persuade the Government of Spain to abide by this Article even if it is unwilling to abide by the full text of the agreement.

Therefore, Mr. Speaker, I would like to move that the subject matter, at least of this Bill, be referred to the Standing Committee on Fisheries and Forestry for further study.

The Acting Speaker (Mr. Corbin): The Hon. Member for St. John's East (Mr. McGrath) rises on a point of order.

Hon. James A. McGrath (St. John's East): Mr. Speaker, it was never the intention of the special committee on rules, when we brought in these provisional orders, that Hon. Members would be deprived of three full hours for private members' time, and I think we would do well to bear that in mind, because I would ask the House now if there would be a disposition, if there were unanimous consent, to go beyond six o'clock, in order, at least, that we may hear from the Parliamentary Secretary to the Minister of Fisheries and Oceans (Mr. Tobin), who is here representing the Government and is very anxious to make a speech.

The Acting Speaker (Mr. Corbin): I thank the Hon. Member for St. John's East for his suggestion. Of course, the

Chair is in the hands of the House. At this time normally it should see the hands of the clock. However, by unanimous consent, if there is unanimous consent, we could suggest that the Chair did not see the clock at this time. Perhaps the Chair could have an indication as to how long the debate should proceed. To complete the full hour, was that the suggestion of the Hon. Member? Perhaps I should first ask if there is unanimous consent to continue the sitting.

● (1800)

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Corbin): These seems to be consent. I would like to inquire now how long the debate should carry on.

Mr. McGrath: I think this is a rather important point because we are starting under our provisional rules, and I think it is important for Your Honour to bear in mind what I said at the commencement of my point of order. It was the clear understanding of the Committee, when we recommended Private Members' hour on Wednesday afternoon, that we would not be deprived of three full hours. We have no control over Routine Proceedings, so it would be a good practice to follow that we go beyond six o'clock if we are in fact deprived of the full three hours. Certainly I would not see it go much beyond ten minutes.

[*Translation*]

Mr. André Maltais (Parliamentary Secretary to Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Mr. Speaker, the request by the Hon. Member for St. John's East (Mr. McGrath) seems very interesting to me, except that some Hon. Members on the Government side have made commitments for tonight. I think we could perhaps bring up that subject matter another time as it is most interesting and worthy of a debate. I, for one, had intended to speak on this subject since my constituency is directly related to Newfoundland and the Atlantic, so it seems to me that we should immediately postpone this debate and bring it up at a later date to give Hon. Members the opportunity to participate if they so wish.

The Acting Speaker (Mr. Corbin): There is not unanimous consent.

[*English*]

There being no unanimous consent, and it being six o'clock, this House stands adjourned until tomorrow at eleven o'clock pursuant to Standing Order 2(1).

HOUSE OF COMMONS

Thursday, January 27, 1983

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—PROTECTION OF THE ENVIRONMENT

Mr. Jim Fulton (Skeena) moved:

That this House condemns the Government for its failure to adequately protect the Canadian environment from toxic and hazardous waste and for its subservience to the vested interests of the chemical and industrial waste producers and, in particular, for its failure to expedite the clean-up of the Great Lakes.

He said: Mr. Speaker, I am pleased to have an opportunity to speak this morning, and particularly to move the motion condemning the Government for its subservience to big industry. I am going to spend my time this morning dealing with the two major sides of the issue, one being the serious problem of no proper toxic and hazardous waste handling sites in Canada and the lack of law at both the provincial and federal levels; and also, in relation to the United States, the very serious problem we have encountered, not only under the present administration of Mr. Reagan but, in terms of the last 40 years, what has been happening to the Great Lakes and the water supply which provides water for four million Canadians and most of the 48 States in the U.S.

It appears, Mr. Speaker, through the documentation I am going to put on the record today, that there is really a conspiracy of inaction on both sides of the border to turn the entire Great Lakes system into a dump. The reason I say that is that very few Canadians know, and very few Hon. Members of this House seem to know, that the water which is now flowing out of the St. Lawrence River came down as rainfall and ran into the Great Lakes at about the same time as Columbus came to North America. It takes about 500 years for the water to recirculate throughout the Great Lakes sytem and ultimately to go out into the Atlantic. What has happened over the last four years is that the big businesses, particularly the chemical industry and the war industry in the United States, have consciously chosen certain areas near the Canadian border to store improperly large amounts of toxic and hazardous waste. Perhaps the largest of those is the Niagara Escarpment where, over the past 40 years, things such as entire trains have been driven there. Big pits have been dug in the ground and they have simply driven the train right into the ground and buried it because it is contaminated with radioactivity.

Four years ago, the U.S. Government, in collusion with the U.S. Army, dumped millions of gallons of radioactive waste from the Manhattan project directly into the Niagara system, and you can still see a huge tower there if you go to Niagara Falls which is filled with radioactive waste from the Manhattan project.

Tied in with all of that are the more serious chemical dumps, such as S-site, Hyde Park, 102nd Street and the Love Canal, which have gained their great notoriety not because of the work of Government bureaucrats and politicians, but because of concerned citizens and a few concerned medical experts such as Dr. Beverley Paigen, who started to study why there were so many stillbirths, so many spontaneous abortions, why people were getting lesions, why children were going deaf, why there were personality disorders, and so on, in relation to these dumps.

Why would a large chemical company sell for $1 an area where they knew houses and schools were going to be built, knowing full well those wastes were not like old paper bags and rotten logs, but that we were talking about a long-term pollution problem which was going to cause serious damage? Where big business cannot buy politicians—here I am talking about Canadian politicians, Liberals and Conservatives, and in the United States, Democrats and Republicans—where they cannot buy them to keep them from forcing the proper clean-up either through the introduction of the law or through the introduction of a clean-up fund, the companies simply go around it.

I will give an example of this on the U.S. side and an example on the Canadian side. Under President Carter, what was known as the "super fund" was set up which taxed all of the chemical industry in the United States, rated on the amount of waste products they produced. Now there is $1 billion sitting in that fund. The money is not being spent for two reasons; one, big business has gone to Reagan and said: "Look, if you make us clean it up it is going to lower our profits. We are in a recession. You cannot make us do that. We have been getting away with it for a long time, anyway." On the other hand, if Reagan allows the super fund to be spent, he knows that part of the super fund expenditures would include the expenditure of tax dollars. Taxpayers in municipalities and States, in the United States, and federal politicians, would say: "Why are we paying for it? Why do we have to have this super fund? Why are we involved in the clean-up?" Inevitably, there would be a public outcry. There would be a fall in the stock market. At the very least, these chemical companies would start to become unpopular. Those are the two

reasons on the U.S. side why they will not spend the super fund and big business simply will not clean up.

On the Canadian side, we simply do not have proper law. It should be constitutional, but the Government refuses to accept the concept of having the environment dealt with in the Constitution. In a few moments I am going to go through some of the constitutional problems we are having now in terms of law, the correlation between federal and provincial jurisdiction, and the real lack of law and regulations to deal with these kinds of contaminants.

Knowing that we have such paltry law in Canada now, one example which I have raised many times in this House, Mr. Speaker, is Amax. In the middle of the 1979 federal election, the Liberal Government decided that that particular company, Amax, required a special dumping permit which exceeded federal guidelines by 8,000 times. The Member of Parliament at that time was a Liberal Cabinet Minister who is now the President of the Liberal Party, but the net goes much further, Mr. Speaker, The present Lieutenant-Governor of Ontario, Mr. Aird, was on the Amax international board. When he stepped down to become the Lieutenant-Governor, he was replaced by the former President of the United States, Gerald Ford. So there we have the international connection of big business. What happened after that? It is very clear Mr. Aird's firm continued to do the legal work for Amax.

• (1110)

An Hon. Member: Senator Aird.

Mr. Fulton: Senator Aird, a well-known bagman for the Liberal Party. He simply went to the Cabinet and said: "Look, I need some kind of special permit for my buddies in Amax; they want to dump one million metric tons into the fishing ground". Of course,the local media for months and months said: "Oh, it is just the Nishga Indians; they are just trying to force their land claims. It has nothing to do with pollution." But then some independent scientists came on board, church groups and trade unionists got involved, and they finally managed to get rid of the former Minister of Fisheries and Oceans because I understand that some 80,000 letters ended up going to the Prime Minister's Office. I tabled in this House correspondence regarding that issue. There is real concern about such paltry law. First, we should beef it up, but even where we have, Canadians are concerned because politicians, certainly in the Liberal Party, seem to be prepared to run around the law and provide big business with whatever kind of dumping permit they want.

The problem is right across Canada, and let me deal with it from the Canadian side first. In British Columbia alone 266,000 dry tons of hazardous waste was produced last year. It was all improperly dumped. There is no safe site in British Columbia, none anywhere in Canada. Last year ten million dry tons were produced and a million of those were toxic, hazardous waste, dangerous to human life, dangerous to wildlife and to our water supply. So it is right across the country. If a Canadian, some Member of this House, decided to poison his or her husband or wife and put the same kinds of stuff into a glass of water and fed it to their spouse day after day, under the Criminal Code in Canada they would be prosecuted and probably convicted for attempted murder. But the big companies can dump it in the Great Lakes.

On the American side, the U.S. military and big chemical companies can dump it into the water supply. Laws are diverted or changed, politicians are bought, and what is happening right now is that toxic waste is going into the Great Lakes system. By the conscious inaction of not bringing in new laws and taking the appropriate action, the decision has been made—perhaps knowingly, perhaps unwittingly—by politicians on both sides to allow 20 per cent of the fresh water supply of this planet to become polluted and turned into a septic dump.

There have been statements such as this, Mr. Speaker. Our task force met with the Vice-President of Hooker in New York State a year ago. We asked him what he was doing. The Curtin decision was coming down, and it is totally inappropriate. We are following the same route on the S-site dump, going through the court and getting improper clean-up. What does the Vice-President of Hooker have to say to concerned Canadians? He stands up, after showing us some phony movie, and says: "Well, look, Mr. Fulton, we are waiting so that we can have genetic engineering make some progress, so they can engineer some bugs. We will take containers of bugs, throw them into these toxic pits and they will eat all the problem away." The man has been living in Disneyland too long, Mr. Speaker. He drank out of a Mickey Mouse cup. It gives you some idea of the way these large corporations are prepared to deal with public concern.

Mr. David Suzuki spoke in my riding quite recently, in Kitimat, Mr. Speaker. There were a lot of young people there and he wanted to give some explanation of the concern he has for the way the Canadian parliamentary system is going. I think it is something all of us in this House need reflect on. The average understanding of modern science by Members of this House right now is the same as that of elementary school children. A grade seven child in Canada right now has a better understanding of science than Members of this House. We really need to get to work on that because this issue of toxic waste is no joke. It is something which is coming on us in the same way typhoid fever did at the turn of the century, which is why we got the original 1909 Boundary Waters Treaty.

At the turn of the century, 446 Canadians out of every 100,000 were dying from typhoid fever because of sewage and other kinds of pollution going into the Great Lakes. We got the Treaty and started to move on it. The United States is not attempting to live up to the Great Lakes Water Quality Agreement of 1978. I do not condemn Canada in this matter because we are at least going to live up to the requirements in relation to phosphorous and so on, but there are some enormous loopholes in the Agreement and they are there by the design of the Government in office at the moment in its support of big business.

• (1115)

On garbage day, Mr. Speaker, would you go out of your house and throw your garbage over the fence into your neighbour's yard? You would not, for a number of reasons. There are laws against such actions and there is the law of decency. You could be prosecuted for doing it and you could go to jail. There is a law for individual Canadians, but our neighbours in the United States are dumping literally thousands of tons of this material on the Escarpment, knowing full well that for the next 40 years it will go into our water supply.

Gallup polls show that 75 per cent of Canadians support the clean-up and preservation of the Canadian environment, even if it means accepting a lower standard of living. The same Gallup polls indicate that Members of this House of Commons and members of the legislatures in the country are rated in the same category as convicted sex killers. We have to wonder about that, Mr. Speaker. Why are Canadians prepared to make that kind of economic sacrifice? It is so that they can fish with their grandchildren, so that they can drink clean water, so that they can see trees growing around them and see the odd fox running about.

Politicians will not respond, however. Each week more money is spent on cat food in the Province of Ontario than is spent by the federal Government to deal with the Great Lakes and acid rain problems in the country. More money is spent on cat food than on environmental protection, which is the greatest problem we will face in this century in this country.

Acid rain is a serious thing but the problems of dioxin, mirex and so on are a moving problem. We can deal with the courts on the U.S. side and we can clutch at straws, but we have had the Curtin decision—an utter, abject failure. The EPA tells people to go ahead and move back into the Love Canal area while nine out of eleven renowned U.S. scientists advise people not to move back into the area because the EPA studies are inaccurate and incomplete. They advise that to move back would endanger life.

The whole issue is profit maximization, Mr. Speaker. Big business says that if they have to put a prophylactic around waste, if they have to contain the waste properly and permanently and have to recycle it, their profits will go down. So they go to Ronnie in the States and say: "Ronnie, don't make us spend from the super fund, don't make us clean up; we want high profits and we want deregulation".

Deregulation on this issue means that the health of four million Canadians and one million Americans along the Great Lakes is seriously endangered. We know that one two-hundredths of a drop of dioxin will kill you where you sit, Mr. Speaker. If a beam of sunlight comes through a window and a fleck of dioxin-laden dust, weighing one ten-thousandth of a gram, floats into that sunlight, that amount can kill an entire family. In the Great Lakes region, just one-quarter ounce of dioxin could kill five million people. A ton of it is sitting in Hyde Park and they are just repumping the leachate. That is all the United States is doing. Two hundred tons of contaminated stillbottoms is sitting in S-dump, leaching into the Niagara. It is going underwater into Canada, into Lake Ontario and contaminating the Lake.

We can study the migration patterns of that stuff coming across the Lake and we can tell that the water is becoming more and more polluted. According to the general accounting office in the United States, according to our DOE officials, according to the IJC, the Lake is becoming more and more polluted with dangerous waste.

All that is happening is a couple of frivolous little court cases. The Minister of the Environment tells us that we are employing quiet diplomacy. But stuff is moving across the Lake, Mr. Speaker, and is now being found in the tissues of dead people in this country. In that cadaver from Kingston, dioxin was found in the body tissues. The stuff is moving through the biosphere. It moves in the air, in the water, across the Lake.

The answer being given by the Liberal and Conservative Parties in this country is that the matter will be studied. When people start to get diseases and die, then they will say: "We must put in water filtration systems; we must raise municipal and other taxes". I have some answers that are going to short-circuit that and I hope the House will support me in pursuing them.

• (1120)

What we need is constitutional law. I am glad to see the Hon. Member for Nepean-Carleton (Mr. Baker) here because in his constituency there are terrible problems in relation to toxic waste.

I wrote to every fire chief in Canada and had responses from most of them. The Government had never written to them nor had any other Member of Parliament. They were concerned about the waste in their communities. They do not know how to fight most of those fires. They see it going into the water supply. It is going into the Ottawa River which is not fit to swim in any more. One cannot fish in the Great Lakes. We cannot sell our eels to West Germany; they are contaminated with mirex. The situation is serious. We need proper constitutional law, and I am going to come to specific recommendations in that regard in a moment.

I am making a very serious proposal to the House today, which is to put a head tax on Americans coming into Canada. I say that in all seriousness, and I am going to explain why. Over 30 million Americans came into Canada last year, many because they have relatives here, many to fish or to hunt or as tourists. What I am saying is that if we were to charge them a head tax of $5 or $10 at the airports, at the border crossings as they came in, and we had proper information there, we could explain to them that the reason we were doing this is the toxic waste coming from Niagara, the Hanford site, and because of what is happening to our water system and our environment from acid rain. We could say: "Here is a card; what state are you from? Here is your Congressman, here is your Senator. We are charging this tax, we are raising money, because we are going to go about this in a serious way."

Supply

When 75 per cent of Canadians support reducing their standard of living to clean up, I think it is about time we sent a strong message to those Americans, our brothers and sisters from the United States, who are prepared to take a message back to the brontosaurus in the White House. That is the description used by an American who is interested in preserving the Great Lakes.

The next step is that instead of just monitoring what is happening in the Great Lakes, we have to have a proper, complete, thorough study of the costs of complete carbon filtration so we can get pure water back out of those Lakes. That is a figure this House needs to know, because we are talking billions and billions of dollars. The complacent administration of Mr. Reagan desires to be buddy-buddy with big business interests, not to protect the health of the citizens, but to protect the profit structure of big business. We need those figures so we can send the proper message.

There are a lot of council members in southern Ontario who would like to go to the their voters and say: "Look, if the federal Government does not move and get some action out of the U.S. pretty quickly on stopping this crap from going into our water system, we will have to raise the mill rates pretty drastically". For St. Catharines, we are talking about hundreds of millions of dollars for proper water filtration. For Ontario, we are talking billions. I think we need to get that message out.

The fourth item is that a large delegation needs to go from this Chamber, along with concerned citizens and scientists, to Congress. I am not talking about three or four, I am talking about 50 or 100 Members of this House. We need to talk about acid rain and we need to talk about toxic waste; that is the issue of this decade in terms of personal health in this country.

I would like to put a few quotes on the record so that the Minister, when he speaks today, will have something to respond to.

An Hon. Member: It is about time.

Mr. Fulton: We will see when I finish whether or not the Minister is going to be so eager to speak and face questions in this House. Here is an article from August, 1980 entitled: "MP angered as Ottawa backs U.S. waste pipeline". It reads:

> The federal Government has conditionally supported a U.S. pipeline that would dump one million gallons of treated chemical waste a day into the Niagara River, despite the fact it cannot accurately predict the damage to nearby water supplies.

That was a concern raised by a Liberal Member. Another article was entitled: "Knew about hazards, U.S. put toxic wastes into river, report says". It is very clear that this is a letter from Union Carbide to the U.S. Army. It reads:

> Plan 2 (using shallow wells) is favoured because our law department advises us it is considered impossible to determine the course of subterranean streams and, therefore, the responsibility for any contamination could not be fixed.

• (1125)

I have all kinds of stuff that I will be putting on the record one way or the other today, but there are a couple of quick shots that I would like to get off before I run out of time. The first is in relation to the Minister's most recent comments about the S-dump. On december 8, 1982, we find in *The Gazette* the following: "U.S. dump no threat to our water: Minister." Then there is a picture of the Minister of the Environment (Mr. Roberts). But what happens less than a month later? Headlines in *The Globe and Mail* read: "Leakage turns water into "toxic brew"." What about this headline in *The Toronto Star*? "Ottawa starts study of poisons in water". And in the Toronto *Sun* we find this headline: "5 million lives at risk".

A month ago the Minister was telling Pollution Probe that there was no problem with the dump. But suddenly the dump is the biggest issue in the country. As far as the Tories are concerned, I ran across something most interesting about them. The Tories have an environment critic but they do not allow him to ask any questions. I suppose that is because of a caucus decision not to. The only question that has been raised by the Hon. Member for Vancouver South (Mr. Fraser) and the Hon. Member for Hillsborough (Mr. McMillan) in the last three years concerning the environment was whether or not to permit the importation into Canada of raccoon dogs. There is the Tory policy on the environment. At least the Hon. Member for St. Catharines (Mr. Reid) has asked a couple of questions concerning Niagara and I am grateful that he has done so; but Tory policy is to worry about raccoon dogs being imported into Canada.

[*Translation*]

Mrs. Hervieux-Payette: Mr. Speaker, my colleague from the New Democratic Party has painted a very bleak picture of the environmental situation in Canada. However, I am sure he has not gone to see for himself what has been done in recent years, and I think the Minister would probably be the best person to provide a list of our achievements in this area. In any case, I can assure the Hon. Member that the Members from Quebec whose ridings are located on the shores of the St. Lawrence, as mine is, are aware that eventually, the water from the Great Lakes will pass their doorstep. I must say that I am rather surprised at the Hon. Member's attitude, when he asks us to lay down the law instead of consulting with the scientific community, which, for instance, has just published reports on acid rain tending to support our Canadian theories on the subject. I think we have made progress in recent years, thanks to the Minister of the Environment (Mr. Roberts).

Finally, the obvious question after listening to my hon. colleague's speech is: What other measures does the New Democratic Party have to recommend, besides a head tax on all Americans coming into Canada? In any case, the number of tourists has dropped, and in the final instance, international relations and our reputation as a good neighbour would suffer.

In fact, although the Hon. Member's purpose is to get at the big companies, it would be the individual citizen who would be punished and would have to pay.

Mr. Speaker, perhaps the Hon. Member could inform the House how he intends to ask industry to become self-regulating. I also think he should take a look at what has already been done. In my riding, Mr. Speaker, there are a number of chemical industries and all the oil refineries that have invested millions of dollars in recent years. Furthermore, we must not forget that this is a joint responsibility. The Hon. Member tends to overlook the fact that provinces and municipalities also have a role to play here, and that citizens should insist on their discharging those responsibilities. Instead of listening to all this gloom and doom, I would rather hear some specific solutions to the problem.

[*English*]

Mr. Fulton: Mr. Speaker, I am pleased to respond to the Hon. Member's question. I would have hoped the Hon. Member for Montreal-Mercier (Mrs. Hervieux-Payette) would have listened to the recommendations I made which were to deal with the issue. The whole issue of constitutional law is something that has to be looked at very carefully.

Let me quote briefly to the Hon. Member from a report to Congress by the Controller-General in relation to the Great Lakes. I am sure the Hon. Member knows that the biological symptoms are there now for all to see. In the St. Lawrence the local population of whales is now biologically sterile as a result of the effluent that is entering the St. Lawrence from the Great Lakes. We should not forget, as I said earlier, that the water coming down as rainfall and entering the Great Lakes takes 500 years to circulate and to exit into the St. Lawrence. It takes a long time for the Great-Lakes to clean themselves. I am not just talking about a head tax alone, but that is one of the ways to mobilize our friends and neighbours to the south of us so as to get to the politicians who have been bought by big industry.

Let us be very clear about this. Big business has said very clearly that it will not clean up its dumps. Big business will not put a prophylactic around its waste, nor will big business recycle waste. President Reagan will not spend money from the super fund. He will not clean up. We are now taking the worst of all alternatives, which is to allow the courts in the United States to come up with completely inappropriate resolutions.

• (1130)

Here is what the Controller-General in the United States had to say about this issue:

> As early as 1970 EPA and IJC recognized that toxic pollution is potentially a greater threat to the Great Lakes than eutrophication. Toxic pollution could endanger human health, destroy Great Lakes commercial fishing, and ultimately render the lakes useless for a variety of desirable activities.

In fiscal year 1981, the IJC Toxic Substances Committee reported that more than 30,000 chemical compounds were produced in the Great Lakes Basin. To date, over 450 of the chemical compounds have been found in the Lake. Here is what the EPA has to say about what they will do:

> EPA generally concurs with our discussion of toxics, except for three points. First, EPA cites that some evidence indicates that controls over toxic pollutants can be effective.

That is a great statement.

> Second, EPA points out that the Food and Drug Administration sets allowable limits of toxic levels in fish.

That is interesting, since the EPA itself, before Reagan came into office, said that there should be no dioxin level allowed in drinking water. None whatsoever. The third point:

> And finally, EPA believes that the issue of laboratory capacity and capability is not an issue peculiar to the Great Lakes.

EPA has a three-year backlog on fish samples which have been taken from the Great Lakes which have not been tested because they say they do not have the lab capacity.

We are dealing with an administration that will not deal with the issue on both sides of the Canadian-U.S. border. I suggest that we need to go to Congress with a major group to look at some kind of a head tax and to educate our American friends who are coming here that we are being seriously damaged in terms of health, recreation and tourism by their actions on acid rain and toxic waste.

We need to take action with law. The toxic and hazardous waste Bill was passed in July, 1980, and we still have not been presented with regulations for the first third. The Minister of Transport (Mr. Pepin) says that it will be up to five years before we receive that and constitutional legal experts in Canada say that those regulations will simply not be able to deal with this issue of toxic and hazardous wastes.

Mr. Nickerson: Mr. Speaker, I rise on a point of order. I was of the impression that the new rules called for questions to be short and succinct. According to my calculation, the last question took some five minutes and the reply was nearly five minutes. If that is the case, almost the entire ten-minute question period is taken up with just two Members participating.

The Acting Speaker (Mr. Blaker): The Hon. Member for Skeena (Mr. Fulton) completed his remarks at 11:26. The Hon. Member for Montreal-Mercier (Mrs. Hervieux Payette) began at that time and completed her remarks not later than 11:29. We again heard from the Hon. Member for Skeena for a period of approximately three minutes. I will now recognize the Hon. Member for Perth (Mr. Jarvis).

Mr. Jarvis: Mr. Speaker, I have a question for the Hon. Member for Skeena (Mr. Fulton). I pose it on the presumption that he does not wish to minimize the force of his argument by inadvertent inaccuracy.

I understood him to say that the flushing period or purification period in the Great Lakes was 500 years. Does he not distinguish that that flushing period is in Lake Superior, where I think his figure may be accurate, as compared to the flushing period in Lake Erie, for example, which is a fraction, as I

understand it—I hope he will correct me if I am wrong—of the purification period in a lake such as Lake Superior?

Mr. Fulton: Mr. Speaker, it is good question. I am reading from a document in front of me which says that a drop of water that entered the top of Lake Superior has been wandering through the Great Lakes since Christopher Columbus stumbled upon America in 1492; that today, almost 500 years later, that drop of water is spilling into the Gulf of St. Lawrence. The Hon. Member is quite correct. I am talking about from the top of the Great Lakes system on through. Some lakes do flush more quickly than others.

Mr. Fretz: Mr. Speaker, I am sure that the Hon. Member for Skeena (Mr. Fulton) would not want to mislead the House. While I appreciate many of the remarks which he made this morning, his first remark—he can correct me if I am wrong—indicated that we could not fish in the Great Lakes or eat fish from the Great Lakes. I want to tell him that that is not true. I live on Lake Erie and there is perch, bass, pickerel, trout and salmon fishing, all of which are edible.

I am not here to defend the present Government, but I want to say that the quality of Lake Erie is improving. Tourism is important to my riding. Swimming is available at beautiful beaches and there is sport fishing. The Hon. Member's statement that we cannot eat the fish from the Great Lakes is not true. I would like him to correct that statement.

My second question concerns the Hon. Member's remarks about the Hon. Member for Hillsborough (Mr. McMillan), who is not here today, and his derogatory remarks about raccoons. Has the Member checked *Hansard* to indeed verify that the Hon. Member for Hillsborough has not raised questions on the environment other than that question? If not, I would like him to correct it for the record.

Mr. Fulton: Mr. Speaker, with regard to the first question concerning fish, I think if the Hon. Member checks *Hansard* he will see that I was thinking about certain areas of the Great Lakes that are now permanently closed to the commercial fisheries because of high levels of PCBs and dioxin. There are also some other areas closed simply because of localized pollution.

I would like to quote from Dr. Beverley Paigen to indicate why I say the problems in relation to the fishery in the Great Lakes are becoming serious. Dr. Paigen is a renowned scientist in the United States in relation to Great Lakes pollution problems. The task force document states:

> Paigen stated that Lake Ontario has been tremendously affected by toxic chemicals in the Niagara River. 'I don't feel that these (Lake Ontario) fish are fit for human consumption,' the scientist famous for her involvement in the Love Canal said. 'I would not eat the fish.'

We are not talking about all of the fish or all of the species in the Great Lakes, but our eel populations have been banned from sale in West Germany because of the high levels of mirex. Commercial fisheries, particularly trout and some other species in various localized areas of the Great Lakes, are now closed for export and catchment. There are areas where they can be caught but there is an interesting juggle in this area. We can eat fish with 20 parts per trillion whereas the United States allows 10 parts per trillion. The EPA, after a very serious review of the dioxin question, decided that there should be no level of dioxin allowed in drinking water. I find it strange, if there should be no levels of dioxin in drinking water, that it can be allowed in fish that we eat.

With regard to the second question, I had my staff check *Hansard* for questions by the Hon. Member for Vancouver South and the Hon. Member for Hillsborough on the environment. With respect to environment questions in this session, the only one that we found is listed under wildlife. It was not about raccoons, it was about the import of raccoon dogs from Europe. He was opposing the importation of raccoon dogs.

The Acting Speaker (Mr. Blaker): I hesitate to intervene in the proceedings, but I should perhaps explain that the ten-minute period for comments and questions has expired. I know from signals that the Minister of the Environment (Mr. Roberts) wanted to join in that ten-minute exchange; unfortunately, time is not available.

Mr. Rose: We are not answering questions today.

The Acting Speaker (Mr. Blaker): I would like to respond to the point of order which was raised earlier by the Member for Western Arctic (Mr. Nickerson). If Members would like to consider a period of 90 seconds, which is the time allowed for statement just prior to Question Period, as being an appropriate amount of time during this exchange for question and comments, then a 90-second question or answer could be considered, if Members so wish, as a reasonable guideline. Certainly the Chair would be pleased to co-operate in that manner.

Mr. Jarvis: Mr. Speaker, I rise on a point of order. You made a suggestion that does not cause us any particular problem, except for this one caveat. This is a suggestion that we may attempt during this particular day's debate but it does not necessarily set any precedent for any future debate. I quite agree with your suggestion on that understanding.

The Acting Speaker (Mr. Blaker): That is understood and agreed.

Hon. John Roberts (Minister of the Environment): Mr. Speaker, I gather that the time for my opportunity to pose a question has passed. I am not surprised that the Hon. Member for Mission-Port Moody (Mr. Rose) should shout that they will not answer any questions today.

Mr. Fulton: Mr. Speaker, I rise on a point of order. I am sure, with the number of Members in the House today, that we could get unanimous consent and I would be pleased to answer any number of questions that the Minister would like to put to me.

The Acting Speaker (Mr. Blaker): Does the Hon. Member wish me to put that motion for unanimous consent?

Mr. Fulton: Yes.

The Acting Speaker (Mr. Blaker): The Hon. Member for Skeena seeks unanimous consent of the House to permit the Minister of the Environment (Mr. Roberts) to ask a series of questions.

Some Hon. Members: No.

The Acting Speaker (Mr. Blaker): There is not unanimous consent.

Mr. Roberts: Mr. Speaker, this is a very serious subject, but I do not think the motion which has been presented to us is very serious. The subject which underlies it is. I would like to take at least a few moments to put on the record what has been done, not only over the past year but a little bit before that as well. It was not in any way given reference by the hon. gentleman who moved the motion, either because he was not aware of what had been done or perhaps, more probably because it would not support the rather distorted motion which he has presented to the House.

• (1140)

Just in terms of this Parliament, a variety of actions have been taken within a larger context. Just to note a few of them specifically, there has been the passing of the Transportation of Dangerous Goods Act. The Hon. Member referred to it and indicated that he thought the regulations would not be brought forward for another "four or five years", I believe that was the phrase he used. That is simply not true. Some of the regulations have been gazetted. They have been undertaken after an extensive process of publication. The rest are expected to be presented very soon.

There has been the signature in July, 1982 of something like $65 million worth of expenditure from Canada, in conjunction with the Province of Ontario, directed to the further clean-up of the Great lakes water systems, particularly through the support of sewage facilities.

There have been very strong efforts, led by Canada, at the international level. Environment Canada chaired committees of the OECD directed to bringing into line, into some coherence, the international assessment, treatment and study of the production of chemicals. There has been a complete attempt to develop an international system for rating, providing, if you like, a passport for chemicals as they are developed so that, internationally, we can co-operate and co-ordinate our efforts to control the hazards of toxic chemicals.

There has been no awareness on the part of the Hon. Member that over the past three years, through cost-sharing agreements with the Provinces, we have financed extensive studies to detect existing hazardous dump sites and also to bring forward the information and plans needed to provide a network of clean-up facilities in order to remove and destroy existing hazardous sites and also to deal with the coming on to the market of toxic, hazardous goods.

There has been no indication that the Hon. Member understands that the federal Government, in co-operation with the Provinces, has offered to provide Crown land, if it should be requested, in order to provide needed disposal sites in this country.

There has been no recognition that considerable research is being done in these areas, that something over $75 million a year is being expended by the federal Government on research into toxic areas.

There has been no indication that the Hon. Member even realizes that the Toxic Chemicals Management Program has been established within the federal Government. It was established in 1980 and is designed to provide a "cradle-to-the-grave" management approach to the handling of toxic chemicals, not only to prevent newly-produced toxic compounds from entering the environment, but also to clean up, to remove, those which are known to be present. The program provides a focus for all of Environment Canada's toxic chemical-related activities. We are expanding and developing the program and, in conjunction with the Canadian Council of Resource and Environment Ministers, we are assessing priorities at the national and regional levels.

The Toxic Chemicals Management Program includes measurement to ascertain concentrations present in the environment, inventories—that is, an assessment of the quantities and point sources of toxic releases—and characteristics research, for instance, impacts on wildlife toxicity, bioaccumulation and persistence.

We are concentrating our work on four essential areas of concern: pesticides, radionuclides, new chemicals and existing chemicals. Part of this work is being done in other departments, of course. For instance, pesticide evaluation is undertaken by Agriculture Canada. The examination of radionuclides is being rearranged to provide new policy direction within the Department of the Environment, and the study of new chemicals is being considered internationally with respect to manufacturers' pre-marketing data to provide adequate protection against potentially harmful chemicals.

In his speech, the Hon. Member gave no sign of recognition that he is even aware that these developments—which are known, I think, to most Hon. Members of the House—have been taking place.

The resolution which the New Democratic Party has presented focuses largely on the Great Lakes. Therefore, let us consider what has been happening in that area. Since the signing of the Great Lakes Water Quality Agreement in 1972, which will come to the end of its next phase by 1985, $1.3 billion will have been spent on the upgrading of sewage plant systems in Ontario, exactly because of the past impact they have had on the Great Lakes.

There has been the passing of the phosphorous limitation regulations in 1970 and 1973. The Hon. Member for Erie (Mr. Fretz) in speaking about Lake Erie, correctly pointed out that, as a result of these phosphorous regulations, the quality of the water in Lake Erie has been enormously strengthened and the fisheries have been returning to prosperity.

There was no sign of recognition on the part of the Hon. Member for Skeena (Mr. Fulton) of the passing of the Environmental Contaminants Act in 1976—

Mr. Blaikie: You gave $6.5 billion to the oil companies just last spring, so don't brag about $1.3 million.

Mr. Roberts: —which was directed to the control of such things as PCB, mirex, mercury and so on. There was also a revision of the Great Lakes Water Quality Agreement in 1978 to focus exactly on toxic chemicals. I have already mentioned the creation of the Toxic Chemicals Management Program in 1980.

It is true, of course, as the Hon. Member indicated, that a large part of the problem that we have in the Great Lakes and the Niagara River stems from sources on the American side. An important part of what we must do is to spur the United States on to greater and faster action, and that we have been doing. We have been doing it through diplomatic processes directly with the American Government and with the International Joint Commission. We have been doing it through direct contact on the part of myself and my counterparts in the United States, and officials with their counterparts. We have been doing it through the Niagara River Toxics Committee which was established to devise a study plan and to recommend actions for cleaning up the Niagara area. We have been doing it through the consultative committee of senior officials which has met six times within the past year to co-ordinate and implement our action program. We have been doing it through the support of private groups in Canada which are pressing their environmental concerns in a variety of American forums. None of this seems to be recognized by the Hon. Member who presented the motion.

What the federal Government is not doing—it could be a matter for some debate and controversy, and I would be glad to have the views of Hon. Members—is using the—

Mr. Blaikie: So you could ignore them.

Mr. Roberts: —United States court and regulatory process. We are not bringing presentations through the American court and regulatory systems. We are not doing that because we believe that that effort on the part of the federal Government would likely be counter-productive. If we attempted to use the American court system to resolve these problems, it is quite likely that the American administration would say: "If you have chosen to use the court system, you must live with it. It is a lengthy and expensive process and you must abide by its results. Do not come to us to respond to your problems; you, have gone to the courts to deal with them." We believe that that would be counterproductive.

We believe that through direct negotiations with the United States, we can impress upon them their obligations to us, which are not necessarily legal obligations, but, rather, are moral and political obligations of a good neighbour to another. Therefore, we have not chosen the court process, not because we are opposed in principle to doing so, but, rather, because we do not think that that is the best way to promote Canadian interest.

However, we have been anxious to support others who use the American court process, such as the special interest groups which have standing before the American court process. We have opened up our advice, expertise and knowledge to them and they have expressed their thanks for what we are doing.

It is fair enough to ask, if those are the methods we are using, is there any reason to believe that they are succeeding? Indeed, there is some evidence to that effect. I believe it is because of the kinds of interventions that we have made with the United States authorities that, for instance, the American administration has responded to the problem involving the Niagara Falls, New York sewage treatment plant, which is the major polluter of the Niagara region. I think it was as a result of interventions on our part that the permit was issued in November, 1982 to proceed with that project and the funds to support it were unblocked in Washington.

At one stage the Hon. Member for Skeena (Mr. Fulton) referred to something which was a bit garbled. I was not quite sure what he was referring to when he spoke in support of a pipeline development; I think he was referring to the SCA issue in the Niagara Peninsula. It was as a result of our interventions with the American authorities, both the United States Government and the State of New York, that the SCA waste facility permit was tightened. It was made to conform with those guidelines which should be met. That is a result of our efforts. We have been monitoring the situation. We know that the effluent which has been coming from the SCA facility, certainly up to this point, does have a risk point which seems to meet adequate standards.

• (1150)

It is because of action on our part that we brought forward the two comprehensive base line reports in 1980 and 1981. It is because of our work that we were able to bring forward the Canadian Niagara River Program in August, 1982. I hope the Hon. Member has had a look at it. It was not clear from his remarks whether he has. It was partially as a result of technical assistance which we provided to environmental groups that improvements in court orders in the United States have taken place. I am not arguing that all of the court orders are completely satisfactory from our point of view, certainly they are not but they are an improvement over what would have happened otherwise.

I have already mentioned the support we gave to interested groups, the creation of the Niagara River Toxics Committee and the bilateral consultation committee of senior officials. What has been the effect of those bilateral consultations? I can cite some examples of what they have done. Funds for the Niagara Falls sewage treatment plant were allocated. There has been increased funding on the part of New York State for responding to Niagara problems. We have provided much improved controls through the Niagara River Toxics Committee.

The United States Environmental Protection Agency brought forward a Niagara frontier agenda which was a clearer response to problems than existed before. The United States has rewritten 25 major industrial discharge permits to take into account the kinds of concerns that Canadians have been expressing. There has been a speeding up of hazardous waste landfill site litigation in the United States. The United States K Corps of Engineers has been investing much more money into the study of dump site impact on groundwater quality.

I am not arguing that this is the best of all possible worlds. I am not arguing that there is still not a lot to be done. What I am arguing is that there is evidence that the impact of our interventions with the United States is having a favourable effect.

If we are acting on the situation, why is the situation becoming worse, and why did we not act before? The answer is that the situation is not getting worse. As we have already mentioned, there has been a decline in the phosphorous levels in Lake Erie. There has been a decline, since its detection, of mirex in the Great Lakes by a ten-fold span. The same is true of PCBs, DDT and dioxin. Over the past eight, nine or ten years in each case there has been roughly a ten-fold decline in the levels which have been found in the Great Lakes.

It is not that the situation is not improved. It is improving but needs to improve even further. The quality of water in the Great Lakes is improving. What is really happening is that our mechanisms of scientific detection have become so sophisticated in relation to these problems that we face an information explosion. We are now able to detect very minute quantities of a whole range of substances not previously detected in the Great Lakes water. Our knowledge is growing exponentially. As it grows, we act. However, we cannot act until we know what situations we face. One of the real problems is that we are now able to detect such minute quantities that we have the capacity to frighten people if we are careless and irresponsible, as I think the Hon. Member for Skeena has been in discussing these issues; we are able to frighten people in some circumstances without being able to give them iron-clad assurances of the significance of what we are finding.

To try and put it graphically, we know that chlorine is a tremendous poison, yet small quantities are put without hazard into swimming pools. It is poisonous, yet at a certain level it is not only satisfactory but is perhaps conducive to health. One could say that salt is made up of two terrible poisons, sodium and chlorine, yet in that combination they are harmless.

What we are able to do now with our scientific techniques is to indicate the presence in such small quantities of many substances which are normally thought of as poisonous without being able to say that at that level they constitute any hazard. There are really serious problems which are posed to us in the situation we now have. There are real problems of how we manage and act, given the information explosion that is occurring in toxic chemicals, how we manage the assessment of what we are finding and how we establish priorities for looking at them.

I can say to all Members of this House that an ordinary cup of coffee contains hundreds of substances. The aroma of a cup of coffee contains something like a dozen substances which could be considered to be toxic, yet we are not able to assess the significance of finding those toxic substances in such small amounts. If we multiply that example by others, when we have this extraordinary range of information, to say nothing of the synergistic effects of the combination of these chemicals, how are we to manage their assessment? How are we to both inform and educate the public at the same time?

The second very serious problem we have is how to bring into line the evolution of our approach to environmental matters, with proper public assessment of them. Originally, ten years ago, the general approach to pollution problems, that we took was roughly that which is still used in a rather emotional way by the Hon. Member for Skeena. That is, the policeman approach—stop whatever is happening; find out what is happening and stop it.

Mr. Fulton: The honest cop.

Mr. Roberts: Yes, the policeman's role, the honest policeman's role. There is nothing dishonest about saying there are hazards out there, let us find out about them and stop them. But we have moved beyond the simple policeman's role, the honest cop role to a somewhat more sophisticated approach of attempting to develop preventive pollution measures; not simply to find out what has happened and stop and correct it, but to try and act in order to prevent such situations recurring.

As we have done that more and more, we have found that we move into different areas of planning and managing levels of risk in relation to these situations. We can never assure people that everything they deal with will be absolutely safe, but we have to manage the advantages and disadvantages of the situation. We have the problem of not being able to give people 100 per cent assurance. We have the problem of trying to persuade them that there are better ways of managing our affairs so as to minimize risk.

It is a problem which is reflected in a particularly acute form in the NIMBY syndrome; that is, "Not in my back yard; we do not want anti-pollution clean-up plants close to us because there is some risk". No scientist will ever be able to assure you that there is absolutely no risk. There has to be an acceptance of risk in some areas if there is to be markedly less risk in the general treatment in society.

Those are serious matters. They are ones I would like to see Members more involved with in this House than they have yet been. I would like to see Members from all Parties asking for more briefing and information. Remarkably little of that comes to us.

There has been tremendous progress in relation to environmental protection. A great deal has been done; much remains to be done. I believe the record not only of the past three years but of the past ten years shows that federal and provincial Governments have been organizing themselves to respond

effectively as our information increases, but questions still remain that deserve to be dealt with seriously.

I wish the Hon. Member who moved this motion had treated some of these questions seriously rather than indulging in what was largely a misguided, rather silly rhetoric about the corruption of politicians and the evils of big business. The complexity and seriousness of these questions has really gone far beyond that level of debate. I know he is an intelligent Member and really does care about these problems, but I would invite him to apply his intelligence and sincerity to them in a responsible way.

Mr. Riis: Mr. Speaker, I listened with interest when the Minister indicated his concern with toxic wastes entering our environment and asked Members of Parliament to come forward for briefings and to seek more information on this very complex topic. I want to ask the Minister about a certain report that would help shed some light on a contaminant that people feel is entering the environment around Kamloops, British Columbia. This is a report on the Development of Source-Testing Methods Applicable to Non-ferrous Smelters. I have been trying through his office to obtain a copy of that report for my constituents for some months. I wonder if the Hon. Member would indicate when I might expect to receive a copy?

• (1200)

Mr. Roberts: I am sorry, I cannot give the hon. gentleman that information but I will seek to get the report and provide it to him just as quickly as possible. I do not have it with me. I will try to expedite it.

Mr. Jarvis: I have two questions within the 90 seconds, if I can do it. The Minister discarded the possibility of proceeding by way of litigation in United States courts. About two years ago he was quoted in *The Globe and Mail* as saying: "My officials are exploring the possibility of suing U.S. polluters in American courts". I took the Minister's remarks to mean that the decision not to sue was a polticial one, and yet this quote indicates, or would appear to me to indicate, that it was a technical consideration that he asked his officials to investigate. I would like him to clarify that.

Second, when the Minister says "the situation is improving" vis-à-vis the Great Lakes, I really wonder if he feels that is the yardstick as compared to whether the U.S. is fulfilling its obligations under the Canada-U.S. Great Lakes Water Quality Agreement, which included the projected rate of clean-up, together with the funding, to accomplish that projected rate. Would that not be a more accurate yardstick than what the Minister is suggesting, that the situation generally is improving?

Mr. Roberts: I will try to answer briefly as well. In relation to the first question, Mr. Speaker, we did, as the Hon. Member said, look into the question of the federal Government using the American court system. As a result of that assessment, both legally and politically, I decided that it was likely to be counter-productive. I want to underline that I am not opposed, and indeed we would provide some assistance to others who wish to use the court system, but we felt it would be counter-productive for the federal Government to invoke the American courts because that in practical terms would limit the range of remedies which we would otherwise be able to explore with the American administration. We looked at it and, as a result of looking at it, we came to the conclusion which I have expressed.

With respect to the second question, yes, of course, we must not only look to the past at the level of improvement that has taken place, but we must look ahead and do what we can to persuade the United States to meet its requirements. While we are concerned about cutbacks in the United States administration generally in the Environmental Protection Agency, to the best of our ability to see at the moment there has not been a reduction in American expenditure allocated to the specific Niagara clean-up area. I mentioned the past record because I think it is important for people to understand that progress is being made. It is too easy to frighten people about impending horrors in these very difficult situations. It is important, I believe, for people to understand that the situation has been improving, which does not undermine in any way the importance of what the Hon. Member suggested, that of looking ahead to see what needs to be done to keep ourselves on the clean-up schedule.

Mr. Baker (Nepean-Carleton): Mr. Speaker, I would ask a question dealing with the Great Lakes and St. Lawrence system. There has been a great deal of concern expressed about the seepage of waste from the ground from municipal sewage. Has the Government any plans to have our representatives on the International Joint Commission look at that matter? We recently appointed a new chairman of the Canadian section, a very capable person. Are there any representations being made by the Government to the Commission so that the Canadian members may approach American members to continue the pressure, which must be continued, I believe, if the objective of the Ministry is met?

Mr. Roberts: Yes, Mr. Speaker, in a general way there is a continuing process of notification and of report, and the IJC presents its assessment in reports and recommends action to both American and Canadian Governments in a continuing way. Migration in the bedrock is also a matter which we will be referring to them as well. We do need a bit more information, however, than we have at the present time.

That is why I announced a few days ago that we are undertaking a crash program to try to detect exactly what the contours of that migration are, so we have a better knowledge of exactly how serious a problem we face in making representations both to the United States Government and also in communicating information to the International Joint Commission.

Mr. Baker (Nepean-Carleton): Mr. Speaker, again with respect to various jurisdictions, what relationship exists between the Government of Canada and the Government of the Province of Ontario? I have particularly in mind the fact

that the City of Brockville is intending to establish a landfill site on a piece of land adjacent to the St. Lawrence River. I believe this is seen in the community to hold a great potential for damage, at least, to the St. Lawrence River system. Is this the kind of case, if it was brought to the Minister's attention, specifically beyond today, that the Minister might take up with his Ontario colleagues? Is it the kind of case that the federal Government may see fit to intervene in in order to protect the environment along the St. Lawrence River?

Mr. Roberts: The questions are short, Mr. Speaker, but they raise complex matters. I would say first that generally there is a close system of co-operation. I will refer specifically to the Niagara situation, then expand later. There is the Toxic Committee which involves New York State, Ontario, the United States Government and the federal Government jointly; it is basically a committee of scientists and experts looking into the matter and suggesting remedial approaches.

There is also the management liaison committee, which involves these four Government also, to handle implementation. There is, therefore, a close process of consultation and working together through those instruments.

The Great Lakes Water Quality Agreement, to expand the scope of my answer, involves the provincial Governments as well as the national Governments on both sides of the border. We have signed with the provincial Government the Canada-Ontario Agreement within that framework. That is another means through which we can discuss these problems with the provincial Government. As I mentioned in my remarks, we have recently signed an agreement for another $65 million worth of expenditure in relation to sewage treatment within that Canada-Ontario Agreement.

On the last point, I would have to say that we have tried to work in a co-operative way with all of the Provinces, both in the assessment of the legacy of the past in terms of toxic situations, and through cost-sharing agreements in supporting remedial plans to respond to these situations and to respond to the problems of the new chemical generation. The Province of Ontario, if memory serves me correctly, had already undertaken this kind of work without the spur of federal contribution, as we have done with most of the other Provinces. We do, through the Canadian Council of Resource and Environment Ministers, discuss these problems, both generally and in detail. I am relatively satisfied with the co-operative arrangements and I think we can find somewhere in that mix an effective instrument for drawing to the attention of the Government of Ontario, say, the Brockville situation. I would only ask the Hon. Member to give me more details about it so I can do that effectively.

Mr. Fulton: Mr. Speaker, I have two very brief questions. I noticed that the Minister in his comments touched on a couple of pieces of Canadian legislation, and I think that he would not want to leave the impression with those who are going to read this debate, or who are watching it, that the laws which are on the Canadian books are in any way effective. The Canadian Environmental Law Report has this to say about the two pieces of legislation he touched on. First, there is no hazardous waste management law at the federal level in Canada. The federal Environmental Contaminants Act of 1976, while welcome, is not a hazardous waste management law. It only deals with new substances and substances in use.

On the second one it referred to, the Transportation of Dangerous Goods Act, the Canadian Environmental Law Report has this to say: "The recently enacted Transportation of Dangerous Goods Act may provide only a partial answer to the hazardous waste problems or no answer at all".

I was quite amazed that the Minister considered the analysis which I had drawn in terms of the relationship between big business and Governments at this point in time as "shocking and irresponsible". Perhaps he would like to comment on what the IJC had to say last year, which was quoted in *The Globe and Mail*, headlined: "Politics, budget, tie its hands as lakes are poisoned". On that very point, the Minister told the press in December that the S-site dump was no problem, and then this month, three weeks later, he says it is a major problem and the headlines are: "Five million lives at risk". Perhaps the Minister would like to talk about shocking and irresponsible headlines in that respect.

Mr. Roberts: I have three comments, Mr. Speaker. First, I would be quite prepared to consider seriously, if Hon. Members of the House wish that to happen, changes which would strengthen the role of the federal Government in relation to pollution problems. I think it deserves very serious consideration—and much clearer expression on the part of the Hon. Member, rather than simply saying "constitutional changes, constitutional changes"—as to what is the best approach in terms of federal-provincial responsibility, the Provinces exist, they do have responsibilities in this area. The approach we have followed in this Government is not to seek confrontation over jurisdictional responsibility but to seek co-operation in responding to the problem. Now, it is quite possible to argue seriously that the entire area should move to the hands of the federal Government. If that is what the Hon. Member means, then I think he should bring that forward in detail and make some assessment of what provincial response to it would be. I think it is arguable, but I do not think it is responsible simply to say: "Constitutional change, that is the solution", without looking at those problems in a serious way.

• (1210)

As to recent statements about the S-dump, I do not think I ever said that it did not constitute a problem. Indeed, we have been working very closely with public interest groups in the Niagara area to respond to those problems, as well as making representations ourselves. What I said is that there was no indication that the S-dump leakages had significantly lowered water quality standards in Lake Ontario. I reiterated that statement in my press release earlier this week, if the Hon. Member would read it. It is not that there is not a threat in the sense there may be problems developing, because quite clearly we are concerned about it; but what we can do is reassure

people that up to this point there does not seem to have been a lowering of the water quality or failure to meet safe standards as a result. So one can look at a threat either as something actual or as something in the future.

As to irresponsibility, Mr. Speaker, I apologize because I missed the first few moments of the Hon. Member's speech, but when I came into the House he was talking, I thought rather glibly and irresponsibly, about buying politicians. If I remember correctly, he referred to Liberals and Conservatives in talking about buying politicians. Later on he said that politicians are bought.

I think that is irresponsible and frivolous, Mr. Speaker. It smears Members of Parliament, Cabinet Ministers and politicians in other countries. If the Hon. Member has any specific and verifiable evidence of that happening, he should provide it to the proper authorities. I do not think he should make allegations like that unless he is serious about them. That is what I was referring to when I talked about what I think is an irresponsible approach to very serious problems.

Mr. Girve Fretz (Erie): Mr. Speaker, I am pleased to speak to the motion today regarding the need to protect adequately the Canadian environment from toxic and hazardous wastes. I am also pleased to hear the Minister say that he is willing to look at suggestions and recommendations to strengthen the role of Government, and I hope that includes strengthening the role of Parliament, in what is a very serious debate today and a very serious matter for the people of Canada.

I want to say that I live only a ten-minute walk from Lake Erie, and my riding of Erie is located in the heart of the Great Lakes Basin. So the ongoing battle to clean up the Great Lakes is of great concern to me because of the threat to the health and well-being of my constituents.

I realize to some degree the problem confronting the International Joint Commission in endeavouring to obtain the stated purpose of the Great Lakes Water Quality Agreement of 1978, which is, "To retore and maintain the chemical, physical and biological integrity of the waters of the Great Lakes Basin Ecosystem," in light of the continued urban growth of this highly developed industrial and agricultural region which now has a population of over 37 million people. I not only now realize this problem, but I realized it back in December, 1979 when I sought and obtained the unanimous consent of this House to my motion under Standing Order 43, which read as follows:

> In view of the fact that a (U.S. Company) has been dumping thousands of gallons of . . . harmful chemicals into the Niagara River on a daily basis, and in view of the fact that the continuation of this method of disposal has a potentially harmful and lasting effect on the health of all citizens, Canadian and American, who live along the river, I move . . . that the Government express its concern . . . and urge the Government of the United States to look directly into this matter and take what action is necessary so as to alleviate the potential danger of such a continued disposal method of harmful chemicals.

Then again, on February 3, 1981 I raised this matter in the House as follows:

> —recent press reports . . . indicate that American industry and Government dumped toxic and radioactive wastes into the Niagara River during the Second World War. If these reports are well founded, the health of residents of the Niagara Peninsula is seriously threatened. Therefore I move . . . that this House urge the Secretary of State for External Affairs to investigate the veracity of these stories immediately and to report his findings to the House.

I am sorry to report that this motion did not receive unanimous consent.

Two countries, Mr. Speaker, with different priorities and policies have this common problem and must learn to co-operate in order to come to an agreement on measures of protection and prevention satisfactory to the people of both nations. It would apear that the original state of the Great Lakes can never be restored, but reasonable objectives are attainable. The Boundary Waters Treaty states that:

> These waters whose shoreline or banks are shared by the two countries shall not be polluted on either side to the injury of health or property of the other.

Residents should expect to have pure drinking water and uncontaminated waters as well for fishing, swimming and boating. Certainly the denial of these basic rights to residents on the shores of the Great Lakes would be considered as injury of health or property.

It is disturbing to report that the levels of toxins in fish and waterfowl in this area is significantly higher than it was in 1978 when the Boundary Waters Treaty was signed. On April 15, 1981 I again raised with the Minister of the Environment (Mr. Roberts) the matter of dumping effluent into the Niagara River, and I quote:

> Recent press reports indicate that as a result of malfunctions in the Buffalo sewage plant, millions of gallons of improperly treated waste are being dumped daily into the Niagara River. Therefore I move . . . that this House urge the Minister of the Environment (Mr. Roberts) to verify these reports, and upon determining their truth, to inform the United States Government immediately of Canada's deep concern about pollution in this international waterway.

I did not receive unanimous consent for this motion.

As the Member for Erie, I am concerned that little action is being taken to ensure adherence to the terms of the Boundary Waters Treaty. In July, 1982 I urged the Minister of the Environment to speed up the appointment of a third Canadian representative on the International Joint Commission so that there would be a strong Canadian voice on the Commission when such crucial issues as the clean up of the Great Lakes were being discussed. A third member has since been appointed. On January 24, 1983 the Minister of the Environment issued a press release announcing new Canadian action to investigate S-area contamination. This followed hard on the heels of an extensive Canadian federal investigation which showed that S-area poses a greater threat to Canadian waters than any other United States landfill uncovered to date.

Therefore, it seems ironic to me, Mr. Speaker, that the Minister would make this statement six weeks after the Hon. Member for St. Catharines (Mr. Reid) raised the question in the House with the Minister.

My colleague referred to the very discouraging report issued by the New York Department of Health that toxic chemicals contamination in the Lake Ontario-Niagara River Basin is increasing rather then decreasing. With more pollutants escaping now than anticipated and with the report that Canadian water treatment plants are not equipped to remove

them from drinking water, this is serious indeed. The Department of National Health and Welfare makes that alarming statement regarding the inadequacy of the Canadian water treatment plants, and considering that some of these toxic chemicals are deadly, I echo my colleague's question to the Minister: Has the time not yet come for an emergency Summit meeting and the establishment of an international task force?

• (1220)

Since 1978 the Niagara Falls, New York system has been discharging contaminated water and raw sewage containing chemicals into the lower Niagara River. The Minister is well aware of this. Also, there has been a contamination of the bedrock structure along the river. Since the Minister has been saying that the federal Government is taking some action, I want to ask him if he will table the representations which have been made in writing by either himself or the Department of External Affairs?

What is the purpose and the effect of the 1978 Great Lakes Water Quality Treatment Agreement if nothing more can be done? The actions proposed in the Minister's statement are as follows: first, a study of the plume of toxic chemicals believed to be moving southward from S-Area through underground layers beneath the Niagara River and into Canadian territory; second, increased funding through the Great Lakes Water Quality Program for comprehensive analyses of drinking water quality in Lake Ontario; third, additional funds to the Department of Fisheries and Oceans to conduct a comprehensive analysis of Lake Ontario fish for chemicals emanating from S-area, including dioxin; and fourth, that monitoring for chemicals in the river will be intensified to include classes of contaminants indicated as present in S-area.

I agree with the Minister and the Government that these actions are important and fine but in themselves they are not enough. I repeat, as well as these actions there should be an emergency Summit meeting and the establishment of an international task force to get Parliament involved with our United States' counterparts.

In the Minister's statement, he admits that the United States Government made public a revised complaint against Occidental Chemical Corporation, formerly the well-known Hooker Chemicals and Plastics Corporation, in late December, recognizing the seriousness of the contamination as well as the direct infiltration of S-area contaminants into the Niagara Falls, New York drinking water treatment plant.

At the conclusion of his press release, the Minister pledged that the federal Government will continue to press the U.S. for a complete clean-up of S-area and will be consulting with American officials on the development of comprehensive studies to define the extent of contaminant movement, remedial measures and the monitoring and evaluation of remedial programs.

The August, 1982 report of the International Joint Commission notes 24 different regions in the Province of Ontario that have been identified as problem areas. The Niagara and St. Clair Rivers are two of our freshwater sources which are most seriously in need of an extensive clean-up. Human health concerns have to be given the highest priority and much more work needs to be done in eliminating the sources of pollution in these areas and undoing the damage which has already been done. Identification of problem areas alone is not enough. I repeat, it is not good enough!

On January 25, 1983 my colleague, the Hon. Member for St. Catharines, addressed the Minister's statement on the safety of drinking water, and I quote from pages 22193-4 of *Hansard*:

> Madam Speaker, my question is directed to the Minister of the Environment who will recall answering a question of mine some six weeks ago by stating that the S-Area does not constitute a threat to the quality of the drinking water of some four million Canadians. On what basis would the Minister make such a statement to this House, and then yesterday issue a press release indicating that this S-Area is somewhat of a new and pressing problem which should be eradicated almost immediately? . . . since he has had knowledge of it for some considerable length of time.

The Minister replied, in part, as follows:

> There is no evidence whatsoever that the standards of drinking water in the Niagara River or Lake Ontario are beyond those which are established as being safe. There is no indication in the present situation of any conflict with the existing safe water guidelines. That does not mean we should not be concerned about leakages or the migration of fill. There are problems which should concern us.

And well they should, Mr. Speaker. In a subsequent answer the Minister said:

> What is new in this situation is not changes in the quality of water; what is new is the evidence of migration, underground, of potentially dangerous products to Canadian territory. That is the new element of the situation which I discussed yesterday. I brought forward an action program which will help us deal with that.

My colleague's recommendation, and I repeat his words once again, is as follows: "The establishment of an international task force and the holding of an emergency Summit meeting with the latest findings." This must take place; this must happen.

The Globe and Mail for January 25, 1983, on page 1, reported on the leaking which turns water into "toxic brew", quoting federal scientist Douglas Hallet who said that some of the hundreds of chemicals found in the S-area dump include reactives, which can combine in the ground to form new and unknown chemicals as they mix. Mr. Hallet called the chemical brew "just as dangerous as radiation", and said it contains substances known to cause cancer, mutations and birth defects.

Mr. Hallet said he believes the dump contains dioxin, the deadliest of all chemical wastes. That is frightening. The report in *The Globe and Mail* goes on to say that the S-area is one of four major chemical dumps polluting the lower Niagara River. The other three, Love Canal, the Hyde Park dump and the 102nd Street dump, and dozens of other dumps, are believed to post some hazard to the region.

I want to conclude my remarks by urging the Minister to take seriously the recommendations made earlier this week by my colleague, the Hon. Member for St. Catharines. I will repeat them although I have done so earlier in my address. The Government should seriously consider the establishment of an international task force to study this immediate and most

serious matter and to arrange an immediate Summit meeting without delay. Let us get the Parliament of Canada active in this very serious problem. If the Minister takes this action, I am sure he can count on the support of this Party. We need to be good stewards of the environment which has been entrusted to all of us.

Mr. Roberts: Mr. Speaker, I should like to ask the Hon. Member if he does not realize that the kind of task force he is asking us to establish has already been established and is operating. I refer to the Niagara Chemicals Toxic Committee which brings scientific and pollution experts together. It is exactly what he has asked us to do. Does he not realize that his suggestion is not only worthy of consideration but that it has been implemented already by the Government?

Mr. Fretz: Mr. Speaker, I believe what we need is the involvement of Members of Parliament, not only a task force such as has been indicated by the Minister, but one that involves Members of the House who represent the people.

Mr. Fulton: Mr. Speaker, I appreciated the comments of the Hon. Member who just spoke. I wonder if he has anything to say about why so few questions have been raised by his Party regarding the Niagara and Great Lakes issue. In this, the longest session of Parliament, the only questions on the Niagara and Great Lakes issue that I am aware of from his Party were those raised by the Hon. Member for St. Catharines.

When the Hon. Member says that his Party is willing to become involved in legislative action, task forces and so on, why has his Party not raised this issue in the House and what action is his Party prepared to take to bring the issue to the floor?

Mr. Fretz: I wonder where the Hon. Member for Skeena (Mr. Fulton) was when I was speaking. A number of times I indicated occasions on which I have raised the issue in the House. In December, 1979 I received unanimous consent for a motion, and several times since I raised the issue of the environment and, more particularly, the Niagara River and the Great Lakes. Perhaps the Hon. Member should stay in the House if he would like to ask questions of those who are delivering a speech.

• (1230)

Mr. Gilbert Parent (Welland): Mr. Speaker, thank you for recognizing me. I congratulate the NDP for bringing this very timely topic up for discussion in the House. I also note that the Minister of the Environment (Mr. Roberts) is here and has been here throughout this debate. I am glad he is here to hear the comments which I will be making because they affect very specifically the Niagara Peninsula, where I live. My words will follow the comments of the Hon. Member for Erie (Mr. Fretz). We have adjacent ridings and the problems we are facing now are ongoing problems which we have had for a number of years.

I would also point out, with respect, that a provincial Member of Parliament, Vince Kerrio from Niagara Falls, spearheaded the formation of a discussion and action group in the Niagara Peninsula some six or seven years ago. The Minister nods his head because it was Mr. Kerrio and his very able research assistants who brought this particular problem of the Niagara Basin and the Niagara River to the attention, first of all, of the provincial Parliament and, of course, we have had discussions in the House on numerous occasions.

The Hon. Member for Erie states quite correctly that he and other Members from the Niagara Peninsula have brought this problem to the floor of the House by making statements, raising 43s and asking questions of the Minister, and much has been done; but there is much more that can and must be done if we are to rectify this particular problem.

In my remarks, I would like to deal, first of all, with toxic wastes generally and their disposal. Then I would like to address myself specifically to the problems we are facing in the Niagara Peninsula. Following that, I would be happy to receive questions or comments from my other colleagues and address myself to them. It was noted earlier that there were problems across Canada, but Ontario and Quebec, the most industrialized provinces, in my opinion, have done studies and uncovered worrisome problems in our own area.

We talk about the complacency of the public. I do not think there is any complacency among thinking people, but one antidote to complacency, if there is any, might be a brief consideration of polychlorinated biphenyls, the PCBs that we talk about. In concentrations of a mere one part per billion, they can kill certain living organisms. During the 50 years that they have been in use, there has been constant leakage of them into the environment as well as deliberate dumping.

Environment Canada has determined that there are over 17 million pounds of PCBs needing disposal in the Province of Ontario alone. Fortunately, almost all of these are securely stored, but in my opinion they ought to be destroyed.

Facts such as these are intimidating and even discouraging, yet they must be faced. At this moment there are over 50,000 chemicals on the market and almost 35,000 have been classified by the United States Environmental Protection Agency as being either definitely or potentially hazardous to human health. New concoctions are being developed at the rate of over 1,000 a year. These are some of the hard facts; it is not scaremongering to speak of them. If our society wants the benefits that chemicals can give us, then we must control and manage them and dispose of hazardous wastes in a responsible manner.

We must be sure that dangerous chemicals remain our servants, because once they get out of hand they become very cruel masters indeed. Toxic wastes, as mentioned by the Hon. Member for Erie and the Minister earlier, must be safely neutralized. Every barrel of waste casually sealed and stuck haphazardly into the ground becomes a ticking time bomb primed to go off at any time.

Fortunately, the news in this area is not all bad. It is gratifying to see the consensus that has developed among the public, Government and industry that the problem of hazardous

wastes must be attacked on a broad front, and soon. I am pleased that there are encouraging things to report as well.

Perhaps the easiest way to handle hazardous wastes is to ensure that they are not allowed to cause trouble in the first place. We would be well on the way toward conquering the hazardous waste problem if a proper program of monitoring toxics could be devised and instituted, with strict, so-called cradle-to-grave tracking of chemicals whose dangerous properties would be known and registered before a product came on the market, and with control systems set up to ensure that wastes are delivered only to authorized facilities. I am going to deal with that a little later in my discussion.

It is to this end that Canada strongly supports the chemical management program of the Organization for Economic Co-operation and Development, the OECD, and we are a member of that body.

It is important to co-ordinate our tactics on the national level as well, and this is exactly what the Department of the Environment is trying to do. The proposed regulation under the Transportation of Dangerous Goods Act will require the development of necessary systems and administrative arrangements between the federal and provincial transportation and environmental agencies for controlling the movement of international and interprovincial shipments of hazardous waste. We have all seen what can happen when these hazardous wastes are transferred from city to city, from Province to Province or nation to nation, and we have such a mishap as we had in Mississauga just a few years ago with the derailment of one of the trains.

Another initiative that Environment Canada has taken is the establishment of our Toxic Chemicals Management Centre. Scientists here will oversee the identification and assessment of problems caused by toxics and recommend solutions. The primary purpose of the Centre is to draw up priorities and thereby influence the allocation of those resources. I am talking about people, equipment and money which we use to deal with toxics. For example, priority lists of key chemicals or waste streams will be regularly published and updated. The idea is to anticipate needs and not just to react to those terrible emergencies which will be facing us. With the help of this Centre, the Department of the Environment, Canada's Health and Welfare Department and certain other federal Departments will co-operate in monitoring, testing, research and control activities in air, water and other programs.

Nonetheless, we still have a long way to go on the score of public confidence. While it is true that the public has often been burned, so to speak, and that chemophobia is rampant—the fear of chemicals—it is probably impossible that unanimous consent to build a treatment facility, no matter how safe, could ever be obtained anywhere.

Now I direct myself to what do we do with the wastes we now have on our hands? Much could be done to tell the public of the great advances in the development of safe waste technology which have already been made. We have a lot to learn from the Europeans in this regard. The waste treatment centre in Nyborg, Denmark, for example, processes waste, recovers oil and solvents, safely incinerates combustible materials and detoxifies inorganic wastes to the maximum extent possible. Its performance satisfies the most rigorous environmental and health standards, and the treatment centre is a welcome part of its community.

• (1240)

Within a one kilometre radius of that plant are a public beach, a park, a golf course and a residential neighbourhood. The plant is jointly owned by Government and industry and is integrated into a total system which includes the sites that produce the waste and a collection network. Such treatment centres could provide local employment and serve as magnets to attract industry, all in an environmentally safe manner. It is not at all utopian to speak of such facilities. They already exist and are already in service.

Some three weeks ago I had representatives of just such a company come to see me. Its head offices are located in the Niagara Peninsula, but it operates throughout Ontario and Canada. Its representatives explained what can be done with these hazardous wastes and how to dispose of them safely. I have set up a further interview with them and I am going to tour the plant in the very near future. I am happy this company is located in my area and I am happy it is giving us some of the answers that we so desperately need concerning the problem of waste management.

We have greatly increased our ability to recycle waste, and the capability to detoxify safely or incinerate hazardous waste is, for all practical purposes, right here and now, at hand. This is a matter of will. Society must shoulder the burden of responsibility for the life style it demands, a life style made possible by chemicals.

One expert in the field has remarked that we have technical solutions for waste problems, but what we do not have are the social solutions. Everyone is in favour of a safe landfill site, but not in his or her home town. There is even a term for this attitude; perhaps Hon. Members have heard of it. It is called the NIMBY syndrome, which is short for "Not in my back yard". The NIMBY attitude will and must be overcome.

Unfortunately, Mr. Speaker, this attitude is all too understandable, especially given events of the type that have been going on in our own back yards, especially in the ridings of the Hon. Members for Erie, Niagara Falls (Mr. MacBain), Lincoln (Mr. Mackasey), as well as my own, that of Welland, which are here in Ontario and in the Niagara Basin. I am referring to cross-boundary pollution, since this is an area that is obviously a federal responsibility.

The chemical waste situation in the Niagara area, as was pointed out by the provincial member for Niagara Falls, Vince Kerrio, could well serve as a microcosm for the entire problem. One can recite the whole dreary litany that we have all come to know so well: disposal of toxic wastes in a manner that conformed to standard practice decades ago but has now proved to be grossly inadequate; lack of co-ordination between Government and industry planners; a public that feels it has been kept in the dark and is now embittered and rightly so;

constant and paralyzing wrangling over who is or is not at fault and who is to pay for the clean-up. I think the people of our area and across Canada have had their fill of that; the script has been all too predictable.

The situation is further complicated by the fact that three levels of Government are involved on each side of the border. When we have to bring this many groups together, we can see that the problems multiply accordingly.

The real tragedy in all this, of course, is that while lawyers argue over responsibility, and while debates about who is to pay drag on and on, the hazardous chemicals that have leached into the water table are constantly continuing their insidious work.

[*Translation*]

In Welland, in my riding, which is not as close to the Niagara River where all this is going on, a number of people from the riding are working on this problem. In fact, in Welland, our drinking water comes from the same river, and in all sincerity, Mr. Speaker, plans are not enough. We must have action, based on what we know today, and we must do whatever is necessary to destroy the toxic wastes the river contains, which are causing illness in our area.

[*English*]

Take two examples. First, the Hyde Park landfill in Niagara Falls, New York. From 1953 to 1975, 80,000 tonnes of chemical wastes, including materials contaminated with dioxin, were deposited at this location. Dioxin has been detected in the sediments of the creek leading from the site to the Niagara River itself.

Second, the Niagara Falls sewage treatment plant in New York which was mentioned by the Minister. This is a plant that began operation in December, 1977. Almost from the start it had serious problems, and its carbon absorption beds were taken out of operation after only six months. Because of this, effluent, both human and industrial, is discharged into the Niagara River after what I and many people believe to be inadequate treatment.

Regrettably, and I must say this to the Minister and to all colleagues in the House, the steps being taken to rectify the situation at the plant are proceeding much too slowly. Even if a decision were made tomorrow about what steps are to be taken to correct the situation, we still would not be out of the woods because an adequate plant would not be fully operational for at least two years after the first day remedial work began. Meanwhile, waste of every description is pouring into our waters. In its efforts to stay on top of the situation, Canada has asked repeatedly for assurance that the various water quality agreements will not be violated, and it has also asked for co-operation in monitoring the river so that we will be able to tell exactly what hazardous wastes are contaminating our waters.

The Department of the Environment staff actually did their own sampling for the Niagara Falls sewage treatment plant. Environment Canada has had to invest an extraordinary amount of time and resources to maintain a watching brief on the progress of these issues. Studies carried out in May, 1981 give us great cause for concern. They confirm that pollutants are not being adequately treated before discharge into the Niagara River. In all, 41 organic compounds and heavy metals were indicated in the samples taken. These include 25 priority pollutants named by the Environmental Protection Agency in the United States.

Mr. Speaker and my colleagues, I do not mean to imply that we Canadians are guilt-free when it comes to polluting the Great Lakes with hazardous wastes. There are far too many sources of pollution on our side of the border as well. We must take the responsibility for what we have done to our Great Lakes and to our rivers. Nonetheless, it is a cold fact that, when all dischargers within the Niagara River's watershed are considered, the total United States point source discharge exceeds total Canadian discharge by more than two billion litres a day. Let me repeat that. The total U.S. point source discharge exceeds total Canadian discharge by more than two billion litres a day.

This is not acceptable. This cannot go on in this, one of the most highly populated areas of Canada. It cannot be allowed to go unchecked, and this applies to both sides of the border. I call upon the Minister, his cabinet colleagues as well as all my colleagues in the House to refrain from making this a partisan issue. This is a Canadian issue, one which all of us must address.

While we must be realistic in facing these facts, there is no need to give only the gloom and doom despair side of it. Environment Canada has established a firm foundation on which to base our efforts for effective waste management in the Niagara region. There are many precedents for fruitful international co-operation in the Great Lakes Basin. The recent consultations with the U.S. Government on the subject of dioxin provide but one example.

We have an effective monitoring and tracking program already in place and can analyze and track pollutants to their source with a great deal of precision. Laws are already on the books that can force polluters to clean up their act and manage hazardous waste in a responsible manner. Perhaps most important of all, the federal Government has demonstrated that it is willing, even anxious, to join with provincial and local Governments, and with the United States, in a co-ordinated effort to solve the crisis in waste management that so urgently confronts us.

• (1250)

I ask that all Members put aside bi-partisan ideas with regard to this pollution problem. I ask that we join together in asking, urging and demanding that our Minister and this Government act positively to solve this problem as soon as possible.

Mr. Jarvis: Mr. Speaker, I thought the contribution made by the Hon. Member for Welland (Mr. Parent) was excellent and I hasten to compliment him on it. One issue that he dealt with was the treatment of hazardous waste, mentioning that

we have a lot to learn from the Europeans. I presume he is referring particularly to the Danish example at the Kommunekemi plant near Nyborg.

Does the Hon. Member share with me the regret that we have to learn a lot from the Europeans in terms of handling hazardous wastes? Does he know of any country that would be more identified as having the responsibility for dealing with nuclear wastes than Canada?

I fail to understand why we are so far behind other countries when we should be a world leader in high technology regarding nuclear wastes. People from Denmark and other countries involved in this area should be coming here to see the Canadian example, rather than our having to go to Denmark to study the Danish example.

Mr. Parent: Mr. Speaker, I was referring to all pollutants. I will address myself directly to the problem posed by the Hon. Member with regard to nuclear wastes. However, I was also thinking of the wastes that they are taking out of their sewage system and how their water system has been recycled for a number of years. I believe that we have a great deal to learn from them in this area.

With regard to our nuclear waste, the Hon. Member knows that the Minister of State for Mines has a program under way to determine ways to take care of our nuclear wastes. Since we are the creators of the CANDU reactors and market them, I agree with the Hon. Member that we should be taking a lead role in using that nuclear waste, hopefully for the betterment of the people. I believe we should be looking for ways to use these wastes to our advantage rather than simply disposing of them. I hope that we take this into consideration in the future.

Mr. Fulton: Mr. Speaker, I would also like to compliment the Member on his comments. He gave a well deserved blast to the present Cabinet.

I would like him to comment on one of the points I raised in my speech, which is the fact that people in Ontario spend $50 million a year on cat food while nowhere near that amount is being spent in relation to the clean-up of the Great Lakes annually by the federal Government, either in studies or on sewage treatment funds. In the United States, where my real concern lies with respect to the Niagara problem, the EPA has put up $500,000 this year to take a look at all the dumping which occurs in the Niagara Escarpment.

As a result of the Hyde Park court decision and the present proposals concerning the evolution of the S-dump court process, does the Hon. Member not think that there is some further steps that Canada should and could be taking, either going to Congress or somehow motivating Americans who come to Canada, or by making a change to Canadian law? Does he think there is some way his Party can do more?

I agree that it should not be a partisan issue. All Members should be involved because it is a very serious issue. However, the money is not being put forward and the legislative protection is not being provided. In the United States, 68 per cent of the EPA's budget has been cut. They will not clean up the dumps at Niagara. The U.S. Government will not clean them up. Has the Hon. Member of his Party thought about how they will be cleaned up, particularly in light of the amount that is being spent by Cabinet? I think that is a reflection of the concern shown by Cabinet on this serious issue.

Mr. Parent: I will address myself to four points which were raised by the Hon. Member for Skeena (Mr. Fulton). First, he said that I was blasting the Minister. I was urging the Ministers. In urging them, I do not in any way try to downgrade what they have done. They have taken positive steps up to this point, but I am urging them to do more.

Second, unlike the Member for Skeena I am not an expert on cat food. I cannot debate whether people in Ontario spend $50 million on cat food and not as much to clean up the Great Lakes. I would hope that the provincial Government would address itself to that issue because the Province of Ontario borders on all of the Great Lakes. I am sure we are studying the problem federally.

With regard to the Hyde Park problem in the U.S. and our dealings with the Americans generally, I do not know if it was the Hon. Member who suggested that we tax Americans who come across the border in order to remind them that they are polluting our country. If he did, I dissociate myself from that view completely. I would venture to say that proportionately there are as many Canadians going to the United States as Americans coming here. It would simply create problems between the two countries that we do not need right now.

I would comment finally on the subject of working hand in glove with the United States. We are dealing with two democratic countries. We have always worked on the theory of advice and consent. I suggest it is to our great credit that we have been able to discuss our problems over the years and find solutions in an amicable way. I believe there is such a thing as moral arm-twisting. I would prefer that we be involved in this area of trying to convince our neighbours to the south that it is not only beneficial to us but to them to clean up one of the greatest treasures of the world, and I am talking specifically about the Great Lakes.

Perhaps the Hon. Member for Skeena is aware that at the turn of the century more fish were caught in the five Great Lakes than were taken out of the ocean. We had an entire fishing fleet within the continent, and, God willing, it will return some day.

Mr. Blaikie: Mr. Speaker, I have a brief comment to make. Like all my colleagues, I appreciate the concern which the Hon. Member for Welland (Mr. Parent) has expressed. He hearkens back to the days when we were able to take these great numbers of fish out of the Great Lakes. I suggest that the thrust of his speech is compromised by his unwillingness to admit the culpability of the political Party and the Government which he has been associated with for so many years. If we want to really consider this problem, let us address it seriously and honestly and admit that the Party of which he has been a Member has been in Government, with only one small interruption, since 1963.

Many people and interested groups have been trying to bring this problem to the attention of his Party and Government since that time. They have been called doom-cryers and nay-sayers and have been accused of trying to frighten the people unnecessarily. The fact is that those people who have made it their business to know of these matters have been telling the Liberal Party and Liberal Governments about this for the last 20 years.

Mr. Roberts: It was 1975.

Mr. Blaikie: People have been talking about environmental pollution and the toxic time bomb long before 1975. The fact that you think the problem only occurred in 1975 tells me something about how aware of the situation you are. I am addressing the Hon. Member who seems to be more concerned about it than you are.

Mr. Roberts: You do not know what you are talking about. Get the facts straight.

Mr. Blaikie: How does the Hon. Member explain why he does not give credit where credit is due, or in this case blame where blame is due?

Mr. Parent: Mr. Speaker, in this day and age people want to find a scapegoat and someone to blame. This involves taking the full responsibility, as the Government should, for whatever it has or has not done and, as the Hon. Member pointed out, taking the credit as well as the blame.

We do take credit for many of the things that were done with regard to trying to control this problem. To the extent that we were in power, we take as much blame as we should as the Government in power. I remind the Hon. Member that there was a time between 1972 and 1974 when the Hon. Member's Party actually had the run of the country, since there was a minority Government at that time. I ask the Hon. Member why this was not brought up at that time and why they did not force the issue.

I would accept whatever blame I must as a Member of Parliament, but I would also compliment the present Minister and the former Minister of the Environment for the work they have done so far. I encourage and urge them to continue that good work in attempting to rectify this problem once and for all.

The Acting Speaker (Mr. Blaker): The House will note that it is one o'clock. I have been advised that the Hon. Member for Beaches (Mr. Young) may wish to seek the consent of the House to table a paper. Perhaps this should be done now since it is consistent with the discussion.

Mr. Neil Young (Beaches): Mr. Speaker, I have spoken to Members on both side of the House as well as the Minister and asked their agreement to table a task force report on the issue before the House at the present time. I believe I have their agreement, so I would seek unanimous consent to table this report.

The Acting Speaker (Mr. Blaker): The House has heard the Hon. Member for Beaches (Mr. Young). Is there unanimous consent?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Blaker): Agreed and so ordered.

The Chair will call it one o'clock. I might note that the Hon. Member for Beaches will be seeking the floor immediately following Question Period. The Hon. Member will be deemed to have been recognized before one o'clock.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

RAILWAYS

GILSON REPORT—PROPOSED CHANGES TO CROWSNEST PASS RATES

Mr. Jean-Guy Dubois (Lotbinière): Madam Speaker, last week under the provisions of Standing Order 21, I mentioned a committee that was looking into the Crow rate and the Gilson Report. There is a great deal of discussion on this topic in Quebec at the present time, with many meetings—often for political reasons, although some people would disagree. In this connection, Madam Speaker, I would like to make it clear that the Federal Quebec liberal caucus is taking a very close look at the Gilson Report and especially the changes in the Crow rate. Since the middle of August, the Quebec caucus has been taking an active interest in this subject, and many farm organizations and individuals are sending invitations to Federal Liberal Members in Ottawa, with a few day's notice, to a meeting to discuss the Gilson Report. However, I would like to remind the House and also our Quebec farmers that Federal Liberal Members would rather stay here in Ottawa to make sure that the decisions that are made will be in the best interests of Quebec.

Madam Speaker: Order, please.

[*English*]

NATIONAL DEFENCE

RECRUITMENT ADVERTISEMENTS

Mr. Girve Fretz (Erie): Madam Speaker, I would like to call the attention of the House to a matter of utmost importance to many young people not only in my riding of Erie but, indeed, throughout the nation as well. We are all familiar with commercials on television sponsored by the Department of National Defence showing exciting action shots of the activities taking place in the Armed Forces today. Naturally, they have prompted many teenagers to go down to the recruiting offices with visions of adventurous careers in their mind. Imagine their surprise and disappointment when they are told that openings are few and they will have to join a long waiting list.

Such happenings bring two questions to mind. First, if there are few openings for new recruits, why spend thousands of dollars on expensive TV time only to entice hundreds of people who will be turned away? This is just another catastrophic waste of money by a debt-ridden Government. Does it not make sense, then, in a time of high unemployment, to allocate extra funding to the Department of National Defence, so that it can take on more young people, taking them off the unemployment rolls and starting them on the road to a new career?

Mrs. Appolloni: Hear, hear!

Mr. Fretz: Thank you for that support. Why waste a lot of time talking about job creation when we have a very legitimate way to create jobs by training more young men and women in the Armed Forces?

My colleague, the Hon. Member for Rosedale (Mr. Crombie), has raised this subject three times in the last few weeks, and each time did not receive a satisfactory answer. This is a simple proposal and it deserves—

Madam Speaker: Order.

* * *

HOUSE OF COMMONS

CALL FOR REINSTATEMENT OF STANDING ORDER 43

Mr. Bill Yurko (Edmonton East): Madam Speaker, this House settles most matters or issues by division. Such is the nature or foundation of the parliamentary system of Government. However, one of the most fundamental processes also used for action is unanimous consent of all Members of the House on matters falling within our constitutional bounds. This action by unanimous consent is perhaps the most fundamental basis of our democratic system of Government.

Equally vital, and perhaps the second most fundamental right and privilege of the House and its Members, is the ability to put before the House a matter of urgent and/or pressing

necessity for consideration and decision by the House. This fundamental privilege was enjoyed by Members of the House under Standing Order 43.

As a result of the new rules adopted by the House on an experimental basis for a one year trial period, Standing Order 43 has been superseded by Standing Order 21, permitting Members to make 90-second statements. These statements are not decision-oriented.

Madam Speaker, as a Member of this House I will do all I can to reinstate Standing Order 43 at the end of the one-year trial period and thus restore one of the most fundamental rights of Members of this House to put before it matters of urgent and/or pressing necessity.

Madam Speaker: Order, please.

Mr. Lalonde: Good luck!

Mr. Deans: Under Standing Order 43 he could not have done that.

* * *

HUMAN RIGHTS

CALL FOR RELEASE OF ANATOLY SHCHARANSKY BY SOVIET AUTHORITIES

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, in 1978 Soviet authorities decided to silence human rights and Jewish activist, Anatoly Shcharansky, by sentencing him to 13 years of imprisonment on a trumped-up charge of espionage. Since that time he has become a world-wide symbol of resistance to Soviet efforts to stamp out fundamental human rights.

I am sure all Hon. Members of the House will join with me in calling on Secretary Andropov to release Mr. Shcharansky in the name of humanity, and allow him to join his wife in Israel.

Some Hon. Members: Hear, hear!

Mr. Smith: On November 19 last this House unanimously expressed its concern for Mr. Shcharansky. Since October 22 the Government of Canada has, on four separate occasions, made representations to Soviet officials, in both Ottawa and Moscow, on behalf of Mr. Shcharansky. However, to date, his plight since commencing his hunger strike remains unknown, as prison officials have consistently refused to allow his mother and brother to visit him in prison.

The Prime Minister (Mr. Trudeau) will be meeting with Mrs. Shcharansky today, and I am sure all Members of the House will indicate their interest in Anatoly Shcharansky's well-being and assure Mrs. Shcharansky that we stand solidly behind her in her crusade to free her husband.

Some Hon. Members: Hear, hear!

S.O. 21

EXCISE TAX

EXEMPTION URGED FOR CHARITABLE ORGANIZATIONS

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, the federal Government has refused the rescind its excise tax on publications distributed by the Canadian Cancer Society and other charities. As a result, between $50,000 and $100,000 a year in donations to the Canadian Cancer Society will go to the Government rather than to research and education, which is what the Society is all about in the first place.

I am concerned about the statement that the Minister of National Revenue (Mr. Bussières) made whereby he made it appear as though the excise tax was confined to imported materials. In actual fact the Society informed the Minister on March 12, 1982, that an estimated 90 per cent of the problems of the Canadian Cancer Society relate to federal sales tax on Canadian produced materials rather than imports. Clearly, the Minister is misinformed and, as a result of that misinformation, the volunteers who are the backbone of the Society continue to have an added burden which could be lightened if the federal Government would move in this matter.

I ask the Government to respond to this request. Specifically, I ask it to pass an immediate remission order which would exempt Canadian charities, including the Canadian Cancer Society, from federal sales tax on Canadian produced materials, or to effect such a change in the budget to be brought down by the Minister of Finance (Mr. Lalonde) this spring.

* * *

HUMAN RIGHTS

ANATOLY SHCHARANSKY—SUGGESTION PRIME MINISTER APPEAL TO SOVIET LEADER

Mr. David Orlikow (Winnipeg North): Madam Speaker, I would like to address the House on an important matter to which reference has already been made by the Hon. Member for Don Valley East (Mr. Smith), that is, in connection with Anatoly Shcharansky.

Mr. Shcharansky has been in prison for six years, a large part of it in solitary confinement and, worse, in the confinement of a punishment cell. He has endured the ravages of a hunger strike, the pain of forced feeding, and the deprivation of any human contact with his family, particularly with his aged and ill mother who, herself, has undergone many hardships in her vain attempts to see her son.

I would urge the Prime Minister (Mr. Trudeau) to appeal on behalf of the Government, Parliament and the people of Canada, directly to the Leader of the Soviet Union, Mr. Andropov, that Mr. Shcharansky's case be reconsidered on humanitarian grounds and that the Soviet Union see fit to allow Shcharansky his freedom and permission to join his wife outside the Soviet Union.

Some Hon. Members: Hear, hear!

AGRICULTURE

HIGH CANADIAN INPUT COSTS

Mr. Robert Daudlin (Essex-Kent): Madam Speaker, Members of the House and the Government know that the North American market essentially establishes prices for farm commodity products and, more precisely, that Canadian products such as corn and soy beans find their prices set on the Chicago market. Input costs in Canada are essentially exactly the same as those of the American producers, and find themselves, in large instance, established by the prices of inputs such as sprays and fertilizers which have natural gas or petroleum as their base.

A few years ago the border was closed to Canadian farmers importing those products, in order to try to help create a Canadian industry. Without reflecting on whether or not that cause has been established, and whether that end has been met, we now find that U.S. prices for those input costs, particularly fertilizers and herbicide sprays, have been going down dramatically over the last year, whereas in Canada the same companies are producing the same products for Canadian farmers at the maintained high prices without seeing any fall. It is time that a message go from this House and this Government to those companies to indicate that Canadian producers must have equality, and that prices must fall or the border will be reopened.

* * *

● (1410)

AIR TRANSPORT

LICENSING OF NORTHERN COMMERCIAL OPERATORS

Mr. Dave Nickerson (Western Arctic): Madam Speaker, yesterday when I was cut off I was in the middle of an important statement on the licensing of northern commercial air carriers. I can assure you, Madam Speaker, that my presentation was pre-timed to 90 seconds precisely, as required by Standing Order 21.

However, it took five seconds for the microphone to be turned on. I then had to wait another five seconds for a certain racket emanating from the unruly Members of the NDP to subside. Another five seconds were stolen from me by the Minister of Transport (Mr. Pepin) with certain needless, extraneous remarks. Therefore, it is sad to relate that I was unceremoniously gonged right in the middle of my presentation. Never mind, Madam Speaker, today you are privileged to hear the second thrilling instalment.

I was saying that because of the Air Transport Committee system, healthy competition is turned into backbiting complaints and niggling legal manoeuvres. I therefore suggest that the Air Transport Committee institute a streamlined licensing procedure for the smaller northern operators, exchanging excessive protection for the ability to initiate a new or improved service in a timely manner.

Madam Speaker: I just want to tell the Hon. Member that the timing is done very carefully. If he feels that he could not finish his presentation, it was probably because he gave it slower than when he timed it in his office. Things are done very carefully here.

Mr. Deans: See what you have done, you have cost us 15 seconds!

* * *

INCOME TAX

EFFECT OF PROPOSAL TO ELIMINATE SPOUSAL DEDUCTION

Mrs. Margaret Mitchell (Vancouver East): Madam Speaker, Canadians continue to protest recent irresponsible statements by the Minister responsible for the status of women. Her call for the elimination of tax exemptions for spouses would cause financial hardships for families, older couples, and single parents. Poor women would be deprived of benefits because they pay no income tax. It is not too late for the Minister to apologize publicly for her insulting putdown of women who contribute to society through their unpaid work in the home and the community.

The New Democratic Party believes there must be tax reforms to benefit low and middle-income families. Highest income earners must pay their fair share. This would provide funds for tax credits and increased family allowances. We ask that a major review of federal income programs and tax benefits for families be undertaken to determine the most equitable means of paying compensation to the principal parenting person. Benefits should be adjusted to family needs, whether or not the parent works in or out of the home. Women must have choices with access to jobs and to affordable child care.

* * *

[*Translation*]

AGRICULTURE

UNFAVOURABLE WEATHER CONDITIONS—CONSEQUENCES FOR QUEBEC APPLE GROWERS

Mr. André Bachand (Missisquoi): Madam Speaker, Quebec apple growers have suffered tremendous losses in their orchards as a result of unfavourable weather conditions during the winter of 1980-1981. A study made in August, 1982 by Agriculture Canada showed that 31 per cent of our standard apple trees died, which means 291,000 trees. Although all apple producing areas in Quebec were affected, the number of apple growers who were severely affected was highest in the orchards north of Montreal and around Missisquoi.

On December 15, 1982, representatives of the Fédération des producteurs de pommes du Québec had a meeting in Ottawa with the Parliamentary Secretary to the Minister of Agriculture and representatives of the various agricultural organizations concerned, and submitted a complete file on the losses suffered by the Canadian apple-growing industry as a result of unfavourable weather conditions during the winter of 1980-81.

Madam Speaker, our apple growers hope the Minister of Agriculture (Mr. Whelan) will soon make a decision in their favour, providing urgently needed financial assistance and thus preventing a number of bankruptcies.

* * *

[*English*]

FINANCE

IMPACT OF TAXES ON ALBERTA CO-OPERATIVE

Mr. Gordon Taylor (Bow River): Madam Speaker, the Bow River Gas Co-op in Alberta, with some 600 members, covers approximately 2,300 square miles, has 180,000 acres under irrigation, and 60,000 acres of dryland farming. The burden placed on these farmers by the National Energy Program and federal taxes is an excellent illustration of why the farmers of Canada are so depressed, and of why more than 400 farmers went bankrupt last year.

Farming and the high cost of energy go hand in hand. This Co-op irrigates 180,000 acres by mechanical means with the use of natural gas; 27,000 tons of fertilizer produced by natural gas were used on 240,000 acres, and the tax on the natural gas used was $1,134,000,000. In addition, the Co-op paid the federal Government $270,000. The Canadian Western Natural Gas Company, which supplied part of the area with natural gas, paid the federal Government $513,000 in direct taxes. All of these federal taxes have to be added to the cost of production, plus the provincial and municipal taxes, with the result that there will be more and more farm bankruptcies and less production as farmers will not be able to fertilize their land. If the Liberal Government is sincere in wanting to keep food plentiful and our farms in operation, it better be realistic and remove this excessive tax on natural gas.

ORAL QUESTION PERIOD

[*English*]

TRUST COMPANIES

GOVERNMENT KNOWLEDGE OF POTENTIAL LOSSES

Hon. Bill Jarvis (Perth): Madam Speaker, my question is directed to the Minister of State for Finance. It relates to Crown Trust, Seaway Trust and Mortgage, and Greymac Trust and Mortgage. The Minister admitted outside the House last week, or possibly the week before, that he, his predecessor, or the Government was aware for over a year that problems existed with respect to the operations of these companies, including Seaway and Greymac Mortgage Company, two

companies for which the federal Government and the Minister have a direct and exclusive responsibility.

Upon learning over a year ago of problems existing in the operations of these two companies, what action did the Minister or his predecessor take in order to minimize or mitigate the potential losses that could be suffered by Canadians who had dealings with either these two mortgage companies or their associated trust companies?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, I attempted, in response to a question similar to the one the Hon. Member has asked today, to point out the responsibility that I exercise as a designated person under the federal Loans Companies Act. Under that Act when the superintendent becomes alarmed about a particular company, there is a process whereby the superintendent reports to the Minister. If the Minister shares that concern, under Section 73(1)(2) of the Act he is required to give an opportunity to the principals of the companies involved, in this case Seaway Mortgage Company and Greymac Mortgage Company, of responding to the problems that are identified by the superintendent.

I have indicated that at the present time I am in the process of receving submissions from the principals of these companies. I must make a decision after they have completed their submissions. Only at that time will I really have had a full opportunity to assess whether in fact there are grounds for misgivings or difficulties in those companies. I repeat, at this time it is not possible under the law in a practical way to answer the hon. gentleman in specifics.

FEDERAL-PROVINCIAL DISCUSSIONS

Hon. Bill Jarvis (Perth): Madam Speaker, we have been trying unsuccessfully for over two weeks to find out what action was taken over a year ago when this was first brought to the attention of the Government. With respect to the trust companies for which the Minister has a responsibility in terms of the Canada Deposit Insurance Company, did he or his predecessor, as the Minister responsible for CDIC, initiate or participate in discussions with the Province of Ontario regarding the operations of the three trust companies upon learning a year ago that there may have been some problems or irregularities within those three trust companies or any of them?

• (1420)

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, the difficulty in attempting to respond to the question of the hon. gentleman is as a result of the fact, as I am sure he must know, that the trust companies which are under the control of the provincial Government now, which are subject to special legislation of the provincial Government, either have common directorships with the companies for which the federal Government is responsible or, indeed, have shared joint projects with the companies for which I have responsibility, and for which those hearings are now under way. It is again practically, legally and, I submit, morally impossible for me to keep these five companies distinct and separate. Therefore it is not possible to respond in specifics to the Hon. Member's question.

When the principals have had an opportunity of responding to difficulties identified by the superintendent, when I have exercised the responsibility which is given to me specifically under the legislation, then, and only then, would I be in a position to respond in detail.

Mr. Jarvis: What I am trying to find out is not the details of the exercise of responsibility. I am trying to find out if the responsibility was ever exercised.

ACTION TAKEN BY FEDERAL GOVERNMENT

Hon. Bill Jarvis (Perth): Madam Speaker, with respect to the legislation creating the Canada Deposit Insurance Corporation, the Act, Section 11(g), gives them power, and I quote: " . . . to make or cause to be made such inspections of a member institution as may be". It not only gives them power to investigate, but Section 12 then says that the Corporation shall not only have the power to investigate but may have the power under Part II of the Inquiries Act in conducting the investigation.

If the Government knew, or the Minister or his predecessor, over a year ago of the problems or irregularities of Crown, Greymac, and Seaway, all member institutions to which this Act and the powers of investigation apply, why was nothing done? And if something was done, what, and when during this past year?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, indeed I have indicated that the Superintendent of Insurance of Canada, a member of the Canada Deposit Insurance Corporation, has indicated publicly that a number of steps were taken with respect to those companies which fall under his direct jurisdiction. I will repeat for the third time that I cannot go into the specifics of those because it would not be fair to the people who are the owners of the companies.

It would not be fair in justice, or in anybody's sense of justice, to have public debate while in effect a hearing is under way. More than that, the Province of Ontario is conducting an intensive investigation of Crown Trust, Greymac Trust, and Seaway Trust, and the papers are full of all of these things. For me to add, or attempt to expand upon the information which is coming from the Province, would not be very useful at this time at all.

Mr. Baker (Nepean-Carleton): Madam Speaker, the question put by my friend, the Hon. Member for Perth, was a very simple one; it was "when". That question has not been answered. It would seem not to add to any confusion to answer that question. The Minister has the information. He should answer it.

CANADA DEPOSIT INSURANCE CORPORATION—BORROWING POWERS

Hon. Walter Baker (Nepean-Carleton): I have another set of questions I want to ask the Minister, Madam Speaker. Press reports today indicate a federal liability of approximately $100 million in deposit insurance for Crown Trust. Why then has the Canadian Deposit Insurance Corporation been permitted, by an Order in Council dated January 7, 1983, to borrow up to $500 million from the Consolidated Revenue Fund? What is this money to be used for? How many other trust companies does the Government expect to collapse, and if it does not, why was this borrowing for the first time taken to the full limit?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, I would have hoped that the action taken by this Government recently to indicate that it recommended and supported the increase of deposit insurance coverage from $20,000 to $60,000 would have alerted the Hon. Member to the fact that the Government, out of prudence, would have to ensure that the fund, which is responsible and is the basis for that kind of protection, had some kind of infusion or extra protection, if a case warranted. I would further draw the attention of the Hon. Member to the Bill which was tabled in this House to effect that. This Bill, which is public knowledge and has been public knowledge, which I hope will be supported by the Hon. Member and his Party, of course, has to take into account that additional potential risk involved.

It is simply a matter that if the people of Canada through their elected representatives, both Conservatives and Liberals, have urged the Government and the Canada Deposit Insurance Corporation to increase its coverage of the risk in order to protect Canadian depositors, it only follows that that Fund has to be adjusted to meet those kinds of risks. I would hope we have support from the Hon. Member for that move.

CORPORATION'S DEBT

Hon. Walter Baker (Nepean-Carleton): It is implicit in the hon. gentleman's answer that, first, there are no other trust companies which this Government expects to collapse, and that is the question which I asked. It is also implicit that the funds are just to deal with the amount of money with respect to the problems which are presently facing depositors.

Section 37 of the Act allows the Corporation a total outstanding debt to the Consolidated Revenue Fund of not more than $500 million. Could the Minister tell the House how much is outstanding at the moment, and does that amount include what will be borrowed to bail out Crown Trust?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, the Hon. Member's question really reflects the difficulty of following rumours and newspaper reports about the problems which have given rise to all this publicity, namely, the legislation in the Ontario provincial House. This Government has not said that Crown Trust will be a claim on the fund. I hope that there will be no claims against the Canada Deposit Insurance Corporation as a result of any of these matters. It is my hope also that the Province of Ontario will soon be able to resolve those difficulties. I believe that the sooner this matter is brought to a head and resolved, it will be to the benefit not only of those depositors but of other people who must have some misgivings as a result of the very question asked by the hon. gentleman.

I have no knowledge if there is a claim by Crown Trust or with respect to Crown Trust. I hope there is not, but, again, I can only repeat my last answer that if the insurance is to be increased to $60,000, then the Government, out of prudence, and the Corporation with actuarial advice, has to move to a higher limit.

REQUEST FOR SPECIAL AUDIT OF CORPORATION

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, the Canada Deposit Insurance Corporation Act allows the Auditor General to audit annually the accounts and financial transactions of the Corporation. In fact it says he "shall". Is it the intention of the Government to have a chat with the Auditor General, and the officers of the CDIC, to see whether or not, given the real dearth of information which we have experienced here in this House as a result of the problems of the trust companies which have been the subject of discussion for two weeks, a special audit could be made of that Corporation so that, with respect to the affairs of that Corporation, Hon. Members of this House can have a greater idea of what has happened than they have yet received from any Minister of the Crown in the federal Government?

Hon. Paul J. Cosgrove (Minister of State (Finance)): Madam Speaker, I think that the hon. gentleman would have the opportunity to explore that kind of question during debate and consideration of the Bill which is before the House, which is a Bill to increase the coverage from $20,000 to $60,000 for each depositor. The hon. gentleman can rest assured that all of the officers of the Crown associated with the Company, the Minister of Finance and officials, of course, had to review this very type of question in preparation for the submission of that Bill to the House, which asks for an increase of the deposit insurance limit, and also asks that the amount of call which the Corporation could make on the Government be increased. All of that information will be available to the Hon. Member.

* * *

• (1430)

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MRS. AVITAL SHCHARANSKY, WIFE OF SOVIET HUMAN RIGHTS ACTIVIST, ANATOLY SHCHARANSKY

Madam Speaker: I would like to draw the attention of the House to the presence in our Gallery of Mrs. Avital Shcharansky, the wife of Anatoly Shcharansky, who is a prisoner in the Soviet Union.

Some Hon. Members: Hear, hear!

Oral Questions

BROADCASTING

PAY TV—GOVERNMENT POSITION ON TELEVISING OF PORNOGRAPHY

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, my question is directed to the Minister of Communications. For the last three weeks the Minister and the Chairman of the CRTC have played ping-pong with the very serious issue of sexual violence, stereotyping and degradation of women over Pay TV. All of us realize that broadcasting is a federal matter, but we have reached the ludicrous position where the federal Government and federal regulators and policy makers refuse to take responsibility for what is going on.

The CRTC Chairman's non-solution is that he will get together a group of the producers of porn and they will regulate themselves. To make matters worse, the Commission's draft regulations on Pay TV do not contain the protection which now exists for AM and FM Radio or broadcasting, dealing with indecent or profane material, and the protection of minority groups.

My question is simply this. Is it the Government's policy, through its inaction, to give tacit approval to a pornographic television industry in Canada? If not, then what does the Minister intend to do about it?

Hon. Francis Fox (Minister of Communications): Madam Speaker, I really wonder where the Hon. Member has been for the last week and a half. On a number of occasions Members on this side of the House, and a Member of his own caucus, have raised the question time and time again. We, as a Government, indicated very real concern, and we also indicated a number of steps which could possibly be taken. Therefore I am really quite delighted that yesterday afternoon the CRTC issued a public statement calling for all Pay TV licensees to come in and meet with them to examine this whole question and establish guidelines.

Furthermore, the statement indicates quite clearly that they are reviewing proposed Pay Television network regulations, taking into account concerns expressed relating to sexual exploitation. They go on to say that they subscribe to the philosophy expressed in the recommendation made by the task force on sex role stereotyping to the CRTC, notably Section 3, which includes the statement that the Commission should also discourage the portrayal of gratuitous violence against women and expect Pay Television licensees to do the same.

If the Hon. Member reads the public notice issued yesterday by the Chairman of the CRTC, or the press release issued at that time, I think it is quite clear that the CRTC is very much concerned about some of the developments aired in this House by Members on both sides, and is indeed taking the action it ought to take under the Broadcasting Act.

Mr. Rose: Madam Speaker, I do not think it is so much a question of where this Hon. Member has been for a week. I was working, on a parliamentary tour with a parliamentary committee, and was unable to be here. I think the real question is where has the Minister been on this whole issue? That is the essential question.

Some Hon. Members: Hear, hear!

REQUEST FOR INTRODUCTION OF LEGISLATION

Mr. Mark Rose (Mission-Port Moody): Madam Speaker, since protection against violence, and degradation of women, bigotry, and racism, exist in the AM and FM regulations, I would like to know why the Minister is willing to slough off this very serious matter on a regulatory body which, on the one hand, says it is going to do something about it, and on the other hand says it does not have the power to do very much about it. When does the Minister intend to introduce parallel broadcasting legislation in this House so that we will not have some bunch of bureaucrats telling us what we can watch or not watch, and so that the Parliament of Canada can express itself on this very serious matter?

Hon. Francis Fox (Minister of Communications): Madam Speaker, I am indeed willing to take into consideration the fact that the Hon. Member was on tour and he missed the furor caused across the country by the decision of First Choice to go ahead with some of the programming he mentionned. I would like to point out to him that, after a good deal of consultation with Members of the House, including obviously Members on this side but also with Members of the Hon. Member's own caucus, the matter was indeed brought to the floor a number of times in the course of the past week.

I would also point out to the Hon. Member that the CRTC does indeed operate under the Broadcasting Act, particularly under Section 3 which indicates quite clearly that the first responsibility for programming content rests on the licence holders themselves. That means the Broadcasting Act expects licence holders to act in a responsible fashion. If they do not, then the CRTC has the power to call them in, as the CRTC has done.

Mr. Rose: When? Never!

Mr. Fox: I would also point out to the Hon. Member that the Act was passed with the unanimous consent of this House including Members of his own Party.

* * *

AGRICULTURE

CHANGE IN VALUATION DATE—LIBERAL ELECTION PROMISE

Mr. Lorne Nystrom (Yorkton-Melville): Madam Speaker, my question is for the Minister of Agriculture. Is he awake?

An Hon. Member: Yes.

Mr. Benjamin: Old clean Gene, running for leadership of the Tories.

Mr. Nystrom: Well, if he wants to run for leader, perhaps he can give me a straight answer to this question.

In the 1980 election campaign the Liberal Party and the Minister of Agriculture made a promise to the farmers that they would change valuation day for capital gains on farmland from 1971 to 1974, and then index that to reflect inflation in the cost of farmland. I would like to ask the Minister the following question, and I hope he will be serious, cut the bull for once, and tell us why the Liberal Party has not fulfilled the promise it made in 1980, and whether or not it is his intention to keep that campaign promise before he is so rightfully defeated in the next election?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, we can expect a decision on that soon.

Some Hon. Members: Oh, oh!

Mr. Blaikie: That is the shortest answer I have ever heard you give.

* * *

PORTS

TRANSPORTATION OF DANGEROUS CHEMICALS THROUGH PORT OF VANCOUVER

Mr. Chuck Cook (North Vancouver-Burnaby): Madam Speaker, my question is for the Minister of Transport who will know that a great deal of controversy and public concern have been created in the Vancouver area by conclusions contained in a Master's degree thesis concerning liquid petroleum gas tanker safety in the Port of Vancouver. He should also be aware that his officials in Vancouver have dismissed out of hand the method of inquiry and the findings of the report, even though the Harbour Master admits he has only glanced at the thesis.

Have the Minister's officials had time to undertake a more detailed study of the points raised in the thesis, and can the people of Vancouver expect a federal inquiry into the handling and transportation of all dangerous chemicals to and from the Port, as well as within its boundaries?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, let me first say that in the last two years in the Port of Vancouver about one million tonnes a year have been handled without an accident. I am talking about chemical goods, of course. Secondly, this MA thesis will probably be more read than any MA thesis in the history of the country. The Department will be examing some aspects of it. They are re-examining now, for example, the speed in the port and the tug assistance and matters of this kind brought out in the thesis to which my hon. friend is referring.

I would like to underline, and I will send him a letter on the subject, the number of regulations, and administrative and physical measures that exist in the Port of Vancouver concerning the transportation of dangerous goods. I repeat that we have not had an accident—cross my fingers—in the last two years in this type of transportation.

Mr. Cook: Madam Speaker, I must compliment the Minister of Transport. That is perhaps the most satisfactory answer he has ever given me to any question dealing with the Port of Vancouver in my history of almost four years in the House of Commons.

Some Hon. Members: Hear, hear!

REQUEST THAT DEPARTMENTAL OFFICIALS PARTICIPATE IN CITY INQUIRY

Mr. Chuck Cook (North Vancouver-Burnaby): Madam Speaker, Mayor Harcourt will be making a recommendation to Vancouver City Council to set up a joint task force to look into LPG shipments in the port. In view of the fact that an accident in that port could involve damage to over 500,000 people, can the Minister give this House of Commons the assurance that his officials will participate in that Vancouver City Council inquiry?

• (1440)

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I am aware of a number of these inquiries which have taken place, but I am not aware of this particular one. If there is a purpose to be served in respect of safety by joining such groups, my hon. friend can be assured that the Department will do so.

* * *

CRIMINAL CODE

DEFINITION OF PORNOGRAPHY

Mr. W. Kenneth Robinson (Etobicoke-Lakeshore): Madam Speaker, my question is directed to the Minister of Justice. Recently the Minister told the House of Commons that he is studying whether the country's anti-pornography laws need to be strengthened. I should like to ask the Minister what changes, if any, he would propose to these laws, given that pornographic material is not only "obscene" but also encourages dangerous trends in a society already prone to violent crimes? Also, given the recent trends in such cities as Toronto, where there has been a tremendous increase in sexual assaults, would it not be prudent to tighten the definition of obscenity as requested in the report of the Justice Sub-Committee on Pornography, and also to provide an explicit definition of pornography?

Hon. Mark MacGuigan (Minister of Justice and Attorney General of Canada): Madam Speaker, as the Hon. Member said, we are indeed looking at the definition of pornography. As he also said, some years ago the report of the Standing Committee on Justice and Legal Affairs—which I recall I chaired and the Hon. Member participated in—recommended that the concept of degradation of the human person be added

to the Criminal Code. Naturally, that is one of the possible revisions to the Code that is under consideration.

At the same time I think I should say that we believe that the actual definition in the Criminal Code is much more serviceable than is often realized. It quite often happens that provincial attorneys general fail to take full advantage of it. There is no better example of this than the one that has come up many times in the House, having to do with videotapes in British Columbia. As a result of our insistence that the Criminal Code is adequate for that purpose as presently constituted, the Attorney General of British Columbia has finally taken action in a number of cases, and the issue is now before the courts.

* * *

HOUSING

CANADIAN HOME OWNERSHIP STIMULATION PROGRAM—APPLICATION IN WESTERN CANADA

Mr. Rod Murphy (Churchill): Madam Speaker, my question is for the Minister responsible for Canada Mortgage and Housing Corporation and deals with an extension of the Canadian Home Ownership Stimulation Program to December 31, 1983, for certain northern areas of Canada. It is my belief that the extension and the boundaries set by the Government discriminate against western Canada. For example, in Quebec the north-south limit is the 48th parallel, in Ontario it is the 46th parallel, and in Manitoba it is the 55th parallel. What the Minister and his Corporation are saying is that Flin Flon, Manitoba, at the 54th parallel, is in southern Canada, while Sudbury and other communities on the Canada-U.S. border are in northern Canada. Will the Minister tell the House why this Program discriminates against western Canadians living in the North?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, I do not have a map in front of me, but the fact is that these changes, made at the request of some Members of this House on all sides, were the subject of considerable examination. I will ask for a re-examination of them and, if a case can be made, I will be very happy to change them. I certainly do not intend to discriminate against anyone.

* * *

INDUSTRY

LAYOFFS IN SOUTHEAST BRITISH COLUMBIA COAL PROJECTS

Mr. Sid Parker (Kootenay East-Revelstoke): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce. He may know that B.C. Coal Resources in Sparwood, British Columbia, has announced a total shutdown for six weeks now, and for another month during the summer. That means that 1,500 workers will face temporary layoffs and 400 workers have been given an indefinite layoff.

At the same time as these layoffs are happening because of lack of markets, the federal Government is spending hundreds of millions of dollars opening up new coal projects in northeastern British Columbia. Could the Minister give the workers and the communities in southeastern British Columbia his assurance that he will protect their jobs by permitting the southeastern coal projects to supply the markets until such time as they approach their production capacities?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, as the Hon. Member knows, the Government of Canada does not decide which country buys coal and from whom. I think it is important that the Hon. Member recognize that the Government of Canada substantially assisted British Columbia in developing the northeast coal mines.

The major customers for British Columbia coal are in the Pacific Rim countries, particularly Japan. Production in the steel industry all around the world is down, consequently the biggest customers have cut back on supplies. I wish we had control over the market. I wish we could make an order, but I am not aware that we control the Japanese steel industries or can tell them where to buy their coal.

* * *

EMPLOYMENT

REQUEST FOR EXTENSION OF WORK-SHARING PROGRAM

Hon. Bud Cullen (Sarnia-Lambton): Madam Speaker, my question is for the Minister of Employment and Immigration but I shall direct it to his competent Parliamentary Secretary. The work-sharing program has had fantastic success in Canada. Having been successful, some of the corporations and unions involved asked that the time frame be extended. That request has been acceded to. Now, over the winter period, some firms are asking for a further extension that will carry them over the tough winter period. Will the Department look into the possibility of extending that particular program which is bringing terrific benefits to areas all across the country?

[*Translation*]

Mr. Rémi Bujold (Parliamentary Secretary to Minister of Employment and Immigration): Madam Speaker, the work sharing program has indeed been very successful in this country, especially if we consider the present state of the economy. The Department of Employment and Immigration is looking at all possible ways of keeping the maximum number of Canadians employed. The program is now being analyzed. With other members of Cabinet, the Minister of Employment and Immigration will be giving this matter careful study, and he will be making a decision very shortly.

[*English*]

INCOME TAX

PAYMENT OF REBATES—POSSIBILITY OF TAX CHANGES

Mr. Gordon Towers (Red Deer): Madam Speaker, I have a question for the Minister of National Revenue. The Minister will know that the income tax forms have gone out to millions of Canadians. A directive has also gone out from the departmental offices to the effect that no rebates will be paid until, perhaps, the middle of May, due to the changes that might be made in the Income Tax Act through Bill C-139. In view of the fact that the Government is just starting to debate that Bill and that there have been suggestions that it intends to make 100 changes, does the Minister have any intention of sending directives to taxpayers to assure them that they will not have to fill out the present income tax form and then, at some later date, have to change it?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, on a previous occasion, the House was informed of the fact that Revenue Canada district directors had advised all Hon. Members that T-1 forms had been mailed, and that most Canadian taxpayers had probably received them. Hon. Members were also invited to advise people who had any questions to complete their T-1 forms as soon as possible and return them to the Department. It was also pointed out, as the Hon. Member mentioned, that refunds could not be sent out until the Bill to amend certain provisions of the Income Tax Act was passed in the House. Departmental officials believe they will be able to proceed with analyzing tax returns reasonably soon, which means that taxpayers would be receiving their refunds within a reasonable length of time. Furthermore, since the standing committee has already finished its preliminary studies of the Bill, I am convinced that the House will be in a position to pass the legislation amending the Income Tax Act without causing any delay in sending out the cheques.

[*English*]

REQUEST FOR POSTPONEMENT OF FILING DATE

Mr. Gordon Towers (Red Deer): Madam Speaker, ordinarily Canadian taxpayers would be starting to send in their income tax form immediately. There has been a delay of almost a month already. There is always a period of congestion when those forms are made out, and this puts an extra-heavy load on accountants who do the job for the taxpayer.

I wonder if the Minister and his Department are giving consideration to telling the Canadian people that they will have another month or two, or whatever is required—whatever is taken off the original period—until the Bill is passed. In that way they would know, when making out their income tax forms, on what basis they were doing it.

• (1450)

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, at this very moment we can assume that the vast majority of taxpayers have received their T-1 or T-2 forms and have already started to complete their tax returns. In fact, many Canadians, owing to the Government's generosity when it brought down its last budget, will be entitled to higher tax refunds than last year. In fact they are rushing to complete their T-1 forms. I do not think that circumstances warrant extending the deadline. The T-1 and T-2 forms are actually going to reach the Department very soon, and we shall then make every effort to expedite analysis of the returns and send out the cheques as soon as possible.

* * *

[*English*]

RAILWAYS

CROWSNEST PASS RATE—GOVERNMENT POSITION

Mr. Les Benjamin (Regina West): Madam Speaker, my question is directed to the Minister of Transport who has been trying to get a consensus from farm organizations to change the statutory grain rates, and resting his whole case on getting a consensus because the Prime Minister said the Crow rates would not be changed without a consensus. I would like to ask the Minister, since whatever consensus he thought he had collapsed around his ears last week, and since farm organizations could not agree with either the Gilson, the Snavely or the Argue proposals, all of which are no good, does the Minister intend to proceed to announce a plan based on either of these proposals, or does he plan to announce something different? Further, how can he make any announcement when he has no consensus?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, if our hon. friend has a bit of time this afternoon he might look back at what the Prime Minister said on the subject. The Prime Minister, and I have checked chapter and verse of this bible, has said repeatedly that he would not contemplate a change to the Crow unless the people of the west wanted to change the Crow.

My hon. friend has just said that the different votes in the West were on whether it should be the Gilson-Snavely formula, or the Argue formula. He has not said that there has not been a vote on not changing the Crow, there has not been a vote in favour of maintaining the Crow, and that is of the essence.

To answer the last part of the Hon. Member's question on the subject, following the decision of Cabinet yesterday, I will be in a position to make an announcement on the Government's plan on Tuesday in Winnipeg.

Oral Questions

NATIONAL DEFENCE

LOSS OF JOBS AT CANADIAN FORCES BASE COMOX, B.C.

Mr. Ray Skelly (Comox-Powell River): Madam Speaker, my question is directed to the Minister of National Defence. It pertains to the loss of approximately 474 jobs from CFB Comox. As the Minister knows, the devastation in the forest industry has caused a great deal of economic dislocation, as well as the announcement recently that we are going to lose approximately an additional 474 paycheques from the valley. There was also a statement made yesterday that there may be a reduction in Search and Rescue.

Could the Minister indicate that he would be prepared to meet with representatives and officials from the Comox Valley, looking for some possible offsets on this matter, and could he also indicate whether his Parliamentary Secretary was correct in indicating that with the removal of 409 Squadron we may see a slight reduction in Search and Rescue efforts there?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, on the question of Comox I believe my Parliamentary Secretary answered the question very ably yesterday, and what he said was true. Yesterday we issued a communiqué on this fact because we did not want false rumours circulating, speculation on what was going to happen in Comox because of the phasing out of the Voodoo 101, which made it necessary for us to modify the configuration of our deployment for the air defence of Canada.

An Hon. Member: For strategic reasons.

Mr. Lamontagne: For strategic reasons, there is no doubt about it. Despite the fact that the consequence will be a reduction of 450 people in the strength of the base, I would like to stress that only 17 of those 450 are civilians; the rest are strictly military people. We already have had the commander of the base meet the people of the community there to explain to them what will happen, and to ensure that if we can be of any help to them in trying to supplement in some ways that they might feel would compensate, we are ready to discuss that. If those people want to come and see me here I will be very glad to receive them. By the same token, if I am out west at a certain point in time, I will be very glad to meet them then also.

As far as search and rescue is concerned, there is no diminution of the capabilities of Comox.

* * *

ENVIRONMENTAL AFFAIRS

POLLUTION OF NIAGARA RIVER—REQUEST THAT MINISTER VISIT DUMP SITE

Mr. Gilbert Parent (Welland): Madam Speaker, my question is directed to the Minister of the Environment. It follows on questions posed earlier in the week with regard to the ongoing dialogue between this Minister and the Minister in the United States on the pollution problem in the Niagara region.

In view of the fact that the S-area dump is established in New York State adjacent to the Niagara region and in view of the fact that it is alleged that there is leaching into the Niagara River, would the Minister, give an undertaking to visit this site along with his senior officials and the Hon. Member for Niagara Falls, so that they may ascertain firsthand if there is a danger from this leaching further polluting the waters of the Niagara River?

Hon. John Roberts (Minister of the Environment): Yes, Madam Speaker, In fact I had planned to make such a visit last Monday but the local concerned group, Operation Clean, since I had offered to take part in fund raising activities on its behalf, gave me some indication that it would like to delay the visit until it is actively organized. I would be very happy to give the Hon. Member that undertaking and to involve him and other Members of the House in such a visit. I already have projected it, and as soon as we can arrange a suitable date I will be back in touch with him.

REQUEST THAT MINISTER MEET GOVERNOR OF NEW YORK STATE

Mr. Neil Young (Beaches): Madam Speaker, this is supplementary, and directed to the Minister of the Environment. Based on the evidence already known about the problem within the Niagara River, and particularly arising from the chemical leaching from waste dumps in New York State, I think the last thing that this particular problem needs is another visit from the Minister. What this particular problem needs is some direct political action.

I would like to ask the Minister whether on his visit he would also contact the Governor of New York State, and ask him for a meeting where Canada's real concerns in this matter can be properly expressed in a political way rather than in a public relations way, as the Minister has just indicated he is willing to do?

Hon. John Roberts (Minister of the Environment): Madam Speaker, I am really surprised. If there is anybody who has been leaping on bandwagons in the hopes of catching newspaper headlines in this issue, it is the New Democratic Party.

Some Hon. Members: Hear, hear!

Mr. Roberts: Just this morning they were urging us to undertake stronger efforts, to develop visits and meetings on the part of myself and other Members, and now he says that those visits are no longer needed. I wish the NDP Members would talk to each other and get themselves straight on something other than their simple desire to garner newspaper headlines.

As I have already indicated, I will be happy to get in touch with anyone, including the Governor of New York.

An Hon. Member: Always too late, anyway.

REQUEST THAT MINISTER ARRANGE MEETING

Mr. Neil Young (Beaches): Madam Speaker, my supplementary question is directed to the same Minister. This kind of question will not be resolved by the Minister engaging in political putdowns of Opposition Members who are attempting to find a resolution to the problem. It is time that the Minister started to become political with the people who can directly resolve this question. I ask the Minister again will he attempt to set up a meeting with the Governor of New York State, so that we can come to some rational and reasonable solution of this particularly serious problem? I ask him again, yes or no?

Hon. John Roberts (Minister of the Environment): Madam Speaker, I would certainly welcome any rational or reasonable approach coming from the NDP, and I would hope that the Hon. Member would sit down rather quietly and discuss the matter with the Hon. Member for Skeena who, this morning, was lashing around accusing politicians not only on both sides of the House but on both sides of the border of corruption, and of being bought off. If that is not playing superficial, emotional, disruptive and irresponsible politics, I do not know what it is. I wish they would get together, be rational and reasonable and constructive, but I am not going to hold my breath.

* * *

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table reports of the Clerk of Petitions stating that he has examined the petitions presented by Hon. Members on Wednesday, January 26, 1983 and finds that the petitions meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

PARLIAMENT

TABLING OF REPORT ON COLLECTIVE BARGAINING FOR EMPLOYEES

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, pursuant to Standing Order 46(2), I am tabling a report on collective bargaining for employees of Parliament, in both official languages.

[*Translation*]

PETITIONS

MRS. CÔTÉ—OLD AGE SECURITY

Mrs. Eva Côté (Rimouski-Témiscouata): Madam Speaker, I have the honour of presenting a petition of behalf of my constituents. The purpose of the petition signed by 941 citizens from my riding is to request that the minimum age in order to be eligible for Old Age Security benefits be brought down to 60 years. The nature of this petition is to request that the House enact the appropriate legislation. The petitioners hope, Madam Speaker, that in your examination of their petition you will find the petition in order and give full weight to the urgency and strong commitment of their plea, so that the Government will accept it.

* * *

[*English*]

POINT OF ORDER

MR. NICKERSON—ALLOCATION OF TIME DURING QUESTION PERIOD

Mr. Dave Nickerson (Western Arctic): Madam Speaker, I rise on a point of order. Would the Chair be kind enough to explain the rationale behind the allocation of questions in today's question period? I was of the understanding that the ratio between the Conservative Party and the New Democratic Party was normally three to one. Today, the ratio appears to have been made on the basis of the number of Members of each Party present in the House.

It is quite obvious, as a result of the Winnipeg convention, that there are not many members of the Progressive Conservative Party here. However, I wonder whether a precedent has been created this afternoon whereby questions are to be allocated on the basis of the number of Members of each Party in the House present at the time?

Madam Speaker: The only rationale that applies is the privilege of the Speaker to recognize Members the Speaker wishes to recognize. However, the Hon. Member must realize, considering the number of Members of each Party in the House today, that, some kind of shifting had to take place.

* * *

[*Translation*]

BUSINESS OF THE HOUSE

NOTICE OF ALLOCATION OF TIME TO CONSIDER REPORT AND THIRD READING STAGES OF BILL C-131

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, I wish to inform the House that there have been consultations among the representatives of the Parties and that it has not been possible to reach an agreement

pursuant to Standing Order 80 or 81 with regard to the allocation of time to the report stage and third reading stage of Bill C-131, an Act to amend the Old Age Security Act (No. 2), and that, therefore, at the next sitting of the House I shall propose a motion pursuant to Standing Order 82 to allocate one sitting day to each of the said stages of the said Bill.

[*English*]

Hon. Walter Baker (Nepean-Carleton): Madam Speaker, the Hon. Minister has the right to do that if she wishes to, certainly. I am not quarrelling with that. I have some doubts as to whether she should or not, but that is her prerogative.

My recollection was that the Government's order of business had to do with the tax bill at the first of the week. That is a recollection of mine, which may be imperfect. Is it the intention of the Government to bring on the tax bill as has been announced, or will the order of business be changed so that we will be dealing with Bill C-131 on the Old Age Security payments?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the tax bill will be dealt with at 11 o'clock on Monday. In the event the motion of which the Minister has given notice were to be moved, it would not be moved until we reached "Motions" on the Order Paper, which would be Monday afternoon.

Mr. Baker (Nepean-Carleton): Madam Speaker, let me be clear and put the question another way to make it easier for my friend. Is it the intention of the Government to move the motion at three o'clock on Monday?

Mr. Smith: Madam Speaker, I do not want to make a commitment, but I believe that is the most likely probability.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,504, 4,508, 4,519, 4,586, 4,598 and 4,636.

[*Text*]

RRAP—INFORMATION SHEET "HIGHLIGHTS"

Question No. 4,504—**Mr. Stewart:**

Did CMHC produce an information sheet entitled "Highlights" for home-owners in rural areas regarding the Residential Rehabilitation Assistance Program (RRAP) and, if so (a) how many of the sheets were printed (b) what was the total cost of (i) production (ii) printing (c) what were the reasons, if any, for using (i) a glossy format (ii) two-tone colour (d) what would be the total cost of printing and producing the sheet using a non-gloss, black and white format?

Hon. Roméo LeBlanc (Minister of Public Works): I am informed by Canada Mortgage and Housing Corporation as follows: Yes. (a) 15,000 copies were printed in the initial run; because of program changes, an additional 15,000 revised copies were printed.

(b) (i) and (ii) The total cost of production, including federal and provincial taxes amounted to $1,461.68. Printing costs including federal and provincial taxes amounted to $3,001.23 for the original printing and $2,064.35 for the second printing.

(c) (i) and (ii) The same consideration was given to the development and presentation of this consumer program promotional item as is given to others produced for CMHC programs. The two colours were used because green is the program identification colour and black is the most legible colour. This is the only promotional consumer item used exclusively for the Residential Rehabilitation Assistance Program in rural areas. Because it is referred to frequently, reused, hung on walls and kept on desk tops, the information sheet was laminated to protect it from wear and tear.

(d) The cost of producing this same sheet using a non-gloss, black and white format is estimated at approximately $1,243.68, including federal and provincial taxes, plus approximately $2,100 and $1,700 (including federal and provincial taxes), respectively, for the initial printing of 15,000 copies and the reprinting of 15,000 copies.

REVENUE FROM TAXES ON GASOLINE

Question No. 4,508—**Mr. Mitges:**

Since the introduction of the National Energy Program and the signing of the Energy Pricing Agreement with the producing Provinces, how much revenue has the Government received from taxes at both the well head and the pump?

Hon. Pierre Bussières (Minister of National Revenue): Following are the amounts collected between October, 1981 and September, 1982.

Excise tax on gasoline	$ 520,316,336.52
Marketable pipeline gas	1,068,146,927.64
Canadian ownership increase (gas)	258,362,273.15
Natural gas liquids	121,157,160.48
Canadian ownership increase (gas liquids)	22,623,491.69
Petroleum and gas tax collections	1,488,516,548.60
Resource royalties tax collection	113,879,471.88
Total	$ 3,593,002,209.96

CANADA LABOUR CODE—MINISTERIAL PERMITS

Question No. 4,519—**Mr. Parker:**

1. For the past 24 months, by month, how many ministerial permits were issued under Section 29.1(1) of Part III of the Canada Labour Code?

2. For the same period, by month, how many applications were made for ministerial permits under the Section?

3. For the same period, by month, what is the average number of days specified for the permits issued under Section 29.1(2) of Part III of the Canada Labour Code?

4. Is there an established policy by which decisions are made concerning the granting of overtime permits and, if so, what is this policy?

5. Has the Minister cancelled any overtime permits in the past 24 months under Section 29.1(4) of Part III of the Canada Labour Code and, if so, for what reason?

6. For the past 24 months, by month, how many joint applications have there been for overtime permits under Section 29.1(6) of Part III of the Canada Labour Code?

7. How many of the permits requested in Part 6 were granted?

8. For the past 24 months, by month, what is the total number of hours of work permitted under Section 29.1(1) and (2) of Part III of the Canada Labour Code?

9. What is the total number of hours of work permitted in cases where joint applications were made?

10. For the past 24 months, by month, how many permits were issued by the Minister of Labour under Section 33(1) of Part III of the Canada Labour Code?

11. What classes of employees have been identified under Section 33(1) of Part III of the Canada Labour Code as being eligible for permits allowing excess hours of work?

12. Is there a policy outlining what reasons will be accepted as "exceptional circumstances" in permitting excess hours of work under Sections 33(1) and (2) of Part III of the Canada Labour Code and, if so, what are the exceptional circumstances?

Hon. Chas. L. Caccia (Minister of Labour): 1, 2, 3, 6, 7 and 10. See the table below.

4, 8 and 9. Not applicable since permits granted under Section 29.1 provide for a modified work schedule and do not authorize the working of overtime hours.

5. No.

Order Paper Questions

11. Anhydrous ammonia delivery staff, officers, deckhands, masters, mates, engineers, oilers, cooks, messpersons and seamen, drilling and marine personnel, clerical employees, mechanics, maintenance staff, all classes of employees of the Canada Post Corporation, salesmen, warehousemen and helpers, installers, telecommunications gangs, stevedores, dredging personnel, charge hand repairman, tractor operators, labourer, rail gang, track maintenance, road gang, signal gang, ballast gang, tie gang, surfacing gang, crane operator, welder, grinder, electrician, machinists, refiner, firemen, cleaner, carpenters, production staff, design specialist, development technician, service engineer, record co-ordinator, grain cleaning crew, grain unloading crew, grain shipping crew, millwright, greasers, deckhands, utilitymen, machine shop crew, janitors, truck drivers and heavy equipment operators.

12. Yes. Those circumstances that place an unusual or abnormal demand on the operations of an employer for the delivery of goods or services or for the completion of work, where it is not possible or practical to increase the workforce or make other arrangements to meet the demand, are acceptable circumstances for the purposes of Sections 33(1) and (2), having due regard for the welfare of the employees concerned; e.g. work in remote areas and work affected by weather conditions.

	Section 29					Section 33
Month	Employer Applications	Permits Issued	Joint Applications	Permit Issued Joint Application	Days per Permit Average	Permit Issued
October 1980	10	3	4	1	13	4
November 1980	10	3	8	2	15	2
December 1980	6	8	2	2	12	3
January 1981	3	18	1	12	12.5	10
February 1981	5	4	3	2	12	4
March 1981	8	1	7	0	12	5
April 1981	3	0	1	0	—	6
May 1981	4	13	2	6	11	11
June 1981	9	7	7	6	11	4
July 1981	11	14	7	9	11	5
August 1981	7	2	4	1	15	3
September 1981	3	6	3	3	10	2
October 1981	3	9	2	7	10.5	3
November 1981	10	4	5	3	11	2
December 1981	7	1	2	1	12	2
January 1982	10	6	6	2	11	0
February 1982	10	15	8	6	12	3
March 1982	10	7	7	6	11	5
April 1982	1	1	0	0	14	3
May 1982	10	6	3	2	11	5
June 1982	4	20	2	13	13	3
July 1982	2	5	1	1	12	11
August 1982	3	3	1	2	11	2
September 1982	1	3	1	2	11	0
Totals	150	159	87	*89	11	98

* Includes two permits for applications prior to October, 1980.

PAMPHLET "FAMILY LIFE: THE METRIC WAY"

Question No. 4,586—**Mr. McCuish:**

1. Did the Metric Commission publish a pamphlet entitled "Family Life: The Metric Way" and, if so (a) what was the total cost for the design, production and distribution (b) how many copies were printed and distributed to date (c) who was responsible for the design and production?

2. Was the contract awarded outside the Government and, if so, in what manner was it awarded?

Mr. David Berger (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): 1. Yes. (a) approximately $57,000; (b) approximately 3.8 million printed and distributed; (c) Ove Design Group (Ottawa and Montreal) was responsible

for the design. Interweb Inc. of Boucherville, Quebec was responsible for the printing.

2. Yes. The contract was established on the basis of a competitive tender by DSS.

Question No. 4,598—**Mr. Neil:**

1. Was the brochure "Family Life: Metric Way" mailed out recently with Family Allowance cheques?

2. Did the Metric Commission share in the cost of the postage required for the mail-out and, if so, what was the Commission's share of the cost?

Mr. David Berger (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): 1. Yes. 2. No.

REFERENCE TO LIST OF PETITIONERS

Question No. 4,636—**Mr. Domm:**

1. Did the Minister of Consumer and Corporate Affairs refer to a list of names of petitioners in the House of Commons on December 9, 1982 and, if so (a) was the list prepared by the Minister's office (b) what was the (i) cost incurred (ii) time involved in its preparation?

2. Did the Minister state that a number of the signatures were false and, if so (a) what number (b) which signatures?

Mr. David Berger (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): 1. No, the Minister made reference to a petition which was tabled in the House of Commons by the Hon. Member for Peterborough. (a) (i), (ii), (b) (i), (ii) Not applicable.

2. No. (a) and (b) Not applicable.

* * *

[*English*]

QUESTION PASSED AS ORDERS FOR RETURN

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, if question No. 4,337 could be made an order for return, this return would be tabled immediately.

[*Translation*]

Madam Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Is it the pleasure of the House to have Question No. 4,337 deemed made an order for return?

Some Hon. Members: Agreed.

[*Text*]

CIVILIAN INTERNMENT CAMPS

Question No. 4,337 —**Mr. Towers:**

1. Were civilian internment camps established in Canada before, during, or after World War II and, if so (a) on what date was the Order in Council authorizing construction passed (b) on what date did construction begin (c) how many camps were erected and where were they located (d) on what date were the camps considered redundant and closed down?

2. How many Canadian citizens or persons with Canadian landed immigrant status were interned?

3. How many internees were of (a) Japanese (b) German (c) Italian (d) other ethnic origins?

4. Were any then Members of Federal or Provincial Parliaments or Municipal Councils incarcerated and, if so, in each case (a) for what reason (b) what was his/her name?

5. What criteria were used in determining who should be incarcerated?

6. Did any internees lose their lives from other than natural causes while in custody?

Return tabled.

[*English*]

Mr. Taylor: Madam Speaker, I notice that all of the questions answered today are in the four thousand category. I want to ask for the fourth or fifth time what is happening to question 2,328. It has been on the Order Paper for almost two years. Surely we can get an answer one of these days?

Mr. Smith: Madam Speaker, I will be happy to look into that matter on behalf of the Hon. Member.

Mr. Taylor: Madam Speaker, that is what the Parliamentary Secretary said for the fourth or fifth time; I wish that happiness would materialize.

Mr. Smith: Madam Speaker, I ask that the remaining questions be allowed to stand?

Madam Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—PROTECTION OF THE ENVIRONMENT

The House resumed consideration of the motion of Mr. Fulton:

That this House condemns the Government for its failure to adequately protect the Canadian environment from toxic and hazardous waste and for its subservience to the vested interests of the chemical and industrial waste producers and, in particular, for its failure to expedite the clean-up of the Great Lakes.

Mr. Neil Young (Beaches): Mr. Speaker, prior to the lunch break I asked Members on both sides of the House, including the Minister, if there would be agreement to permit me to table a report that was put together by a group of Members from my caucus. This document is entitled "An Environmental Task Force: A Report on Toxic Chemical Pollution".

Mr. Tousignant: It is not a very good report.

Mr. Young: I want to thank Hon. Members for allowing me to table this document. I just wanted to say that before I start

my remarks this afternoon. I would suggest, though, that the Liberal Member on the other side who probably has not yet had an opportunity to read the report do so, because he would probably be a much more informed Member if he does that.

We had a repeat performance by the Minister of the Environment (Mr. Roberts) at the end of Question Period of the kind of performance to which we have become accustomed on this issue in the last two or three-year period. Questions were put to the Minister primarily by Members on this side of the House, particularly myself and the Hon. Member for Skeena (Mr. Fulton), who is the mover of the Motion before the House today. The Minister's response has perhaps been expected in the past, but I would have thought from his statements earlier this week, wherein he seemed to indicate that his mind had been opened and he had suddenly become aware there was a problem in the Niagara Peninsula, that he would not have proceeded with the same kind of political put-downs, or attempted put-downs, that he had utilized in the past in an effort to dismiss the seriousness of this matter. It is not enough to address that particular problem with statements such as "If you ask questions on this you are nothing but an alarmist. You people in the NDP are scaring people. It is totally irresponsible to raise this question in the House."

The Minister has gone to the point where he advised us in response to a question from me that we were talking through our hats and did not know what we were talking about. We have become used to those kinds of statements from the Minister, disappointing though as they may be. I suppose we are expected to absorb that in the natural course of things. I expect the Minister to do that, although I am disappointed that he does so.

• (1510)

I object, as one Liberal mentioned earlier in the debate today, when people who are attempting to express their concerns in their communities and find answers about possible hazards to the health of people who live in those communities or, in this case, whether Lake Ontario is a safe source of drinking water, are put down by politicians and bureaucrats and dismissed as being NIMBYs. I am sure that is a new word to most Members in the House but it is one that is used quite extensively to dismiss people in those communities as being either reactionary or at least irresponsible in terms of their perceived obligation toward a Government initiative and their support of that initiative. A NIMBY, as some bureaucrats like to label a number of citizens, stands for the "Not in my back yard" syndrome. That is the kind of put-down that is made to dismiss the concerns which many of those persons have about the possible dangers of chemical dump sites or other Government programs to their immediate family and community.

In the course of the Minister's remarks earlier today, he attempted again to dispel the very real dangers that exist as a result of the chemical wastes which are leaching from the dump sites on the New York State side into the Niagara Gorge, the Niagara River and on into Lake Ontario. He continues today, as he has over the past several years, to say that there is no evidence that this is happening. I suggest to the Minister that, quite to the contrary, there is sufficient evidence which clearly shows that dioxin, the most dangerous chemical known to man, is leaching from those chemical dump sites into the Niagara River and on into the drinkig water supply of the residents around Lake Ontario. Even Members of his own Department, some of whom are very qualified individuals, have confirmed this fact.

I might note for Hon. Members that dioxin is so dangerous that an individual from the Minister's Department has estimated that a shovel full of that chemical dumped into Lake Ontario would kill the entire lake. Yet it is being allowed to leach into the lake uncontrolled as a result of the Minister's inaction in demanding a political intervention with politicians on the American side of the border.

During the course of our investigation into this matter, officials from the Environmental Protection Agency in the United States told us quite bluntly that the Reagan administration was not becoming overly concerned about this question and was prepared to sit back and listen unduly to the chemical industry in the United States because Canada is not applying enough political pressure on the U.S. Government to make it confront the problem. The Government has merely passed diplomatic notes to the United States up to this point as a political response to this problem. This does not include some of the testing which has been carried out in the Niagara Peninsula recently. The Government's only political response so far has been to lightly slap the U.S. administration on the wrist and ask it to take action. Frankly, the United States Government will not take action until the Canadian Government demands that it do so.

We asked some members of the New York State Assembly to outline for us what they thought the problems were. The Environmental Committee of the New York State Assembly met with us when we were in Niagara Falls. To our great surprise, they did not engage in any rhetoric as the Minister is prone to do. They were not interested in blaming Canada or the U.S. Government for the problem. Instead, they considered it an issue which must be approached in a non-partisan manner. They agreed that the pollution should be cleaned up and were not interested in making political points on the issue. In fact, they told us that their committee had invited our Minister of the Environment to appear before them so they could hear the Canadian concerns directly and raise them with their colleagues. We were told that the Minister of the Environment refused to speak to them. He said that this issue was not on his list of priorities. He was more concerned, to use their term, with the sexy issue of acid rain. One must wonder, particularly after listening to the answers to questions we have asked the Minister in the House, whether there is a perception on that side of the House that there are more political or Brownie points to be made on acid rain than on the question of toxic waste pollution of our lake system.

Mr. Orlikow: He is not doing anything about acid rain.

Supply

Mr. Young: As my colleague for Winnipeg North (Mr. Orlikow) reminds me, the Minister is not doing much about acid rain either, even after the establishment of a task force of Members of the House. They made an extensive investigation into the problems of acid rain and tabled an excellent and well-documented report in the House which spells out the problem very well. However, the Minister is still incapable of taking action. I am beginning to wonder if that Minister is a political eunuch in terms of his responsibility in his portfolio.

Mr. Orlikow: And he wants to be leader.

Mr. Young: And he wants to be the leader of his Party. Good luck to them.

I should remind the House that we conducted our investigation with very limited research support. We used our own staff members who admittedly only had layman's experience on the question. However, we discovered facts that the Minister did not seem to have. When we presented these facts to his environmental officials, they accepted those facts and indicated that on their superficial examination of them they believed that we gathered information in one week that was as accurate as theirs. I am not discrediting those officials for I believe they have done a tremendous job under the circumstances.

For example, we found that in Lake Ontario alone there are 400 known, identified chemicals that simply come from industrial waste pollution. One chemical on its own, in isolation, may or may not cause a problem, but the burning question out there involves the fact that no one knows because no one has studied it. No one knows what effect the combination of any of those 400 chemicals will have on one another. We all know that one chemical on its own may be a stable element, but we do not know what happens when different chemicals combine.

• (1520)

No one has ever done any study on that subject, and I think it should be done for a number of reasons. First, it is the Minister's responsibility to ensure that that drinking water is safe for the people who consume it; second, it is necessary in order to satisfy the concerns which have been expressed by people in Ontario and by politicians in the House on their behalf.

There is absolutely no question but that these problems are very real and they exist. I mentioned the Minister's officials earlier on and said that I did not want to criticize them because I think they do a good job under the circumstances. I want to tell Hon. Members that when Hooker Chemicals was before the U.S. court concerning the American Government's attempt to force it to clean up its act, our Government would not even intervene before the court. One of the Minister's top officials was forced to take his vacation time in order to give expert testimony in the U.S. court about what was happening to Lake Ontario. That is what a conscientious public employee whose boss would not even allow him to go in the name of the Department had to do. I think that is shameful on the part of the Minister and it is a damn disgrace on the part of the Government, especially when one considers some of the expert testimony which was given to us.

For example, Dr. Berkes, Professor of Urban and Environmental Studies at Brock University, told us this in St. Catharines:

> The Environmental Baseline Study of the Niagara River issued in 1980, concluded that water taken from Niagara-on-the-Lake, Niagara Falls and Fort Erie met "federal and provincial criteria for acceptable drinking water".
>
> The report does not add that drinking water quality in these waters was within guidelines only because there are no guidelines for a vast number of potentially hazardous chemical substances.
>
> Assurances that drinking water meet Government standards are misleading and irresponsible.

Again, in terms of the attempted put-down concerning people who are asking questions about this serious matter and are referred to as being "NIMBY" or persons afflicted with the NIMBY syndrome, Professor Farka, Professor of Man-Environmental Studies at the University of Waterloo, stated the following in a brief he presented to our task force:

> In fact, the situation is quite different. The factual situation is that the major industrial liquid waste proposals made in Ontario to-date have been inadequate and incomplete on technical grounds. Thus it is no wonder that they have been rejected on a combination of technical, social, political, and environmental grounds. Those who use the NIMBY Syndrome for the failure of these proposals are in fact using NIMBY as a scapegoat to cover the inadequacies of these proposals.

During the course of one week we talked to residents who have been voicing their concern over the last several years about what is happening in the Niagara River. We attended public meetings and went to these people's homes, speaking to them individually. I want to ensure the House that those individuals to whom we spoke were expressing a common concern. Some of them were rather fearful that they would have to raise their children in that particular community because of the unanswered questions concerning the safety of the drinking water supply, and that fear was not alarmist, it was very real. I am sure that if the Hon. Member for Niagara Falls (Mr. MacBain) rises to speak in the debate, he can confirm that these are extremely rational, sane people. The arguments they presented to us were, for the most part, not emotional; they were very reasoned and well thought out. They had done their own research and had listened to people from the scientific community. This experience extremely impressed myself and my colleagues on that particular committee.

I will repeat what I said during Question Period, and I meant it sincerely. The Minister responsible for this particular Department should do no less than accept his full responsibility to the Canadian people and to this House. He should insist upon a meeting between himself and the Governor of New York State, and should sit down and rationally discuss this question and come to some form of an agreement to clean this situation up for the safety of all Canadians.

Mr. Ethier: Mr. Speaker, I would like to draw your attention to a correction which should be made. Perhaps the Hon. Member for Beaches (Mr. Young) would like to correct his statement. He said the Minister said that there was no dioxin

leaching into the river. I think it was the Department which discovered that dioxin was leaching into the river and made it public. I think that accusation was wrong and the Hon. Member should correct it. He should not leave the impression that the Minister said that. In fact, what he did say was that Environment Canada was the Department which discovered that dioxin was leaching into the river and made it public. Therefore, I would invite the Hon. Member to correct his statement.

Mr. Young: Mr. Speaker, perhaps the Hon. Member asking the question may wish to correct his particular question, because it was not the Canadian Department of the Environment which discovered dioxin in Lake Ontario. It was the Environmental Protection Agency, in 1976, I believe.

Mr. Fulton: It was in 1973.

Mr. Young: The Hon. Member for Skeena advises me that it was 1973. I am quite willing to check *Hansard*, but the Minister gave me a response to a question concerning the presence of dioxin in Lake Ontario and some fish species, and he minimized the source of dioxin. I am going by recollection here. I could be proven wrong and will stand corrected if I am, but I believe he said that one could get as much dioxin from cigarette smoke or car exhaust, or some such thing.

[*Translation*]

Hon. Bill Jarvis (Perth): Mr. Speaker, first of all, I want to say that in my opinion, the Minister should be present in the House for this debate. I know he was in the House this morning, but he left right after question period. Of course, I am pleased to see the Parliamentary Secretary to the Minister of the Environment (Mr. Ethier), but since we seldom have an opportunity to discuss environmental matters in the House, I think the Minister should be here.

[*English*]

I am delighted that the matter was brought before the House. I compliment the Hon. Member for so doing. I have serious reservations about some of the things that he said, and I am not sure that I appreciate the style in which he made his presentation.

Mr. Young: Me?

Mr. Jarvis: No, I am referring to the Hon. Member for Skeena (Mr. Fulton).

Mr. Young: Good.

Mr. Jarvis: I claim some understanding of the frustrations, having been the spokesman for our Party on matters of environment for two or three years. It is a very frustrating experience because one is so seldom able to get the matter on the floor of the House. One sees the Government moving very slowly or not at all. One is exposed to all kinds of citizen pressure, both from individuals and groups. I understand all of those frustrations and I compliment him for bringing the matter before us.

At this stage in the debate, I doubt that the issue needs any definition, but that will not deter me. I think other Hon. Members will have shared with me the experience of the *Time* magazine cover story of September, 1980, about two and a half years ago. It was a very compelling story. If it helps to define that which they say may not need defining, I wish to quote from it. It is entitled "The Poisoning of America". I will quote briefly from the opening paragraph as follows:

• (1530)

> Of all of man's interventions in the natural order, none is accelerating quite so alarmingly as the creation of chemical compounds. Through their genius, modern alchemists brew as many as 1,000 new concoctions each year in the U.S. alone. At last count, nearly 50,000 chemicals were on the market. Many have been an undeniable boon to mankind, mitigating pain and disease, prolonging life for millions and expanding the economy in myriad ways by stimulating the creation of new products. There is, however, a price to pay for an industrial society that has come to rely so heavily on chemicals: almost 35,000 of those used in the U.S. are classified by the federal Environmental Protection Agency (EPA) as being either definitely or potentially hazardous to human health.

Therefore we, as part of the North American continent, have these very obvious and dramatic problems. First, in some cases there is our inability to even identify the chemical and its toxic nature. Second, we are unable to control the introduction of these chemicals into the environment. Third, we are unable to determine how long the toxicity lasts or how pervasive these chemicals are in terms of their toxicity. Part of the problem is this enormous uncertainty.

One thing is certain. We in North America have on our hands an extraordinarily complex problem, one which will cost enormous sums, not only to clean up now but to control in the future. The dramatic example, of course, has been in the Niagara Peninsula. Much of the debate today has centred on that. The Hon. Member for Skeena (Mr. Fulton) used much of his allotted time to deal with that issue. As I understood it, his proposition was that the present administration in the United States has caved in to business interests. He may be right. I have nothing to substantiate that. He obviously feels very strongly, and he may be correct. It may even go beyond that. It has been the unhappy and maybe the necessary experience of many of us that in times of economic stress, Government expenditure in certain areas, one of which is the environment, is often the first casualty.

Therefore, I am not prepared to admit to the argument advanced by the Hon. Member that the total fault lies with big business. Part of the problem may be simply the economic recession we are now in. Whatever the cause of the failure of the United States to fulfil what I believe to be its obligations under the Canada-U.S. Great Lakes Water Quality Agreement, we do have this problem.

In my view, the Canada-U.S. Great Lakes Water Quality Agreement has been breached. I put this to the Minister following his intervention in the debate. The agreement called, first, for a projected rate of clean-up and, second, for the commitment of funds to accomplish the clean-up at that projected rate. I do not believe that either of those conditions have been met, either the rate of clean-up or the funds to accomplish this.

The Minister said that the situation is improving. When I had an opportunity to question him, I put to him that I very much doubt that that is the yardstick by which we should judge our performance. In my view, the yardstick is whether that water quality agreement has been fulfilled in terms of its time performance and its funding to accomplish the time performance.

Were I as a Minister to judge the performance, I would do it on the basis of that agreement and not on the fact that on a certain date certain chemicals had less presence in the Great Lakes than last year, the year before or ten years ago. There is a very clear document by which we can judge our performance and that of our southern neighbours.

Incidentally, in other areas the situation is not improving. As I say, we focused on the Great Lakes. There are other areas. I think of acid rain. I have been the very fortunate owner of a log cabin on a Northern Ontario lake which is springfed. When I go to that cabin now, I am presented with a booklet which says how much fish out of this lake I can eat. I am not threatened. I never catch fish that big, which is an admission of my frailties as a fisherman.

Mr. Baker (Nepean-Carleton): Or the judgment of the fish.

Mr. Jarvis: Or the judgment of the fish, as my hon. friend points out. To receive a booklet which states how many pickerel I can eat in a certain period of a certain size and to come to the dock and see a great, big, black, red and white sign erected by either the Department of the Environment or the Department of Fisheries and Oceans, portrays dramatically and graphically how much fish I or a visiting American tourist can eat.

That has some rather serious economic consequences. If I were an American tourist visiting Northern Ontario for the first time with my wife and young children to see nature because in my country it had been devastated, I am not sure that I would be content and peaceful having my family spend their holiday period at a lake which is posted like that.

That lake is 100 miles away from Sudbury. Whether that is the cause, I do not know. I am not saying it is the big business interests in Sudbury that are causing me concern about a lake that I have loved and cherished for almost 30 years. I do not know. However, when the Minister, all of a sudden, says that things are improving, I say to him that they are sure not improving in some places. They sure are not improving in many lakes in Northern Ontario.

I understand the focus on the Niagara Peninsula. My family were fruit farmers in Grimsby. The Niagara Peninsula is my heritage. I know it and love it. I can understand the focus that has to be on it, but may I say it goes beyond that.

With respect to our relationship with the United States Government, State governments and agencies, the Minister has had the luxury of an economic recession. Were we not in the stress economically in which we find ourselves, I do not believe that any Minister or Government would get away with what has happened in the last two years in the Niagara Peninsula. People are so preoccupied with other issues, so very concerned about economic issues that the by-product has been little or no public attention focused on the environmental issues, specifically those in the Niagara Peninsula. The Hon. Member for Skeena quoted some headlines. I will do the same as follows:

Chemicals pour into river;

Curbs fail; river called a "sewer";

Niagara River health threat serious;

Pollution de la Niagara: "un désastre national";

TNT found in pipelines at hazardous waste site;

Deadly chemical is found in Lake Ontario gull eggs;

U.S., Canada ponder warning public off fish caught in Lake Ontario;

Leakage turns water into "toxic brew".

Every provincial or federal Minister of the Environment is always concerned with alarmist headlines in newspapers. I guess you can be concerned, but there is nothing you can do about it. You will get that kind of headline.

If we were not in the situation we are in today where people are so concerned about other matters, no Government and no Minister of the Environment, federal or provincial, could stand up in the face of that kind of headline. He would have the citizens of this country screaming at him. The Government has not been forceful in pursuing its economic aims, if indeed those aims have been well defined. There are all kinds of examples.

I remember very well, and I am glad he is here, the Hon. Member for Niagara Falls (Mr. MacBain) sitting opposite receiving a telegram from the Prime Minister (Mr. Trudeau) in 1980. I will not get into that at any length, but it was the subject matter of some headlines. I very much question whether what I interpreted to be a strong commitment contained in that telegram during an election campaign was fulfilled. The endless delay in appointing the representative to the IJC is another example of what I firmly believe is the Government's lack of diligence in pursuing the best interests of our fellow Canadians.

• (1540)

The Hon. Member for Skeena made, what I guess could best be called, a very strident presentation, and I hope that the stridency with which he advanced his arguments will not deter the Minister from taking from those arguments at least one very good idea. The Hon. Member for Skeena, as I understood him, said that the backbenchers, both in the Opposition and the Government, had a potential role to play. I am not sure that I want to be among 100 Members of Parliament marching on Washington. I am not sure that is a tactic which would be the most effective, but the idea of the Opposition Members and the Government backbenchers participating in a meaningful dialogue with our United States counterparts is excellent. I will support it. Just do not ask me to march with a placard with 99 others up Pennsylvania Avenue. That is not a style with which I would be very comfortable. But the basic idea is good.

There is, for good reason and not so good reason, a natural tendency for Ministers to reject the intervention of both their own backbenchers and Opposition Members in pursuing Government policy. I do not know why that is. I can speak, of

course, from the vast experience of some seven months as a Minister, but I suppose the pressures of Cabinet meetings, speeches and committees, added to the burden of having to deal with the Hon. Member for Skeena's 100 MPs going to Washington, is just too much for any Minister, but I would hope that this Minister, if he is serious about conveying our message to the U.S., would take up the idea. I do not believe the Hon. Member for Skeena claims any patent rights to it because I believe the Hon. Member for Welland (Mr. Parent), and my colleague, the Hon. Member for Erie (Mr. Fretz), mentioned the participation of MPs. I think that could be a very worth-while exercise. I do not believe we have to leave it to the Canada-U.S. Parliamentary Association, or even necessarily that Standing Committee of the House which is dealing with it, but I would urge the Parliamentary Secretary, through the Minister, to think about that idea because it has been supported by all Members of the House.

I would like to deal now with a broader issue because it has been raised as well, that is, the hazardous waste problem. That matter was raised very well, I believe, by the Hon. Member for Welland. He was, I believe, quoting from a publication from Environment Canada in 1981 entitled, "The Hazardous Waste Problem. Let's find some common ground". The publication covers such matters as, what are hazardous wastes; where do they come from; why they are such a big problem; the environmental and health considerations; the large volume of them; the limited number of treatment and disposal facilities; the fact that there is no magical solution; the technology. It even goes on to deal with the Danish example, and the Hon. Member dealt with that at some length in his remarks. As I read this whole document, I think the bottom line is that our main problem, despite some problems in technology, is the political problem. I will just quote from page 7 of that Departmental publication which reads:

—the technology for treatment of hazardous wastes is immediately available. The difficult issue is to decide where the treatment facilities should be located and where the end products of the treatment process are to be deposited, presumably in chemical landfill sites.

The solution to the problems of location will involve some public debate and compromise.

We talk about the the NIMBY syndrome, "not in my back yard". Nobody wants a hazardous waste deposit site in his back yard. Were it to come into Perth County, I would be the first on my feet on a point of order, in Question Period, during proceedings under Standing Order 21, the "Late Show", and everything else. We would all react the same. And if we think that we are going to package this waste and take it up to the Arctic; we are not. First of all, it is not practical. And my hon. colleague, the Hon. Member for Western Arctic (Mr. Nickerson) does not want it up there any more than I want it in Perth County. We all feel that way.

The Department in this document has identified this problem, and it is politicial. I do not know how practical this idea is, I have not thought it all the way through, but we should look at the example in the Danish community of Nyborg. The Kommunekemi facilities, at Nyborg, this international model, this demonstration for the world in terms of technology, is located in close proximity to a number of facilities, including a residential area. I think there is a recreational facility close by, and so on. In any event, I suppose it is not much different a community than many communities in my riding or any other Member's riding which is in a rural or semi-urban area.

Because nobody wants this waste, why not take the lead as a federal Government and say to any number of communities, "We propose to put a hazardous waste disposal site somewhere. It will be a model for high technology. It will bring substantial capital investment, and high skilled people, well paid, into your community. It will become, hopefully, a model for other Canadian communities and for other countries in the world"? In other words, instead of saying, "We are going to dump some hazardous waste on you", let us say to any number of communities which are interested, "We are seeking a site for a model high technology waste disposal site, and the communities which are interested, whether in the Niagara Peninsula, Southwestern Ontario, or Sarnia, or wherever, can send representatives to Denmark to see what it means to the economy of that country in terms of payroll and jobs and the visitors that it attracts." Even the Government of Canada in its own publication is touting Nyborg, Denmark. What is wrong with that idea, Mr. Speaker? I have no idea if any communities would react, but it seems to me that if we are faced with the seriousness which the Department says we are faced with, this NIMBY syndrome, something has to happen; either that, or we are going to dump it on somebody. I do not want it in my riding and I do not want to see it forced on any of my colleagues. But what is wrong with trying my suggestion? We are all interested in high tech. We want to get on the high technology bandwagon. That is the sign of the future.

I do not know whether I have been constructive. I would like to make two points in summation. First, I think the Minister should pick up on the participation of backbenchers and Opposition Members in terms of our relationship with the U.S. on this problem. Second, I hope we can take some positive steps with respect to the hazardous waste disposal problem by encouraging communities to investigate the viability and the advantages of being a model for such an installation in Canada.

Mr. Blaikie: Mr. Speaker, I have a question for the Hon. Member who just spoke. I would like to put to him what I think is a difficult question for all of us, but particularly for the Hon. Member and his colleagues in light of the difficulties which have already been well expressed, with respect to cleaning up what hazardous waste we have and creating a society in which we have the facilities to dispose of the hazardous waste which will be created in the future so that, hopefully, we will have a society in which we will create less hazardous waste which has to be dealt with.

We are in a recession, but even if we were not in a recession, there would be the difficult problem of how to reconcile a vision of the economy, which I believe the Hon. Member and his Party are known to have, which relies on the profitability of certain enterprises as the reason for their existence, and at the same time have a society in which shortcuts are not taken and

in which all the technology which can be developed will be developed and will be used to protect society from hazardous waste. How can you expect to get that kind of responsibility when at the same time you regard the profit motive as the engine of the economy? I say in all seriousness that there is a very difficult question there for anyone who wants to come to terms with this, but particularly for those who hold high the profit motive as the reason for people being in business, in manufacturing or engaged in these activities which create that waste in the first place and who so often in the past have not felt any responsibility for it.

• (1550)

Mr. Jarvis: I suppose I can answer that in two ways. That of which I stand accused by the Hon. Member is quite true. The accusation is quite accurate and I plead guilty to it, if I have to. I believe, though, were I to show the private sector the potential profitability of being in the waste disposal business, then I think I would have a very positive response from the private sector. I am not sure whether the Hon. Member is asking me about the polluters or those dealing with the result, but I have answered the second part. If he is talking about the polluters, I have to go a long way back to when I was environment critic, and I do not claim an immediate expertise but I found, in several instances, part of the problem was that the private sector that stood accused of polluting did not know what the rules were because they were changing so dramatically. *Time* Magazine points out very well how fast things were moving. A polluter did not even know he was polluting until all of a sudden, someone said there is a toxicity factor in the particular chemical which he had been disposing of in a barrel on an ordinary municipal site. That has happened many times.

The second thing that happened was the multitude of various Government levels, often with different regulations, with which the business person was dealing. I found that if an industry, for example, was made aware of the problem, it was conclusive that this damage was being done, and given a reasonable time in which to correct it, and even given tax incentives—as the Hon. Member knows, we have given I think rather liberal tax incentives for some pollution control equipment—that industry has normally responded reasonably well. I hesitate to accuse the Member of dealing too dramatically in absolutes, but I am afraid I am going to have to. It is much easier, in dealing with the environment, to say it is either black or white. I know that, I have been there and dealt with groups for whom I have had a profound respect. But I do not think it is that simple.

I am sure I have not satisfied the Hon. Member. Likely that is because of my lack of experience and knowledge in the area. But in recalling those days in 1976 to 1978 when I was dealing with this, I was beginning to feel a little bit better about the private sector's response to this issue.

Mr. Blaikie: Mr. Speaker, I am interested in the notion the Hon. Member has of interesting the private sector in regarding waste disposal as profitable. I am wondering who will pay. Who will make it profitable for the private sector to become involved in that kind of enterprise? My worry is that the only way it can become profitable for the private sector is for someone to pay them to do that. The only people I can imagine doing that are the public. What I find wrong with that, or regrettable at the very least, because I want to see things cleaned up and at some point I may not care how it gets cleaned up, is the public will then be paying the cost of what all along should have been borne by the private sector. This is especially so in those cases, and I think you would have to admit that there are many cases of people knowing about the pollution but stalling and hiring lawyers to keep the thing going.

So I agree with the Hon. Member that there have been companies caught legitimately unawares, but there are also plenty of them who just kept things going in order to sell, as Reid sold to Great Lakes Paper after they polluted the English Wabagoon River system. So who is going to pay for it? If it is the public, is it not regrettable that after all this time the public has to pick up those costs? It is only the public that can pick up those costs because, although they are privately caused, they have to be publicly addressed.

Mr. Jarvis: I am afraid I have to disagree that the public inevitably is going to pay. I am not the greatest forecaster in the world; I am the one who said that Nixon was innocent as they dragged him kicking and screaming from the White House. That shows you what kind of a forecaster I am. I just could not believe that anyone could be that stupid.

Mr. Blaikie: I thought you were being a bit naive.

Mr. Jarvis: Maybe it is my exposure to the Party to my left which has created that naivete, I do not know. No, I would envisage a future wherein by Government law or regulation, a Hooker chemical or any chemical producer, would have to dispose of their waste in a certain way. Therefore, in my philosophy, a market is created by Government regulation for the private sector because the chemical producer must then deal with someone in the private sector whose business it is to dispose of waste.

Now perhaps the Hon. Member can make the connection that the public is paying for that, but in my view that is one of the best forms of the functions of the private sector. The market is created by Government regulation. We do it every day; we make a fortune for accountants and lawyers in this House, and I do not know why we do not give the people who want to deal in waste disposal a bite at the apple. They are part of the private sector.

Mr. Al MacBain (Niagara Falls): Mr. Speaker, Hon. Members will be familiar with the proximity of the problem to my riding of Niagara Falls and will sympathize because of that fact. I was pleased to listen to the debate this afternoon and find a remarkable absence of hot rhetoric and cheap partisan remarks, and I appreciate that. I can say to Members opposite from both Parties that the people from my riding and others in the area appreciate the serious concerns expressed here this afternoon. To those people in Niagara Falls and the

millions who border on the Niagara River and the Great Lakes Basin, the matter is extremely serious. It is more serious than perhaps anything else affecting the residents of that area.

With respect to one matter raised by the Hon. Member for Perth (Mr. Jarvis), I would like to mention, as you are probably aware, Mr. Speaker—and I know the Hon. Member for Beaches (Mr. Young) and others are aware of it—that there is a complete breakdown of the pollution control plant in Niagara Falls, New York, and chemicals and municipal waste are going untreated into the Niagara River. As a matter of interest, the House should be aware of the fact that we have a commitment—I will not say an ironclad commitment—from the powers that be on the other side of the river, that by the fall of 1984 the serious defect in the pollution control plant in Niagara Falls, New York, will be rectified. I hope that the Minister of the Environment (Mr. Roberts) will keep pressure on the authorities across the river and see that the commitment is fulfilled.

• (1600)

When the new plant, as rectified, is in operation the authorities across the river intend to see to it that the hazardous chemicals will be removed at the point of discharge into the sewers by the users of water which carry the pollutants and not at the pollution control plant. That would answer, in part, a move that has apparently taken place in the United States and with which I agree. It is a partial answer to the question put by the Hon. Member for Perth. I would be interested in hearing whether the Hon. Member for Beaches agrees that the chemicals should be removed at the point of discharge rather than attempting to control pollution at the plant.

The Hon. Member for Perth accepted the suggestion of the Members of the New Democratic Party who spoke that the Minister of the Environment should look to backbenchers for support in his fight against pollution. That makes a lot of sense to me and I agree with the suggestion. He also suggested that hazardous chemical treatment was very closely connected with the chemical pollution of our waterways, and I do not question the relevancy of that.

The Hon. Member for Perth also referred to what he considered to be an undue delay, and what I know to be a serious delay, in the appointment of the co-chairman of the International Joint Commission by the Government. While I was disappointed at the delay, I am informed that the appointment of Mr. Seaborn was an excellent one, and we look for great things from him.

The Hon. Member for Perth also said that in hard times, economic problems tend to replace environmental concerns. I suppose that is correct, but it would be unfortunate if we allowed the weak economy to wield an undue influence. We cannot sit back and say that because times are bad we will let pollution continue unabated. I know that no Member of the House would suggest that. As the Member from Niagara Falls, I refuse to even consider that possibility, but I appreciate that there is such a tendency.

Earlier this afternoon we were told that the Minister of the Environment and his officials will visit the S-Area dump in the very near future. I hope that Members of Parliament who are particularly concerned with this because of their proximity to the Niagara River and Great Lakes area, will be included in the party. Regardless of anything that has been said by other Members to the contrary, I welcome the visit. I am behind anything that will bring this matter more forcefully to the attention of the Government. It is not enough that the Minister and his officials should meet with the Governor of New York and others, as has been suggested, although anything along that line could only be helpful.

The very distinguished Parliamentary Secretary to the Minister of the Environment (Mr. Ethier) is in the House this afternoon, and I hope he will get the Minister in a corner sometime soon and ask him if he is going to continue financial support for Operation Clean in Niagara-on-the-Lake in its fight with respect to the hearings on the S-Area dump. That is perhaps the largest and most hazardous chemical dump in the proximity of the Niagara River. It is only 1.5 kilometres above the pollution control plant in Niagara Falls, New York. I hope the Parliamentary Secretary will keep pressure on the Minister for financial help for the good work being done by the volunteers of Operation Clean and even for increased funding. The people of my riding would certainly appreciate that.

The Hon. Member for Perth suggested that there had been a breach of the 1978 Great Lakes Water Quality Agreement, and that is a very serious allegation. Sometimes I am as concerned as he is that there has been such a breach, and I think the question must be addressed by the Government. If there has been a breach and no remedial action is taken within a reasonable time, then I think we must enforce those portions of the agreement which give redress to Canada.

I have addressed the excellent speeches I heard this afternoon, Mr. Speaker. The subject concerns me primarily as one interested in the Niagara River and the Great Lakes Basin because of the proximity of my riding. I should like to return to my prepared notes now with regard to a more specific area of concern in the Niagara River.

We would be remiss in not recounting our considerable efforts in successfully combating accelerated eutrophication of the Lower Great Lakes—Lake Erie and Lake Ontario. You will recall that in the late sixties, headlines were rampant with the spectre of a dying Lake Erie. Widespread complaints from the good people of the Lower Great Lakes Basin decried the fouling of clean beaches with smelly deposits of algae. Cities and towns complained of malodorous drinking water. Schools of dead fish, choked by the lack of precious dissolved oxygen, cluttered our shoreline, leaving in the putrid waters coarse species of fish. Sport fishing, a national pastime in Canada, an important economic activity in the Great Lakes valued today at some $500 million was threatened. There has been some improvement, and I am thankful that those in authority did not give in. That is not to suggest that the problem has been resolved.

Tabling of Documents

Clearly, the lakes were suffering. In response, the Government, in concert with the U.S. Government, requested the International Joint Commission, in 1964, to undertake a scientific investigation to determine the root cause of these problems. The study clearly defined the cause. Untreated and partially treated sewage contains large amounts of phosphorus.

The Acting Speaker (Mr. Blaker): The Hon. Parliamentary Secretary to the Minister of Energy, Mines and Resources is rising on a point of order.

Mr. Dave Dingwall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I apologize for interrupting the speech of the Hon. Member but I wish to seek the unanimous consent of the House to table a document. Prior to that, you ought to know, Mr. Speaker, that I have had discussions with the Hon. Member for Nepean-Carleton (Mr. Baker), the energy critic for the New Democratic Party and the House leader and they all agreed that they would give unanimous consent.

Mr. Baker (Nepean-Carleton): That is true, Mr. Speaker. We are prepared to give our consent to the tabling of the document.

Mr. Skelly: Agreed.

The Acting Speaker (Mr. Blaker): The Parliamentary Secretary seeks unanimous consent to revert to Tabling of Documents for the purpose of tabling a document related to Energy, Mines and Resources. Is there unanimous consent?

Some Hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

NATIONAL ENERGY BOARD

TABLING OF REPORT, GAS EXPORT OMNIBUS HEARING, 1982

Mr. Dave Dingwall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, pursuant to Standing Order 46(2), I would like to table in both official languages the National Energy Board Report dealing with Phases II and III of the Gas Export Omnibus Hearing, 1982.

The Acting Speaker (Mr. Blaker): Presumably the House is prepared to revert to debate on the motion of the New Democratic Party now before the House?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—PROTECTION OF THE ENVIRONMENT

The House resumed consideration of the motion of Mr. Fulton:

That this House condemns the government for its failure to adequately protect the Canadian environment from toxic and hazardous waste and for its subservience to the vested interests of the chemical and industrial waste producers and, in particular, for its failure to expedite the clean-up of the Great Lakes.

Mr. Al MacBain (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): When I was interrupted, Mr. Speaker, I was referring to the problem of phosphorus in the Great Lakes Basin and the tributaries that flow into it. Phosphorus was identified as the key nutrient element which spawned the growth of nuisance algae. These algae bloomed in the summer and then sank to the lake bottoms or washed up on our shorelines. As it rotted it used up the precious store of dissolved oxygen critical to the support of aquatic life. Also as it rotted it released some more phosphorous into the lakes which further exacerbated the problem. The problem was so severe that in the late summer large portions of the bottom waters were totally devoid of dissolved oxygen.

• (1610)

Studies undertaken by Canadian and American scientists had determined that the reduction of phosphorous was the key factor in stemming this uncontrolled growth cycle known as an accelerated state of eutrophication.

In signing the 1972 Canada-U.S. agreement, immediate phosphorous control was a primary objective, and Canada proceeded to take the following actions. First, Canada pressed for and gained agreement with the United States to set phosphorous target levels for Lake Erie and Lake Ontario. To achieve these lower levels, the countries then agreed on an equitable reduction of phosphorous inputs.

The Canadian strategy was twofold. We would remove phosphorous from municipal sewage treatment plants and limit phosphorous contents in household laundry detergents. In 1970 and 1973 phosphorous content in laundry detergents was limited to 5 per cent and 2.2 per cent respectively under the federal Canada Water Act. Canada and Ontario undertook a successful $6 million research and development effort from 1972 to 1976 to build phosphorous removal facilities in sewage treatment plants. As a result of this effort and the accelerated funding for the construction of sewage treatment plants, all plants with a capacity greater than one million gallons per day discharging directly into the lakes were provided with phosphorous removal facilities. This was accomplished co-operatively with the Province of Ontario.

We must remember that phosphorous control on the Canadian side was only achieved because of a massive effort in building and updating sewage treatment plants at the estimated cost of $1.3 billion by all levels of Government in Canada.

By comparison, the United States has spent some $7 billion, which we would expect, given their greater population of the Great Lakes Basin. This huge investment of resources under the 1972 agreement has paid off in concrete results. These are, one, in 1972 an estimated 80 per cent of the sewer population in the Canadian portion of the Great Lakes Basin was served by sewage treatment facilities adequate to meet the water quality objectives of the agreement, including phosphorous removal. Today this figure has increased to 99 per cent.

Statistically, significant decreases in total phosphorous levels in localized areas of Lake Ontario have been achieved since 1972. Springtime concentrations along most of the north shore have dropped an average of 12 per cent. In a 20 mile stretch in the Toronto area, the decline is estimated to be 35 per cent. The decrease in chlorophyll, a measure of algae growth, in Lake Ontario has resulted in cleaner water and better swimming conditions.

In 1977, Canada essentially met the target set for phosphorous discharges from municipal waste treatment plants on Lake Erie.

Decline in phosphorous concentrations has been noted in the nearshore of the western basin of Lake Erie and at the mouth of the Detroit River. Chloride and iron concentrations, plus suspended and dissolved solids loads, are also decreasing in the river.

The average total phosphorous concentrations along the south Indiana shoreline of Lake Michigan have declined to levels comparable to those of the open lake.

Studies have provided a basis for determining the magnitude and sources of contamination to the lakes from land use activities. Recommendations of the International Joint Commission as to the remedial programs appropriate to addressing these problems are pending now.

Under the 1978 Canada and United States agreement, the parties capitalized on increased knowledge of phosphorous pollution. Further measures were instituted in the new agreement to control phosphorous from non-point sources and atmospheric deposition of phosphorous. At present this Government is finalizing a supplemental annex to the 1978 agreement with the United States which calls for controls of phosphorous from urban and agricultural runoff. These new requirements, which will be presented to Cabinet shortly, will call for a further reduction of 2,000 tons in the Lake Erie Basin and approximately 1,200 tons in the Lake Ontario Basin. The achievement of these reductions will be pursued in the most cost effective manner. Happily, the upper lakes are not threatened by eutrophication at this time due to low concentrations of population living around them. We are, however, mindful of the necessity to maintain their quality; therefore target loads have been developed for Lake Huron and Lake Superior and are currently being finalized by both parties.

The efforts that this Government has successfully put forward in combatting eutrophication is no small accomplishment. Lake Erie is alive and mending. The prognosis for Lake Ontario is also good as far as eutrophication is concerned. While our attention has been rightly diverted to the problem of toxic chemical contamination, it is good to know that we have met the challenge with regard to phosphorous control.

I said at the beginning that my riding was particularly concerned about pollution in the Niagara River and the Great Lakes Basin. I see the Hon. Minister of the Environment is back in the House, and perhaps I can remind him directly that I do hope he will continue his financial support of Operation Clean, which is a voluntary organization in Niagara-on-the-Lake, which is also in my riding. Hopefully, notwithstanding the present restraint program in Ottawa, additional financial support will be found for Operation Clean, because they are the ones at the moment who are in the fight at the S-dump hearings. Any support, financial and otherwise, that can be given to Operation Clean by the Government of Canada will be appreciated by myself and by all Members of this House who are genuinely interested in controlling pollution in the Niagara River and the Great Lakes Basin.

The Acting Speaker (Mr. Blaker): The Chair is looking for Hon. Members who may wish to enter into the ten minute period of exchange and comment and question, and obviously I will recognize those Hon. Members or Ministers in relation to that.

So that the matter is clear, following that, whatever time it may take, the Chair will recognize the Hon. Member for Nepean-Carleton (Mr. Baker) for the purpose of entering into the debate.

Mr. Roberts: Mr. Speaker, in view of the comments addressed to me by the Hon. Member at the end of his speech, I think I should say to him, or perhaps I should pose it in the form of a question: is he aware that within the last few days, I believe, a letter has been sent, but certainly the decision has been taken, to provide additional support for Operation Clean exactly because we are concerned that they be supported in their efforts in relation to the S-dump fight in the United States? If he is not aware of that perhaps I can indicate to him that that decision has been taken because of the concerns expressed by the group and because of the concerns expressed, I have to say, by their Member of Parliament.

Mr. Fulton: Mr. Speaker, I have a very brief question for the Hon. Member for Niagara Falls (Mr. MacBain). I know he represents the constituency where the real centre of this debate is. I just wonder if he would undertake, with some of his colleagues and also with the Minister, to try to unfreeze the funds that have been earmarked for Environment Canada's work on toxic chemicals. They have been frozen by Treasury Board; that sum is about $2.5 million, and I wonder if he would undertake to try to see that those funds are unfrozen as soon as possible.

Mr. MacBain: Mr. Speaker, with respect to the statement by the Minister of the Environment, I must say I have not been

in my riding for almost a week and I did not have the information that he placed before the House, but I appreciate very much receiving the information.

With respect to the frozen $2.5 million, I can only say that the Minister himself is in the House at the moment and of course is much more powerful in these matters than a Parliamentary Secretary, but I will give as much support as I can when I have reviewed the matter.

• (1620)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Blaker): Order, please. It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Algoma (Mr. Foster)—Agriculture—Request for assistance for beef industry; The Hon. Member for Trinity (Miss Nicholson)—Privacy—Misuse of personal information stored in computers; and the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly)—Unemployment Insurance—Suggested school attendance for recipients.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—PROTECTION OF THE ENVIRONMENT

The House resumed consideration of the Motion of Mr. Fulton:

That this House condemns the Government for its failure to adequately protect the Canadian environment from toxic and hazardous waste and for its subservience to the vested interests of the chemical and industrial waste producers and, in particular, for its failure to expedite the clean-up of the Great Lakes.

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, I am pleased to enter this debate and to follow my friend, the Hon. Member for Niagara Falls (Mr. MacBain). I listened with great interest to what he had to say concerning the dreadful problem that we in this part of Ontario only read about rather than live in the midst of and experience. I am certain there is a great deal of worry and concern in the Niagara Falls area.

Let me preface my next remarks by saying that I am pleased the Minister of the Environment (Mr. Roberts) rose and indicated that some further funding would be available to the group dealing with the S-dump hearing called "Operation Clean." He anticipated what I was going to say. Sometimes Ministers in these times of restraint look for support for worthwhile undertakings from other Parties in the House of Commons. I happen to represent, at least today, another Party in the House of Commons, and had he not said that, I would have indicated my support for him. Nevertheless, I want the Minister and my hon. friend from Niagara Falls to know they have my support.

I think it is very important that we should not lose sight, even in a period of restraint, of the importance of the priority with respect to the environment and what it can do for us in terms of the quality of life in our country.

I am certain that groups in Niagara Falls who have been working on the matter must be very pleased. I am sure the Hon. Member for Niagara Falls is also very pleased.

I hope I am not being unkind to our friends in the United States by saying that I suppose what has happened to the pollution control plant that will not be put back in place in Niagara Falls, New York, until 1984, is something being repeated again and again in various parts of the United States because of the policy of the United States Government with respect to its priorities. I do not think we should necessarily criticize a Government of another country for a particular policy, but we should never allow that Government to be unmindful of the danger that we, as their neighbours to the north, regard that kind of breakdown and change in a relationship. I think that is the case. Following the State of the Union message and the results of the State Congressional elections in the United States, I suspect that, notwithstanding the fact that there are protestations to the contrary by the President of the United States that his policy has not changed, in fact, a change is coming.

There must have been a message ot the Government and the administration of the United States as a result of those elections. If I may put it in my own terms, the message was that there is something else just as important, or at least to be considered, as the balance sheet in the setting of priorities. I regard that as the message that has come as a result of some of the changes I have read and heard about recently in U.S. policy.

This reminds me of a good story told me by the Hon. Member for Qu'Appelle-Moose Mountain (Mr. Hamilton). There was a person in his riding who did not want to be seen walking into a public house or a place where alcoholic beverages are served. What he did was to walk backwards into the public house. If somebody took this person's picture it would look as if he were walking out. I have a feeling that what appears to be the United States policy of staying the course is not quite so, and that perhaps the importance of the environment and the importance of preserving the environment in the United States will now come to the fore. If the environment becomes important to American policy makers, we will be the beneficiary of some of those changes.

I regret very much what the Hon. Member for Niagara Falls said about the breach by the United States of the 1978 Great Lakes Water Quality Agreement. That is very serious for Canada. I believe its importance should be brought home

day by day in this forum and in other forums, using all the facilities we have.

I have differences of opinion with the Minister of the Environment from time to time, but I support him and I say to the House that I believe he is personally and absolutely committed to the cause of improving the environment, whether in Niagara Falls or elsewhere.

Some Hon. Members: Hear, hear!

Mr. Baker (Nepean-Carleton): I have served in a government and I know that from time to time one's own personal commitments are sometimes sublimated within the problems that governments face. I suspect that if it is seen in the House, and perhaps as it has been alleged in the House, that there has not been a great enough push with the United States and in Canada concerning environmental problems, much of that lack has to do with the priorities set by the Government as a whole.

A cabinet Minister with a government is not independent. He is subject to the eventual setting of priorities by a government as a whole, and we must remember that. However, the Minister of the Environment is absolutely committed to this issue. Those who worry in times of great trouble that we must concentrate on the bottom line and ignore every other consideration, are wrong. There are countries much more troubled economically than Canada that have taken another view.

In the United Kingdom, notwithstanding its great financial difficulties, there was work done at great cost in the clean-up of the Thames and in energy conversion from coal. That kind of experience must have been repeated over and over again and ought to be remembered by all of us. There are no absolutes. If we take a single-minded approach to any policy, then we only damage ourselves. There has to be a balance. In the balance, all of the important elements have to be considered. Certainly one of those, in terms of industrial development, has to be the investment in the environment, which is particularly important to Canada.

How does one invest in the environment? I see nothing wrong with grants being made to corporations that employ Canadians. Grants would allow plants to convert. I see nothing wrong with that. That is being done. I see nothing wrong with our policy of research and development as we try to move to 1.5 per cent of our Gross National Product. Part of that percentage concerns pollution control in the industrial setting. I see nothing wrong with an examination of the tax system in order to determine if tax credits can be used for the purchase and installation of environmental control machinery.

• (1630)

I think we must recognize that there are a number of levels of Government in this country which should be concerned with the environment, whether in the Niagara or the St. Lawrence River area where I grew up and have my home. If there is one fault with the national life in Canada, it is that there has not been sufficient co-operation between many levels of responsible Governments. I think that Canadians have paid a price for the breakdown in federal-provincial relations. We have paid that price in the environment, in terms of unemployment and with respect to a whole host of good programs. We have wasted time and energy as a result of bickering between levels of Government.

I suggest that there is a place for Government co-operation in matters concerning the environment, as there is in many other areas. I would like to give the Minister a specific example. I discussed this with him in Brockville. The City of Brockville is situated on the banks of the St. Lawrence. I live beside that river whenever I can in the summer. I grew up there and watched it grow. No one can live beside a river like that and not have it become a part of you to appreciate. The City of Brockville, a progressive city in eastern Ontario, has decided to install a landfill site for municipal garbage on land that abuts on the river. This is a convenient site for the city since it happens to be in the township of Augusta. Therefore, it does not have to put the garbage dump in its own municipality. If this site were situated anywhere else, I believe that the federal Government would not have any jurisdiction at all. However, due to the possible leaching problems from the landfill site into the river, there is a place in that apparatus for more than just consultation. While consultation is important, if there is an environmental assessment hearing about this dump because of its involvement with the St. Lawrence, it gives the federal Government the opportunity to move in and prevent its establishment.

That was the case I wanted to raise with the Minister. I will give him more particulars, if he wishes, because it is important that we stop projects such as these before they begin. I would ask him to go to the Minister of the Environment in Ontario to discuss this issue since a river is involved.

This issue has created some problems in the area. We have had problems with the St. Lawrence and Great Lakes system in any event.

I want to deal with another area in which co-operation is important. The Minister will recall that his Department had suggested that a study be conducted to determine where a new site might be placed in the National Capital area for the disposal of toxic waste from federal Government installations. There were four or five sites set out. Unfortunately, this matter was handled improperly. The public relations for this proposal were very bad and, as a result, I should think that it has been abandoned. I believe it is right that it should be abandoned. As the Hon. Member for Perth (Mr. Jarvis) said, the approach to these matters is extremely important.

However, the problem is still there. The public servants who work in the laboratories and those who live in the surrounding communities are still subject to the improper storage of that chemical waste. I believe if this problem is to be solved it will require co-operation between the federal, provincial and municipal Governments in this part of Ontario if something is to be done here. For instance, at one time there was a proposal by the provincial Government for a central development for the purposes of the storage of those chemical wastes. I believe that is a proper approach to take. I do not see the logic of the

federal Government building one site, the provincial Government building one site, and other companies perhaps having their own sites. All levels should be involved in that area.

My final point once again concerns the United States. We live beside the United States and we have to live together. The good Lord put us on the northern half of the western hemisphere, and we have to learn to live together. I believe that as much support as possible from all sides of the House of Commons should be given to such organizations as the International Joint Commission. The Hon. Member for Niagara Falls is right. The appointment of the Canadian joint Chairman was good. If I were in a position to find someone to qualify for that position, I could find no one more qualified than the appointment that was made. I believe that we have a good combination in Mr. Seaborn and our group on the Commission being coupled with the Hon. Robert McEwen of the United States who lives on the banks of the St. Lawrence outside of Ogdensburg, New York and who feels exactly the same as I do about the importance of the Great Lakes and the St. Lawrence waterway and who is prepared to make some noise about the progress in cleaning up the environment.

I would like to suggest to the Minister that he consult with the Chairman of the Canadian section of the International Joint Commission to see if we cannot raise the consciousness of Members of the House of Commons in regard to the importance of that tributary.

I realize that the Minister wrote to various caucus groups and did not receive a great response. Perhaps the reason is that all Members of Parliament are involved. I am talking about Members of Parliament and Senators who represent constituencies contiguous to the river on the Canadian side, and Congressmen and Senators who are interested in the development and preservation of the river and lakes system on the American side. They can become familiar with and express their views on the problems facing both sides in terms of the water quality agreement, the environmental problems, as well as the financial problems on both sides.

I have found that the use of the Canadian-United States interparliamentary group has meant the exchange of ideas and the development of understanding. It is a slow process but one that ought not to be abandoned or discarded merely because it is slow. It is a good process. There will be Governments come and gone, Members of Parliament come and gone, but we can build up an expertise, an understanding and a commitment to cleaning the environment, not only with the Minister but with many Members of the House of Commons.

I have not used all my time but there are other Members who wish to speak. I feel very privileged to have taken part in this debate today, and I want to thank the Hon. Member for Skeena (Mr. Fulton) for putting this motion forward so we may deal with a subject that is quite often neglected in the House of Commons.

Mr. Denis Ethier (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I also wish to compliment the Hon. Member for Skeena (Mr. Fulton) for introducing this motion and giving us an opportunity to debate this very serious and complex problem that toxic and hazardous wastes disposal sites cause if not adequately stored or disposed of in safe and guaranteed leak-proof underground sites. This seems to be the case at the dumpsite upstream from Niagara Falls. I compliment the Member for introducing this motion.

[*Translation*]

However, that is as far as I am prepared to go in the way of compliments, and I may even be tempted to withdraw this one, having listened very carefully to the statements made by the Hon. Member for Skeena (Mr. Fulton).

[*English*]

Honestly, I have never heard so many erroneous statements and scare tactics in one single speech. Granted, an Hon. Member during his intervention may commit one or two errors in stating his case, but to carry on during his whole presentation, with false accusations and erroneous statements is not what is expected of an hon. gentleman in this House. Public debate is most welcome and healthy, but one should not use exaggeration in making one's case.

• (1640)

I want to compliment the Hon. Member for Nepean-Carleton (Mr. Baker). I think he was very positive in the suggestion which he brought forth.

The Niagara River Basin and its importance to the Canadian economy and people have been long recognized by the Government. This 37 mile-long river passes through an industrial complex of steel, petrochemical and chemical manufacturing industries which have been the economic lifeblood of this area for the past 30 years. The river itself has provided these industries with a cheap and easy source of hydroelectric power. It has been used by them, in return, as a sewer for their chemical waste.

In the early 1940s, we thought we could have it all and still use the river as a source of drinking water. The Niagara River soon became taxed beyond its limits. We began to see the gross earlier signs of pollution. Those were related to bacterial contamination and were obvious to the eyes and nose. I am speaking of oil slicks, foam, scums and persistent unpleasant odours, as well as visible discoloration of the water. These, the more obvious and crude types of pollution, were, in retrospect, relatively easy to rectify. Limits were placed on discharges of phosphorous and conventional pollutants which quickly removed these signs of pollution. However, within a very short period, more insidious types of chemical pollution began to come to life. They were not visible or easy to identify, but they were there all the same.

The discovery of dioxin by our environmental scientists was the key to the heightened awareness of the extreme danger of these chemicals in the river. In addition, the problem was compounded by the revelation that the major source of the dioxin was the many landfill sites in Niagara Falls, New York. Since dioxin was just one of the many chemicals deposited over the years on these landfill sites, the identification of the

problem and the solution became complicated beyond our expectations.

The monitoring of toxic chemicals such as dioxin through the Great Lakes Surveillance Program has led to a more intensive investigation of toxic chemical sources of the Niagara River. Dioxin is a primary example of the legacy which has fallen to us through inadequate control of toxic chemical waste in the past. There is no known source of dioxin currently coming into the Great Lakes Basin. It is the disposal of trichlorophenol waste in landfill sites created in the 1940s and the active dumping of this waste through the 50s, 60s, and up to 1974, which is the suspected cause of extremely high levels of hazardous chemicals now being found.

The first site to come to public attention was the now infamous Love Canal in Niagara Falls, New York. We all know the tragic series of events which eventually led to the full scale investigation of that site. In fact, Love Canal is only one of 215 such sites identified in the American counties of Erie and Niagara Falls. In the case of Love Canal, the Hooker Chemical and Plastics Corporation, now called Occidental Chemical Corporation, had dumped tons of toxic chemicals in a trench close to a residential neighbourhood. The first shock-waves emanating from Love Canal centred around the health of residents. Our Government quickly became aware of the possibility that chemicals from that site might be leaching into the Niagara River, thereby endangering the health of the Canadian public and environment.

Investigations on Cayuga Creek and Black Creek, which enter the Niagara River from the U.S. side, have shown great cause for concern since high levels of leachate from the Love Canal landfill site are evident in the sediment and fish from these Niagara River tributaries. We are presently investigating the extent of the contamination of these tributaries to identify all the pathways of movement of contaminants from the Love Canal into the Niagara River Basin in order to advise U.S. authorities as to what will constitute, in our opinion, an effective clean-up program.

In fact, the largest landfill site in Niagara Fall, New York, is the Hyde Park site, another Hooker site which, up until 1973, was an open lagoon containing a toxic brew which spilled down Bloody Run Creek directly into Niagara Gorge. Hyde Park landfill site is known to contain up to two and a half tons of TCDD—dioxin—alone and has been the subject of intensive investigation by the Government.

These investigations point to the movement of contaminants into the deep bedrock beneath the landfill and the leaching of toxic waste onto the face of the Niagara Gorge and into the Niagara River. This information was provided to public interest groups in Canada, which, together with their counterparts in the United States, presented oral testimony to the U.S. District Court of New York which is charged with resolving the fate of this site. At the same time, our Government was making active representations to the United States Government for a speedy and complete clean-up of this site, citing international obligations under the Boundary Waters Treaty Act of 1909 and the Great Lakes Water Quality Agreement of 1972.

I would like to point out that all actions on landfill sites on the Niagara River have occurred during the past several years. Investigation of these sites by the U.S. and Canadian authorities is still under way. It is essential that a complete information base be established before we can determine what clean-up technology would be effective and would prevent these chemicals from entering the environment in the future.

The most recent landfill site we have investigated is the S-Area site, situated just 200 yards from the bank of the Niagara River and constructed on land reclaimed from river waters some years ago. Our preliminary investigation has shown this to be the most serious direct source of contaminants moving from the landfill site into the Niagara River to date. As the Minister of the Environment (Mr. Roberts) announced on Monday, portions of landfill containing toxic waste seem to be moving directly into the river and onto Canadian territory. This is the most serious direct example of transboundary chemical pollution we have yet encountered on this river.

In order to determine whether the chemicals from this site are actually on Canadian territory, we will be conducting a further investigation in early spring. At the same time, we are intensifying our efforts to identify chemicals from the S-Area site in fish sediment and water taken from the river. The Department of National Health and Welfare will be testing drinking water on the Canadian side of the Niagara River for these chemicals.

The S-Area landfill has been the subject of intensive consultation with U.S. authorities. Several meetings between the four Governments involved have been held since the summer to present Canadian concerns over the migration of plumes of contaminants moving into and under the Niagara River and the potential hazards created by them. It is our position that the movement of contaminants is not yet well enough defined to determine what remedial technology should be used to either contain or remove the site as a source of contamination to the environment. After our study of S-Area, we will be continuing our investigation with Hooker Site 102nd Street. This particular landfill is situated directly on the bank of the Niagara River and contains toxic waste similar to that deposited in the other three landfills we have previously considered.

We have begun to negotiate with the United States with regard to the release of all confidential data pertaining to this site before the United States court. Action is actively under way. This will enable us to obtain a comprehensive understanding of the dangers of this site and its effect on the Niagara River.

• (1650)

Another major concern on the Niagara River is the continued toxic waste effluent coming from the Niagara Falls, New York, sewage treatment plant. This discharge presently provides a major loading of toxic chemical waste to the Niagara River from the chemical industries in the area. This

treatment plant, originally designed to process and remove highly contaminated chemical wastes, broke down shortly after it was inaugurated and has been in a state of disrepair for the last three years. This means that chemical waste receives only primary treatment and is contributing to the toxic chemical loading of the Niagara River. Numerous diplomatic and technical moves, including direct sampling by Canadians of the effluent from this plant, have been undertaken to press the United States for speedy and effective repairs.

I would like to emphasize that the toxic chemical pollution of the Niagara River is not a simple problem to describe, let alone solve. I have mentioned past discharges from industries which are further compounded by inadequate treatment. These vast landfills, which amount to over a quarter million tons of toxic waste, contain chemicals the identity of which we have yet to discover, and additional new chemicals produced by compounded reaction to each other.

It is a long journey down a dark and twisting path with very few guideposts along the way. Our approach has been to recognize the problem in its entirety while methodically investigating and dealing with the problems on a case-by-case basis. Our progress has been steady and sure, but the complete understanding of these problems lies in the future, as does their resolution.

The excellence of our scientists and engineers provided us with information on which to base our negotiations with the United States. We will use all methods at our disposal to continue to press Canada's case for a complete clean-up of these sources of toxic chemicals to the river.

[*Translation*]

I would now like to say just a few words about a new phenomenon—I would call it chemophobia—and I am referring to these warnings we are getting practically every week that some new chemical product is hazardous to our health. Far be it from me to criticize the public and the media for getting worried about every new crisis or new discovery that crops up, but I think there is a tendency to make things seem worse than they actually are. I would even go so far as to say that sometimes the facts are concealed to make a better story.

The Government is taking action and is trying to correct the situation. Some Hon. Members may be aware of the program that has been established under the Environmental Contaminants Act. The Department of the Environment and the Department of National Health and Welfare are responsible for evaluating and rating certain industrial chemicals. Unfortunately, not many products have been evaluated, but the Department is now extending its activities to a far greater number of chemical products and by-products. To co-ordinate and integrate all these activities, the Department of the Environment has created the Toxic Chemicals Management Centre. People working at the Centre are responsible for collecting all available data on chemical products and their effects, and for subsequently recommending appropriate action. As these people increase their knowledge of substances used in industry, the effluent content, the impact of chemical products that have already entered the environment on humans, animals, birds, fish, air, water and soil—as these people get a better picture of the general situation, they can then zero in on certain specific situations. For instance, in factories A, B and C, we have to watch out for chemical product X, or we should give factory D a warning about its disposal methods, or product X is more hazardous than we thought and its use should therefore be prohibited, and so on. Of course all this is not going to be done behind closed doors. The priorities of the Toxic Chemicals Management Program must be open, to scrutiny by industry and other interested parties and the public. That is how the Department will be able to establish a certain level of credibility. It will not necessarily eliminate our chemophobia, but it may help to make us less alarmist.

Finally, a few words about our environmental legislation as it relates to the use of chemical pollutants. The three most important statutes that are concerned with toxic chemicals are: the Environmental Contaminants Act, the Clean Air Act and sections of the Fisheries Act relating to pollution control. This legislation was entirely adequate at the time it was passed, but that is no longer the case, in view of the challenges I mentioned earlier. We must therefore prepare new legislation on environmental protection.

I shall give a few examples of various areas that require our attention. The OECD has published international guidelines on laboratory testing of new chemicals. These guidelines have now been approved and we shall therefore have to apply them. I am aware that the United States has decided to reverse its initial position and now relies on the good faith of the parties concerned with respect to product testing. I am sorry that our main trading partner made this decision, but on the other hand, I am very pleased to note that practically all other member countries in the OECD intend to make these tests compulsory. The new system has a tremendous advantage in that we will be able to obtain far more information and greater reliability.

However, the OECD program applies only to new chemicals. What about the tens of thousands of chemicals that already exist? I know that many products have been tested to some degree, and that a few have been tested quite exhaustively. However, this is only the tip of the iceberg. What are we going to do about the vast number of substances about which we know very little? We shall have to be pragmatic and set our priorities.

As soon as Parliament passes new legislation, we shall make sure that the main responsibility for testing will lie with industry. Other changes will have to be made as well. For instance, our present legislation on water pollution is aimed at protecting fish and not humans. We have to do something about this. The public wants increased protection, and we shall have to act accordingly. I firmly believe that it makes sense to have a comprehensive system for the management of toxical

chemicals. Moreover, if we want to maintain our credibility with the public, we shall have to act quickly. I am convinced that we can make chemicals work for us, and that we will succeed.

In concluding, Mr. Speaker, once more, I want to ask my hon. colleagues who are going to take part in this debate to refrain from scare tactics when the subject is environmental protection. We often get carried away in the heat of the debate in our statements about the hazards caused by certain industries, without first having checked the extent of the damage that can be caused by such pollutants or toxic chemicals.

I heard the Hon. Member for Skeena (Mr. Fulton) who put the motion and who almost scared the people who live in the Niagara Falls area out of their wits when he said that in water, dioxin was an extremely dangerous chemical. We know that. Everybody in Canada does. But to what extent—

The Acting Speaker (Mr. Corbin): Order, please. I am sorry to have to interrupt the Hon. Member, but his time has now expired, and we have now reached the stage of the debate set aside for questions.

[*English*]

The Hon. Member for Bow River (Mr. Taylor) is rising on a question?

Mr. Taylor: No, Mr. Speaker.

The Acting Speaker (Mr. Corbin): The Hon. Member for The Battlefords-Meadow Lake?

Mr. Anguish: I have no questions, Mr. Speaker. I am rising to speak.

The Acting Speaker (Mr. Corbin): I recognize the Hon. Member for The Battlefords-Meadow Lake (Mr. Anguish) for the purpose of making a speech.

Mr. Fretz: Mr. Speaker, I rise on a point of order. The Hon. Member for Bow River (Mr. Taylor) was standing to make a speech when you asked. He indicated he did not want to ask a question but was standing to make a speech.

The Acting Speaker (Mr. Corbin): I can appreciate that, but there were two Members rising. It is the duty of the Chair to inquire at the beginning of the question period if Members are rising to put questions. I proceeded to do that with the Hon. Member for Bow River (Mr. Taylor) and then the Hon. Member for The Battlefords-Meadow Lake (Mr. Anguish). In any case, it was the Chair's intention and the Chair's discretion to recognize the Hon. Member who has been given the floor to make a speech.

• (1700)

Mr. Gordon Taylor (Bow River): A point of order, Mr. Speaker.

The Acting Speaker (Mr. Corbin): The Hon. Member for Bow River is rising on the same point of order?

Mr. Taylor: I think I should make it clear, Mr. Speaker, that I checked with the Deputy Speaker before you came in and he indicated we are still following the three and one rule. Consequently, there have been only two Progressive Conservative speakers since the last New Democratic Party speaker. However, I will defer to the Hon. Member for the Battlefords-Meadow Lake (Mr. Anguish), but surely we should follow these rules, if that is the rule.

The Acting Speaker (Mr. Corbin): On that point of order, the Hon. Member for Bow River should know there is no rule. Standing Orders, and custom and practice grant to the Speaker discretion in recognizing Hon. Members. However, the comment made by the Hon. Member for Bow River is well taken by the Chair in regard to the practice of allocating time to one side of the House and then to the other and from one Party to the others. However, I checked with my predecessor in the chair before assuming my duties today and it would have been his intention, in any case, to recognize the Hon. Member for The Battlefords-Meadow Lake, in view of the fact that this is an Opposition day. The motion is presented by the New Democratic Party, and in a sense it was that Party's initiative to put the motion before the House. And it is the Chair's feeling that sufficient time should be given to Hon. Members of that Party to express their opinions. It is the Chair's intention to recognize the Hon. Member for Bow River as the next speaker in any case.

Mr. Doug Anguish (The Battlefords-Meadow Lake): Mr. Speaker, I would like to make a brief intervention in the 20 minutes I have on the NDP Opposition motion moved by the Hon. Member for Skeena (Mr. Fulton), which reads as follows:

> That this House condemns the Government for its failure to adequately protect the Canadian environment from toxic and hazardous waste and for its subservience to the vested interests of the chemical and industrial waste producers and, in particular, for its failure to expedite the clean-up of the Great Lakes.

Each year, Mr. Speaker, Canadian industries produce approximately one million tonnes of hazardous waste material, and this causes some very serious problems for our society in terms of its effect on our environment, our wildlife, and on the human beings who have to live next to some of the dump sites, or some of the illegal dumps where these hazardous waste materials have been disposed of over the years.

In the past, it was always thought that one of the best ways to protect the environment was to not supersaturate the environment with an excessive amount of pollutants and eventually nature would take care of itself. However, as chemicals have become more complex, research has become more complex and we understand the problems of hazardous waste a bit better, we find that some of the chemicals today, like dioxin in the Great Lakes, have produced some very, very serious problems. Dioxin is not biodegradable and when it is pumped into a natural system, nature itself cannot take care of the pollution which occurs. In Canada there are several dumping sites, almost all of which are totally inadequate for dumping hazardous waste. As a result, we find there has been

dumping into the Niagara River system, and into the Great Lakes. In fact, there is a great amount of dumping which ends up in the Great Lakes.

In the beginning, to be fair to those who dumped the waste many years ago, I suppose they did not know any better. They did not know what the long-term effects of some of these dumping of hazardous and toxic waste could be to our environment. But in this day and age, with our expertise and our research, we know there can be very detrimental effects upon our entire environment. We should be building effective repositories for these waste materials which are harming our society so very much.

I am very concerned about the transportation of hazardous wastes also. The problem of transporting this material through densely populated areas by rail or tanker trucks has caused some very anxious moments to people throughout recent history in Canada where there have been accidents. In fact, life and environment have become endangered. I know that the Department of Transport is looking at this problem now. They have looked at it in the past. I suggest they come up with a few more constructive ideas in terms of transportation of hazardous waste. I know, for example, that no one from the federal Government has been in very close contact with volunteer firefighters, for example, who sometimes find themselves coming into contact with hazardous material and have no knowledge of how to cope with it. I would encourage the federal Government to look at some kind of information program for the Volunteer Firefighting Association across Canada. The volunteer firefighters have to contend with these problems sometimes and they should know exactly what they are dealing with and how they can deal with it.

Dioxin, as I mentioned, is not bio-degradeable. One very small drop in a pitcher of drinking water could cause the death of an entire family if they were to drink that water. These are very dangerous chemicals, indeed. The waste disposal, as I have already said, is inadequate, and we should be addressing this problem very seriously so the waste can be treated, if it needs to be treated, before it gets out into our environment. Certainly the best way to take care of this problem is not to be cleaning up after the fact, but to prevent the pollution problem to begin with. In terms of the cost of cleaning up, I think that the "dumpers", if they do it intentionally and illegally against the wishes of the Government and the people of Canada, should be responsible, and in the case of illegal dumping, should have total responsibility. They should clean up the waste after it has been dumped. Either they should be required to hold insurance, or else there should be some kind of a holdback program on the profits of those companies by the federal Government. When a contractor builds a complex for the Government, whether federal or provincial, there is usually a holdback of 10 per cent, and sometimes 15 per cent, until the building is actually erected and found to be in sound and safe condition. Then the rest of the money is turned over. I submit that a possible way of dealing with those who dump hazardous waste could be that, at the end of the year when their profits are tabulated, their profits could be held back by the federal Government until they act in a responsible manner. If they act in a responsible manner and if there is no unsafe dumping of hazardous material, then the profits can go back to the company. That should be coupled with insurance. I think there should be great emphasis put on these people so that they do not abuse the very privileged position which some of them hold.

I would like to move to a few local concerns. I am very concerned about the problem of acid rain, which is not only a Canadian problem, it is an international problem, because of the very fact that the pollutants get into the atmosphere, the sulphates and nitrates which cause acid precipitation, and they come down with no recognition of international boundaries.

Environment Canada, I know, has a testing station at Cree Lake, in the riding which I represent. They are monitoring very closely the amount of acid precipitation in that area of Saskatchewan which, incidentally is just on the edge of the Cambrian Shield in the northern part of my home province. Acid rain could become a very serious problem in Western Canada. I hope it never gets to the point at which we have seen it affect the Province of Ontario where there are hundreds and hundreds of lakes which are dead. They support no life in terms of organic material, fish, or insects which used to be around those lakes. They support no life, and I would not want it to move any further than it has already.

• (1710)

Another situation I would like to talk about, Mr. Speaker, is that which occurred on January 24, the Government of Canada, DREE and the Department of Industry, Trade and Commerce announced an incentive of some $74,000 plus to Canadian Seed Coaters Limited of Brampton, Ontario who indicated a desire to open a new facility for the processing of canola, or rapeseed as it is traditionally known, in the Battlefords area. The total project will cost some $215,000 and provide seven new jobs. I commend this company for moving into the Battlefords area. I think it is very good to see them recognize the benefits derived from being located in northwestern Saskatchewan. I also welcome the jobs provided in a time of rising unemployment because there is a great need for more jobs throughout Canada. I am also pleased to see that the farmers of that area, who buy treated rapeseed, will now be able to buy it from a local processor. I have some concern, however, about this company and its activities. I would like to put those on the record since they have a direct connection with the motion put forward today by the Hon. Member for Skeena (Mr. Fulton).

That company is going to be using a chemical called Lindane in the treatment of the canola. There is not much information around as to how they are going to use this chemical or bring it into the Battlefords area, so I would like to say a few words about Lindane itself. The process to be used in the plant is twofold. One, they use Vitavax rs Flowable which provides the canola seed with a coating of protection from the Flea beetle and fungal diseases which attack the seed once it is in the ground. I am thinking of Blackleg which is a problem there

right now. They are also using what is called super phosphates as a fertilizer and they will also coat the seed with that. I want to put on the record that we should be watching very carefully the Vitavax rs Flowable process. Vitavax is made up of three chemicals: Carbathiin and Thiram, which prevent fungal diseases from growing on the plant. The other chemical, the one I am more concerned about, is Lindane. As far as Lindane is concerned, the United States Environmental Protection Agency, in June of 1980, recommended banning its use. I quote:

> After careful consideration the agency has concluded that the risks of use on these crops, even reduced by protective measures, outweigh the benefits of use in so far as the benefits are presently known and therefore recommends cancellation.

I guess what they are saying is that the detrimental effect of the use of Lindane can quite well outweigh its benefits. Now I am not supporting or denying that statement, but I want to put on record the very serious concern some people have expressed regarding Lindane. Many people who advocate its use say that it is a very dangerous chemical, but what are the alternatives to not using it? They maintain that careful use of Lindane can be an asset to those in the agricultural sector when it is used for coating canola seed. However, there are problems with humans when it comes to the use of Lindane. The EPA says that exposure to Lindane in humans can cause symptoms of acute poisoning. Therefore, the people who are going to be using this chemical want to know what is going to be done to protect them from exposure to Lindane in the plant where the seeds are going to be treated. The symptoms of this acute poisoning appear in a kind of chronological order. First, there is dizziness, headaches; nausea and vomitting set in, which can be followed by diarrhea, tremors, a noticeable weakness, convulsions, heart problems, eventually a bluish tinge to the complexion and some kind of eventual circulatory collapse. The EPA is also particularly concerned that this chemical produces acute effects in children even more significant than it produces in adults. The EPA produced a report, and Agriculture Canada circulated a report from the *Winnipeg Free Press* which said:

> The report also cited the case of a two and a half month old infant who died after being treated for scabies with a lindane product. A concentration of 110 parts per billion of lindane in the child's brain was considered the most probable cause of death.

Lindane is also used in other products such as flea soap for pets, and we should be very careful of this product because of its very dangerous effects. Workers who must be exposed to Lindane, Mr. Speaker, are advised to wear long-sleeved shirts and pants and some kind of protective clothing to avoid exposure of the arms and legs to this chemical. They should wear gloves to prevent exposure to their hands, and to a degree some protection of the face. It is also very important that they wear disposable masks or masks of some kind, so that they cannot inhale dust particles or fumes from the Lindane. I would like to see the new company moving into the Battlefords make sure that it observes these very simple measures of protection for its workers.

As to not following a proper procedure, Mr. Speaker, there was a case of a farmer dying in Manitoba. A Mr. Kerr, who farmed near Cardale, some 50 kilometres northeast of Brandon, died of kidney failure last spring, nine days after he was admitted to hospital with symptoms of chemical poisoning. This man had stirred some Vitavax with his arm in a tub, and of course the chemical entered through the pores of his skin and that was the eventual cause of his death.

Lindane has been used extensively in Saskatchewan. The 1978-79 report of the Saskatchewan Environmental Advisory Council said that Lindane was widespread in rivers, lakes and other surface water in the Province, particularly in the Qu'Appelle River district. Bottom sediments, where agricultural chemicals accumulate and serve as a sink for toxic substances, pose not just an immediate but also a long-term potential threat to the environment. Lindane is among the more than 100 chemicals involved in fraudulent and inadequate safety tests carried out by industrial biotest laboratories in the United States in the late 1970s. Right now Lindane is one of the chemicals being re-evaluated by the Department of National Health and Welfare, but the results of those tests are not known yet. I urge that those results become known very quickly, and if there is any alternative to the chemical Lindane in the seed-coating process, I would like to see Agriculture Canada recommend it to anyone who wants to go into the business of coating seeds.

• (1720)

According to Steven Safe, a biochemist at Guelph University and an expert on toxicity, Lindane is slow to degrade and can accumulate in human fat cells. If one is exposed to it over a long period of time, the chemical can accumulate in the body and cause some of the side effects I have referred to. He has said that the problem with widespread use is that when Lindane gets into the water system, it can get into other organisms. It is very important to keep Lindane from getting into our food chain as it is so very detrimental to health.

In conclusion, Mr. Speaker, I should like it on the record that I want to know from the company that will build the seed coating plant in the Battlefords, what it is going to do to provide safe working conditions for the people who work there. I think it should provide adequate information to those farmers who buy their product so that they do not handle it in a way that may be dangerous. I understand that there will be very little chemical waste from the plant, but I should like to know their plans to dispose of what waste there is.

I have welcomed the company into the Battleford area, Mr. Speaker. If it acts as a responsible citizen in the community, providing jobs and services, then as the local Member of Parliament I will be a friend and supporter of the company. On the other hand, if the company acts irresponsibly, as many others have been allowed to, I will be a thorn in its side for as long as it remains in the Battlefords.

Mr. Gordon Taylor (Bow River): Mr. Speaker, when the Hon. Member for Skeena (Mr. Fulton) spoke this morning, he said that the critic on the environment for this Party had only

asked one question on this subject and that referred to a raccoon dog. When he was questioned about this by the Hon. Member for Erie (Mr. Fretz), he said that his researcher had gone through *Hansard* and all that could be found was a reference to a raccoon dog. He was critical of the PC Party and indicated that perhaps the PC caucus had given him instructions not to speak on the environment. I want to tell the House that the PC caucus does not give instructions like that. When someone is appointed to a job they are expected to do that job in the best interests of the country. I would like to point to some of the statements that have been made by our critic for the benefit of the Hon. Member for Skeena. The Hon. Member for Erie did the research during the noon hour. I am sure the Hon. Member for Skeena would not want to deliberately mislead the House.

On March 7, 1981, as reported at p. 8690 of *Hansard* the Hon. Member for Hillsborough (Mr. McMillan), our critic on the environment, asked about the control of acid rain in the United States. He then put a supplementary question and received an answer from the Minister of the Environment (Mr. Roberts).

On April 21, 1981 as reported at p. 9334 of *Hansard*, the Hon. Member for Hillsborough put a question to the Minister of the Environment about negotiations with the United States on the acid rain treaty. He followed that with a supplementary question, and both were answered by the Minister of the Environment.

On March 20, 1981, as reported at p. 9721 of *Hansard* the Hon. Member for Hillsborough presented a motion under Standing Order 43 regarding the dumping of chemical wastes in the Niagara River.

On May 27, 1981 he again put questions to the Minister of the Environment regarding negotiations with the United States on action to combat acid rain, and also on the possibility of legal action against United States industries.

On February 19, 1982 the PC critic again put questions to the Minister of the Environment, requesting that the Prime Minister (Mr. Trudeau) meet the United States President to discuss acid rain controls, and asked for the Minister's view of this.

On April 27, 1982 our critic directed a question to the Minister of Energy, Mines and Resources regarding the Ontario application to increase export of electricity to New Jersey and, in a supplementary question, asked for the position of the Minister of the Environment on the project.

On June 11, 1982, as reported at p. 18371 of *Hansard*, the Hon. Member for Hillsborough, put questions to the Minister of the Environment regarding the cancellation of a deal to export Ontario nuclear generated electricity to New Jersey, and inquired about the delay in the Government's decision.

On July 22, 1982, as reported at p. 19585 of *Hansard*, our very energetic critic on the environment, who endeavours to do his work conscientiously, again put questions to the Minister of the Environment regarding negotiations with the United States on acid rain. He asked a supplementary question about the Ontario Hydro installation of anti-pollution devices.

There are eight questions on record, Mr. Speaker, rather than just one, and none about the raccoon dog. We did not even find that one. I hope the Hon. Member for Skeena is sorry that he gave misleading information to the House.

I would now like to deal with one or two matters, but I shall not take too long with them because I know a lot of other Members want to speak in this debate.

I commend the Hon. Member for bringing the motion forward. The protection of the Canadian environment, and the provisions of clean air and good water is everyone's business. Too often we think that these matters are only the business of Government. Certainly Government has a responsibility for the environment. In Alberta there is a Clean Air and Clean Water Act, and I believe most other Provinces have something similar. It is important to set standards that everyone can follow.

I should like to deal with the matter of good water in the Canadian environment, and I will refer to a rather different type of poison from those we have heard about today and that is, parasite poisoning.

Giardia lamblia organisms exist in two forms, as a living parasite and as a cyst. Only the cyst form is infectious to man, however, since the living parasite is destroyed in the digestive process. The Alberta provincial laboratories personnel who provide Parks Canada with testing services, discovered the giardia cyst. The gardia lamblia parasite causes vomiting, stomach flu, and sometimes, paralysis. Once it occurs in an area it continues to be a problem. It can be caused by poor handling of food anywhere in Canada. Probably the most common form is that it comes in the form of cysts from beavers. That is where the colloquial name has come from, "beaver fever". This cyst has got into the water supply in the townsite of Banff, and of course once it is in there it is very difficult to deal with.

• (1730)

The matter was reported to the Hon. Minister of the Environment, and the Minister decided he would have a study made in regard to this, which he did. He appointed a very excellent firm of consulting engineers, the Stanley Associates Engineering Ltd., and a very excellent report came out. The report indicated that the Banff water system has no facilities except chlorination to control giardia lamblia cysts, and chlorination becomes less effective at temperatures below 5 degrees Centigrade. It is worse in the winter months, and this is now the second year, when this has caused concern and sickness, and it is a very worrying thing. If notices continue to be handed to everybody who goes into the park and notices are posted in all public places not to drink the water, it is going to have the effect of keeping people away from that beautiful tourist area, which has taken years to develop and is now a world renowned area. People will not go to places if they are going to get sick while they are there.

Any consideration of water must also take into account the population which the system will serve. At the present time the Banff townsite has a population of probably 17,000, and the engineering firm said that by the year 2005 the population will be 35,000. That includes a reasonable amount of the one million people who travel through there, mostly in the summer months.

In view of the water projected demands, as the report indicates, the need for expansion of the water system is evident. I am not going to deal with that aspect today, but I am going to deal with this matter of the cysts that are in the water, and urge the Department to take a very definite stand in putting in an effective water filtration system.

Normally, in the Province of Alberta, if water does not reach a certain standard, the municipality is required by law to put in a water treatment system. Banff, of course, being under the control of the federal Government, does not come under the provincial regulations. If Banff was a normal town in Alberta, the town would have been ordered to find the money and put in a water treatment system, because it is essential that every municipality and every Government is careful to make sure we have good drinking water. Infected water is what is worrying the people of Banff today.

The importance of putting in a water treatment system has received a great deal of study. It is an expensive process. The engineers have come up with a suggestion that $10.2 million would provide a system that not only provides water that meets all the qualities of good drinking water but provides a water treatment system that would serve the people for many, many years. I think this is essential. When we say $10.2 million, it certainly sounds like a lot of money, but we have to remember that the federal Government has, in the last full fiscal year, collected more than $6.5 million from the Banff area, and that has been going on for many years because a million or more people go there, from all parts of the world, every year.

I think it is essential that we stop trying to use palliatives or bandaids in this particular area and face the issue and put in a water treatment system. That is the only cure. Medical people tell me there is no other way of effectively destroying the cysts and stopping the spread of this disease. What I hope never happens is that someone will die from this disease, and that is quite possible. I have a stack of letters from people who have become sick, very, very ill, from the water. Water was the common cause, the health unit doctor tells me. So it is essential that we get a water treatment system in Banff at the earliest possible time.

I strongly recommend to the Minister and the officials of Parks Canada that the recommendations of Stanley Associates Engineering be followed and acted on immediately. It is over a year since this has become a problem, and surely we should put our money where our mouth is and make sure that the people in that area have good, clean drinking water. That is an important part of our environment.

I think that any national park within a Province should come under the rules and regulations of the standards set by that Province in regard to clean air and clean water. I think the national parks, because they are a separate entity, should not be excused from the standards that have been set by the provincial Governments. Certainly a number of people are concerned about it.

I want to give just one or two indications of how widespread the concern is. In the Banff School District, the Chairman of the Banff Community School Committee, which is an elected body, wrote to the Hon. Minister on June 21, 1982. It reads:

> It has come to our attention that Parks Canada has not yet made a decision whether to install a water treatment plant in Banff, therefore we would like to strongly recommend that Parks Canada take immediate action to have such a plant built.
>
> The problem of giardia lambia in the Banff water system still persists and it is a severe health hazard to the residents of Banff. In addition, one must consider the millions of tourists who visit the town annually and have no facilities with which to boil water to ensure that it is fit for consumption.

That is from local people.

Then we had a letter from a medical doctor from Quebec from the Laurenval School Board which reads:

> I have just returned from a two week conference with the Canadian Education Association at Banff, Alberta.

He goes on to say:

> The presence of giardiasis in the Banff water supply is a potentially dangerous situation with long-term ill effects possible.

This is from a medical doctor from Quebec who is very concerned that no action is being taken about this, and it is a serious matter. An ordinary, everyday citizen wrote that she suffered a great deal of illness, and she wonders why we are finding new wells and then putting that water into the water system that already has cysts in it. We could go on and on. I do not want to take the time of the House with regard to that but it is not just simply the local people who have complaints. It is people who are highly trained and people who realize what this giardis lambia can do to the human body. What the long term effects of it are is still something which is even more questionable.

The Department now has the set-up, and I think that Parks Canada will make a very serious mistake if they now start to try to bandaid this problem by digging new wells and doing this and that and the other thing. It will never be cheaper than it is right now to put in a water treatment system. A water treatment system is going to be required eventually, and it will never be cheaper than right now. I strongly urge the Department to give this serious consideration and to not let this situation continue.

I have one other letter from a medical doctor from Ontario who is very concerned about this. He wrote his own Member and said:

> I thought you would be interested—

• (1740)

He went on:

> Worse, however, John told me of the water supply in Banff, Alberta. Apparently the municipal water supply is provided from the National Park and is the responsibility of that Department.

And he said:

> In every hotel room he states was a notice warning not to drink the water, but so far apparently nothing has been done to correct this.

We cannot overemphasize the importance and the necessity of good water and good air. Again I say it is the responsibility of every one of us to do our part in keeping our air and water pure. There is also a greater responsibility upon those in Government to make sure that town sites with 10,000 or 18,000 people will not be subjected to water that has cysts and parasites in it. That situation should be corrected at the earliest possible moment.

Mr. Bloomfield: Mr. Speaker, I have a question for the Hon. Member for Bow River (Mr. Taylor). Is this a local natural problem in the water table in the Banff area or is this an artificial pollutant that has come from some surface source?

Mr. Taylor: Mr. Speaker, the medical doctor told me that two beavers were found in the water supply system. The beavers were removed and were analyzed by the Health Department. The Health Department found cysts in the beavers. It was concluded that the cysts came from the beavers in that area and that the beavers got into the water system somehow. I believe that is the cause of the cysts in the water.

Mr. Bloomfield: Mr. Speaker, do I understand that the system is contaminated, the pipes and the delivery system into the town?

Mr. Taylor: Yes, Mr. Speaker. This system brings water into the town. Parks Canada, in an attempt to help out, dug two wells with the idea of adding chlorine and so on to eradicate the cysts. But in bringing the water into the town supply, the water from the wells had to be joined into the water supply in which the beavers were found. Some dissolving occurred, but the cysts are still there and people are still getting sick. We need a water treatment plant, and with the use of chlorination this should provide one of the purest water supplies in the country.

Mr. Fulton: Mr. Speaker, I have a brief question for the Hon. Member for Bow River (Mr. Taylor). But before putting it, I want to mention something which I checked earlier. I have great respect for the Hon. Member for Hillsborough (Mr. McMillan). I checked with one of my staff and it is true we had a misunderstanding with respect to the raccoon dog issue.

However, the Hon. Member for Bow River gives me an opportunity to follow up on something on which I also checked with my staff concerning comments made by earlier speakers in the Progressive Conservative Party regarding the relationship between big business and the chemical companies. Knowing that the Hon. Member is very long of political tooth, I thought I would put the question to him. The Special Committee on Acid Rain identified some of Canada's main polluters. Of the six they looked at, the contributions to the Conservatives and Liberals between 1974 and 1981 were as follows: Inco Ltd, $418,000; Algoma Steel $122,000; Hudson's Bay, $66,000; Falconbridge Nickel, $62,000; and Suncor $34,000. An amount of $514,000 was given to the Liberals and $508,000 was given to the Tories. Nothing was given to the New Democratic Party by any of those companies.

Mr. Nickerson: I am not surprised, you are not worth anything.

Some Hon. Members: Oh, oh!

Mr. Fulton: When we talk about pressure tactics, the companies mentioned above were identified as among the ten largest polluters in Canada. How do political Parties and Members of Parliament in those Parties that get such huge sums—and we are talking about a half a million dollars—divorce themselves from that kind of pressure?

The Acting Speaker (Mr. Corbin): Order, please. I have doubts as to the relevance of the Hon. Member's question. It hardly relates to the remarks made by the Hon. Member for Bow River (Mr. Taylor) during the course of his speech. However, with the indulgence of the House perhaps we could allow a comment from the Hon. Member for Bow River.

Mr. Taylor: Mr. Speaker, I think the Liberal Party can speak for itself. But the Progressive Conservative Party accepts donations in amounts ranging from five cents up. If people who believe in our cause want to contribute, they contribute with no strings attached. Under no obligation do we sell the health of the people for donations to the Party.

Mr. Jim Schroder (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, while I do not agree with the tone and the detail of the resolution today, I welcome the chance to speak in this debate. I would certainly not be telling you anything new or startling if I were to say that the public perception of the chemical industry these days is not a very flattering one. In fact, this was the subject of an article on the editor's page of a recent issue of *Chemical and Engineering News*. The title of the article was "Chemophobia," that is, fear of chemicals. It was about a phenomenon so widespread that this term has been coined to characterize it. It is interesting that we seem to like to put things into context and perhaps change our language in order to make something more relevant. Chemophobia reminds me of a story that I read. Unfortunately, I cannot remember who the author was, but he wrote: "We no longer live in the slums. We live in the inner city." He wrote, "Once I was poor and then I was needy. Next I was deprived, and the last thing I knew I was disadvantaged. I still did not have a nickel to my name, but I sure had a great vocabulary." We can add chemophobia to our vocabulary.

It is one of the ironies of our society that we demand the standard of living that chemicals, among other things, have given us, and we are unwilling to see that standard decline. Yet, at the same time, we seem reluctant to pay the full price that the safe use of chemicals demands. The thrust of the

article was that chemophobia has reached such proportions that the chemical industry has been, to a certain extent, paralyzed by it, and is on the defensive as a result.

A good part of the public's wariness stems from the sheer intimidation that a layman feels when confronted by a seemingly impenetrable mass of scientific jargon, more of the so-called Newspeak like chemophobia. This, and the fact that chemicals are all around us and not necessarily to be feared, was neatly brought home in an article run in a quality periodical. I believe it was the *New Yorker*. The ad simply consisted of an attractive and appetizing picture of a "natural" orange. Appended to this was a list of the chemicals it contained, which was as long as your arm.

I think it was the Hon. Member for The Battlefords-Meadow Lake (Mr. Anguish) who discussed a problem which was very complicated which, in turn, indicated how complex the whole problem is.

I am glad to have an opportunity for a few moments to talk a little bit about the science of toxicology, what a toxicologist does and the role he plays in helping us to solve this most complex problem. Recently I had a chance to read a planning study about the establishment of a Canadian centre for toxicology. This was developed by the University of Guelph and the University of Toronto. While the study talks about centres in Guelph and Toronto, it looks as though this plan could easily be expanded to have national scope. I am very proud of the fact that one of the universities that is involved in this study is the University of Guelph which happens to be my Alma Mater. I think it is important to realize the potentials of an institute such as this and to see how lacking we really are in basic knowledge of many of the problems that are related to toxic substances in our environment. There are other terms which are again part of our Newspeak. We talk about things that are either gross or microscopic and we talked about micro or macro. We have no difficulty with chemicals which appear in such high concentration that they can be tasted and seen. They provide some warning about their presence. The major problem we will face in the future concerns those chemicals that are present in amounts that are infinitesimal. These chemicals only cause problems after they have been consumed constantly in these small amounts.

• (1750)

A fortunate fact to remember is that our environment contains natural sentinels to detect environmental problems. The Hon. Member for Bow River (Mr. Taylor) talked about the beaver. No doubt, they were finding this illness in beavers. The fact that they found a cyst in the beaver and that the beavers were probably dying gave us some indication that there was a problem. This happens very often in our environment.

I would like to elaborate on the institution of toxicology. The proposal is to create this institution called the Canadian Centre for Toxicology. Although it will draw heavily upon existing strengths in toxicology of the University of Guelph and the University of Toronto, it will be an autonomous institution operated in partnership with Governments, industry, labour and universities. I think this is an important consideration. It will have the credibility of an independent organization which adheres to the highest standards of scientific integrity. It will interface with other institutions across Canada to form an integral part of the total network, and will foster a co-operative approach among these organizations.

What will be the intent of this organization? They go on to say in this report that the dangers which the increasing use of toxic chemicals present to human health and the environment are now the subject of acute and valid public concern. They go on to say that these concerns arise because we do not know enough about these chemicals to weigh their long-term effects. The public does not believe that existing regulations provide adequate protection, and they demand more assurance. In some instances, the public in pressing for action, has been ill-informed but it is clear that some toxins do pose risks to human health and to the environment. The extent of these risks is poorly understood.

This new institute for toxicology wants to see major new efforts being made to obtain data on these compounds to regulate them wisely and therefore be able to reduce the risk of their use. Incidents of damage will continue to occur, and some will be disastrous, but unless such incidents are prevented, extensive and costly corrective action will be needed. We are seeing evidence of this today, costly, corrective, after-the-fact solutions.

Another danger we have is that public pressure might force unwarranted removal of important chemicals from the market and place our resource and secondary industries at a competitive disadvantage. I find the description in this proposal about the statement of need and intent to be very relevant to the debate today.

Another area in which we are deficient in Canada is research. I would like to talk for a moment about research in toxicology and what that means. First, what is a toxicologist? A toxicologist is a scientist in his or her own right. It is the science that deals with the effects of poisons on living organisms, from micro-organisms to man. It also deals with the effects on the entire living systems, a type of ecotoxicology. As well, toxicology increasingly deals with controlling, curing and avoiding the harmful effects of toxic chemicals on life.

Toxicology must determine the impact of toxic substances on man and his environment so that decisions can be made on the use of toxicants based on a valid system of risks and benefits.

I hope I have made it quite clear that I am very supportive of this institute of toxicology which these two universities have established and for which they are attempting to receive support.

I would like to close by saying that there are probably fewer than 200 trained toxicologists in Canada. If the science of toxicology is to be pursued, we naturally must train more of these scientists. During the last 30 years, a series of disasters have focused attention on the inadequacy of the science of

toxicology. I do not need to mention thalidomide, methyl mercury, dioxin or PCBs. There is a whole list.

I would like to draw to your attention the fact that the necessity for training toxicologists, for learning more about these toxic substances and therefore developing a high category of toxicologists in Canada is very important. If for no other reason, I took part in this debate today to bring the importance of this science to the attention of the House.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I had hoped to have a few minutes to participate in this debate. Since there are only approximately two minutes remaining, I would just like to express my dismay and displeasure at the lack of leadership we have had from the Government across the way in environmental problems in the last 15 years. In fact, they have been in Government for the last 20 years, going back to the days of Lester Pearson. We are still polluting our lakes and air and creating an exceedingly unhealthy environment for all Canadians. I suggest that it is a damning indictment of a Government that is more concerned with the profits of its friends in the companies and corporations and with lining the pockets of the rich. I include my friend, the Minister of Agriculture, (Mr. Whelan), who is a born again capitalist like Ronald Reagan, as are the other Ministers in the Cabinet.

It is sad that they make that their priority while letting the environment suffer. The Great Lakes are being polluted and we are producing millions of tons of wastes every year. There are very few controls. The fish are being poisoned.

Mr. Bloomfield: Mr. Speaker, is this a speech or is it a question?

Mr. Nystrom: I was trying to make a three-minute speech because one of the culprits in poisoning our environment is the Minister of Agriculture as a result of his very loose regulations.

● (1800)

[*Translation*]

The Acting Speaker (Mr. Corbin): Order, please. It being 6 p.m., it is my duty to inform the House that in accordance with Standing Order 62(11), the proceedings on the motion have expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

AGRICULTURE—REQUEST FOR ASSISTANCE FOR BEEF INDUSTRY

Mr. Maurice Foster (Algoma): Mr. Speaker, yesterday I asked the Minister of Agriculture (Mr. Whelan) a question in the House which reads as follows:

> In view of the very depressed situation in the Canadian beef industry this year, with low cattle prices last fall and continuing high input costs for interest and farm machinery repairs, is the Minister planning to implement the provisions of the Anderson-Vandermeulen Report on the beef industry, or provide stabilization payments to producers this winter? What action is planned by the Government?

The Minister went on to say that he was having a series of discussions regarding this matter. I asked the Minister this question because on August 28 of 1981, the Minister of Agriculture announced that he was establishing a commission consisting of Mr. E. H. Anderson and Mr. H. M. Vandermeulen to report on the state of the beef cattle industry in Canada. The press release indicated the whole range of tremendous problems facing the Canadian Agriculture Industry today, including input costs. In relation to Mr. Anderson and Mr. Vandermeulen, the press release also stated:

> They will report to Mr. Whelan by January, 1982, on how the interests of Canadian consumers can be best served in a manner consistent with Canadian economic development while, at the same time, permitting the industry to expand and producers to make a living commensurate with their risk-taking, labour and management ability.

In fact, that report was made just about a year ago.

Mr. Anderson came to my constituency and held meetings with a number of beef producers both on Manitoulin Island and in the District of Algoma. We had a good chance to discuss the very serious problems with a representative group of producers. At that time, interest rates were much higher. The Government has taken some steps relating to reduction in interest rates for farm credit loans. We discussed with that group their interest in stabilization programs and the continuing problem of imports from offshore. Of course, this past fall we had difficulty when the Americans cut off our imports; not of live cattle but, rather, of red meat.

Those producers outlined a complete list of rising input costs, such as fertilizer, machinery and fuel costs, and gave a complete rundown of problems facing their industry. Most of those circumstances have not changed. Now, only a year later, input costs continue to rise. In fact, the returns for beef producers have not increased at all. This past fall, prices for cow-calf operators and general beef producers have continued to be unacceptably low.

Likewise, during our meeting at Algoma, we discussed stabilization and the problem of reconciling Provincial programs. Some of the western Provinces, such as Saskatchewan and Alberta, have extensive stabilization programs for their cow-calf producers. We discussed the control of imports, the cost of interest and money and so on.

I must say that both Mr. Anderson and Mr. Vandermeulen really approached the problem with a very sympathetic ear to the producers. I hope the Minister will be able to make that report public. I know the producers would like to read it. In any event, I hope the Minister and the Government will move

very soon on the provisions of that report. Of course, it would be much better if it could be made available to Members of Parliament and the general public in order that they could see those recommendations. I am sure many of them are worthwhile.

• (1805)

The other question I put to the Minister was whether the industry would qualify this year for stabilization payments. Traditionally they had to be stabilized at 90 per cent of the average over the last five years. The Government should move to bring that to at least 100 per cent, and reconcile on a national basis the various provincial programs. Some Provinces have such programs. As far as I know, there is no stabilization program in Ontario this year. I hope the Minister will move on a national program.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, it is always a pleasure to answer the Hon. Member for Algoma (Mr. Foster) concerning the beef industry. Some people may be surprised that the constituency of Algoma has such a large beef industry. I have visited many times with the Hon. Member and I realize the importance the beef industry holds for his constituency.

I want to begin by recalling the conditions in the industry which caused me to ask for the Anderson Vandermeulen Report. We have had several types of reports and studies. I said that we needed somebody to put those together in order to come up with some solutions.

From 1979 to the present, beef producers in Canada have faced the most difficult period since the Second World War. Hog prices as well were low to 1980 and 1981, and began to pick up only in mid-1982. Bankruptcies among beef and hog producers in 1981 were very high; much higher than in 1982. Beef and hog producers in some regions of Canada appear to have been hurt worse than in others. Beef producers in the Grey-Bruce Peninsula of Ontario and parts of the Alberta industry appear to have been suffering the most. The Province of Alberta produces approximately 42 per cent of total beef production in Canada. Hog producers in Quebec have suffered major losses resulting in the first downturn in that industry in Quebec in some years.

I want to recall this, and I am sure the Hon. Member is aware of it. I proposed 100 per cent income insurance to the Provinces in 1978 for all products; beef, pork and all other agricultural products. This was turned down by the Provinces at that time. The same people are now asking me to please come forward with a plan which will stabilize this industry. They do not say, "like the one you proposed in 1978". That is what I proposed then. Even farm organizations turned it down. I had Cabinet approval. We then had the Clark Government which took the authority away from its Minister. They queashed the idea, saying it was too costly. Some Members on that side are now asking for that type of plan.

Because of the difficulties faced in this industry I asked Mr. Anderson and Mr. Vandermeulen to explore all its aspects, every part. As the Hon. Member for Algoma said, some Provinces do not have plans. Some cannot afford one, and some have hit-and-miss programs. They are all saying they want a national plan.

The study included not only an examination of farm-level marketings, but as well the packing, wholesale and distribution of red meats. The report was finalized in 1982, with translations and that type of thing, and it is now before Cabinet. We have had one or two discussions on it, and we hope to finalize them in the next three weeks.

As far as stabilization is concerned, there will be no payment if we just use 90 per cent. If we use 90 per cent of the five-year average, there will be a payment. We have made certain recommendations in accordance with the laws we have to abide by, the Agricultural Stabilization Act, 1975. I want a program that will get the most returns from the marketplace and not from the Treasury of the nation.

• (1810)

PRIVACY—MISUSE OF PERSONAL INFORMATION STORED IN COMPUTERS

Miss Aideen Nicholson (Trinity): Protection of privacy now lags far behind available computer technology. An unprecedented amount of information about Canadians is now in computer banks and we will see a very dramatic increase in the near future, but we have little or no protection against abuse or misuse of that information.

In answer to my question in the House on January 25, the Minister of Justice (Mr. MacGuigan) confirmed that the question of creating a new offence for the misuse of personal information is now under consideration. I would also like to see the Government give some leadership to those in the information industry, encouraging them to draw up voluntary guidelines respecting the use of information in their banks. Some industry spokesmen have said that the only privacy protection they can offer clients is their word, because the potential problems are complex, and they will have to wait for some years to see what the problems really are in order to develop appropriate ways of dealing with them. I would prefer to see a serious effort made now to increase confidentiality protection, and to build some measures of protection into new computer programs from the beginning.

Most Canadians welcome the exciting development of new technology which has delivered many new services and greater efficiency in many areas, and has unlimited potential to add to the quality of life. However, each new computerization of data compiled by hand, and each consolidation of information in data banks, spreads personal data further and further afield from the person who has responsibility for it.

Having good medical information in computer banks covering the years of one's life may be of great help if one arrives in a strange hospital and a good history is needed, but there is also potential for embarrassment if, for instance, that information is known and is used to make the case that someone has health problems and is not fit for a job which he or she

very badly wants. So at every side there is an advantage and a potential problem.

Many home owners are now using computerized security services; doors and buzzers are wired to a device attached to the cable line and the systems send an electronic alert to the cable company in case of medical emergency, burglary or fire, so that the cable company can phone for ambulance, police or fire brigade, as the case may be. Many of these systems are being purchased by people who are very pleased to have an additional sense of security. In the interest of providing that security, the systems sweep the home at frequent intervals. Information about a family's routines, if it fell into the wrong hands, could in fact be used by the very criminals from whom the system was supposed to protect the home owner. The quickly developing two-way computer system which enables viewers to do credit card shopping, banking and select from electronic newspapers at home has enormous potential value in terms of convenience, particularly for people at home caring for young children or sick relatives, or for handicapped persons. There is potential to enlarge their frontiers enormously. However, information about financial transactions going into the wrong hands could be misused.

I raise this matter not in the interest of being sensational or over-emphasizing the problem, but rather in the interest of promoting reasoned, practical safeguards and solutions now while there still is time and before we are overtaken by events.

• (1815)

Mr. Al MacBain (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, the Hon. Member for Trinity (Miss Nicholson) raises a very serious matter and there can be no suggestion in my reply that there was any sensationalism either in the presentation or the subject matter she raises.

The Privacy Commissioners' Study was commissioned specifically to obtain guidance on whether the Government should act to regulate the use of the Social Insurance Number in Canada. While Ms. Hansen recommended that there was no need to regulate the use of the Social Insurance Number, she did point out that there was a problem associated with data-linkage, which is part of a more widespread problem concerning the unauthorized use of personal information. This is the very subject addressed by the Hon. Member for Trinity this evening.

The Commissioners' recommendation was that an offence be included in the Criminal Code to prohibit dishonest dealings with personal data provided to obtain a benefit or service, under compulsion of law, or has been placed for private use in the custody of another. The recommendation has significant federal-provincial implications since the area of data protection outside the federally regulated sphere to a great extent involves the Provinces. Although the Provinces have not yet acted in this area, the use of the Criminal Law power by the federal Government to regulate the use and exposure of personal information might, without provincial involvement, be viewed by them as intruding on some aspect of their responsibility. The Privacy Commissioners' recommendation has been brought to the attention of provincial Governments and their views upon it have been sought. However, because of the nature of the issue, any proposal to act upon it would have to be subject to future consultation.

The proposal to create such a criminal offence is being reviewed as part of the Criminal Law review. Some part of the recommendation, as it relates to computerized personal data, may be incorporated as part of the recommendation regarding computer crime.

We are also looking at the wider issue of the general protection of privacy, more in line with what the Hon. Member was directing us to this evening. In some countries in western Europe this whole protection of computerized data is dealt with in a regulatory scheme. There is built in a process of review by the regulatory body to ensure compliance with the conditions of the licence. That use and disclosure scheme could be similar to the one now presently contained in the new federal Privacy Act.

Is my time up, Mr. Speaker?

The Acting Speaker (Mr. Corbin): I am afraid it is. The Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly).

UNEMPLOYMENT INSURANCE—SUGGESTED SCHOOL ATTENDANCE FOR RECIPIENTS

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, on December 8 I asked the Minister of Employment and Immigration (Mr. Axworthy) if he would introduce changes to the Unemployment Insurance Act. I wanted to see some changes which would allow unemployed workers to improve their job qualifications by attending school while collecting Unemployment Insurance. I asked the question in light of the 1.5 million Canadians unemployed, for whom no jobs exist. The Minister chose to downplay the unemployment crisis in Canada and simply repeated the obvious fact that the Act already had some provisions for training. He did not deal with the fact, which I had mentioned in my question, that there were long waiting lists for UIC sponsored training programs. The Minister's answer did, however, faithfully reflect the policy of his Department and Government. It denied a tragedy taking place in Canadian homes and communities through unemployment, and ignored the possibilities for constructive action which could and should be taken. Many laid-off workers want to use the misfortune of unemployment as an opportunity for further training. Now is the time the Government should take seriously the need for and possibility of improving the skills of Canadian workers. Let me give a couple of examples from my own constituency, even though this is a national problem.

• (1820)

I know a young father, who is very concerned because he is beginning to develop some symptoms of the nervous disease known as "whitehand" which affects workers who have to use

vibrating tools such as power saws. He knows he cannot continue as a faller in the woods forever. He would like to use the time when he is laid off to take vocational training. All of the UIC sponsored programs in his area of interest, however, have waiting lists of up to two years. He does not want to waste the time when he is unemployed, but he has no choice. If he goes ahead on his own and enrols in a course, his Unemployment Insurance payments will be cut off. As a married man with a family, he cannot afford that and he worries that a few years ahead whitehand might make it impossible for him to keep his faller's job. This is the time it should be possible for him to take a training program.

Another young man worked at the Chemainus sawmill which was closed indefinitely last year. When he enrolled in a school to train as a mechanic, his Unemployment Insurance payments were cut off. When he appealed, his appeal was denied. I should like to read some excerpts from a letter he wrote which outlines his case. He begins:

> I have been unemployed for some months now. I have been cut off of UI because the umpire, board of appeals etc. felt I am some sort of leech. This is not true. I am pursuing diligently even DESPERATELY the difficult task of finding work. I am only running into dead ends everywhere. I will take any job anywhere, anytime, anyplace—
>
> Eventually I want to be a mechanic. The board of review seems to have seized on this to suggest I am picky about the jobs I will take. They say I want more than minimum wage. I ask you, WHO DOESN'T? I have worked at less than minimum wage on most of the tasks I have found since I lost my job.
>
> It is the only work I can find. I took the attitude that maybe these small jobs might lead to something better, but unfortunately they did not. They did not last.
>
> I want a job that is permanent and full time. This is my idea of a job. The board of review seems to think because of this I will not take other jobs. This is untrue, my record speaks for itself. A review of my report cards will show I take any job I can get.
>
> I am going to school to try to improve my chances of getting a job. What is wrong with that? I asked manpower to sponsor me but they refused. They said they would add my name to the wait list. There is a four year wait. The course is being cut permanently in about 5 months. So I took the course anyway on my own initiative. It is a lot of money but I am desperate for a job and in today's job market it seems my chances are getting worse and worse.
>
> I am an insulted person, if manpower phoned me up and said they had a job for me I would not hesitate to take it.

The board of review had some interesting comments on the case. It found him a very direct and forthright youth, and said that they certainly admired his tenacity and ambition.

Surely in this period of unemployment, changes could be made to the Act which would allow unemployed workers greater scope of education. If they are taking training for jobs and trades in which a skill shortage is likely to occur, they should be allowed to do so while continuing to receive unemployment insurance benefits. We should not see another lost generation ahead of us, Mr. Speaker.

[*Translation*]

Mr. Rémi Bujold (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, the Minister of Employment and Immigration (Mr. Axworthy) previously answered part of the Hon. Member's question here in the House. As he pointed out at the time, we do not have to amend the Unemployment Insurance Act to enable people receiving benefits to go to school. The Act already contains a provision, namely Section 39, which provides that individuals directed to authorized training courses are eligible for unemployment insurance benefits for the duration of the course and for six additional weeks. These measures are not linked exclusively to the occupational training program since they apply to practically all authorized courses.

Furthermore, Mr. Speaker, in its expenditures for job creation and training courses for the unemployed, the Govenment is not restricted to funds coming out of the Unemployment Insurance account. People who are not eligible for unemployement insurance benefits can receive allowances providing them with some financial assistance while they receive training. Of course, Mr. Speaker, there are long waiting lists. But the House will agree that our most recent legislation on occupational training concentrated on courses that would prepare students for existing jobs. Not long ago, we had a very important conference here in Ottawa to discuss employment opportunities in the years to come, and the possibility of organizing training courses in such a way that the vast majority of unemployed Canadians would be able to receive training in high technology subjects and thus re-enter the labour market.

The Acting Speaker (Mr. Corbin): Order, please. In accordance with the provisions of the order of Friday, January 21, 1983, the House stands adjourned until Monday at 11 a.m., pursuant to Standing Order 2(1).

At 6.25 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, January 31, 1983

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

INCOME TAX

AMENDMENTS TO STATUTE LAW

The House resumed from Monday, December 13, 1982, consideration of the motion of Mr. Lalonde that Bill C-139, to amend the statute law relating to income tax (No. 2), be read the second time and referred to a Committee of the Whole.

Mr. Deans: Mr. Speaker, I rise on a point of order. I would like to inquire whether it is the Government's intention to proceed with the time allocation motion that was introduced on Friday last after the Question Period this afternoon.

[*Translation*]

Mr. Pinard: Definitely, Mr. Speaker.

[*English*]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, this opening session of this week is part of the experience of this House in hit-and-run contact with the subject of income tax. Bill C-139 had its origin on that nefarious night of November 12, 1981. Then there was another interlude. There were some letters of clarification. There was an interlude until June 28 last. Then there was a statement, which was no other than a budget message, from the present Minister of Finance (Mr. Lalonde) in the latter part of October when this House resumed its sittings.

In that time we have seen the economy of Canada take a further precipitous drop, much of it, I suggest as a result of that disastrous night of November 12, 1981. Stacking it on, we also saw the effects of the national energy policy. The confidence of business and of individuals in Canada did not just fly out the window; it jetted out the window. We know what followed thereon. The Government said that we were into a world-wide recession. Balderdash! We created most of our own.

The National Energy Program took the most successful part of the Canadian economy, lopped off its head and pierced its bod's with any number of doubled-edged swords. That tattered remains of a government can only be called a disgraceful gang of plunderers of the Canadian economy. Because of the National Energy Program and the subsequent actions taken by the Canadian Government, had they been financiers in the private investment field, the Minister of Energy, Mines and Resources (Mr. Chrétien) the Minister of Finance and the Prime Minister (Mr. Trudeau) could have been up on charges of manipulating the market and driving down the value of corporate stocks, both foreign controlled and Canadian owned, to the extent that that confidence so needed in the investment market by both Canadians and foreigners was gone.

• (1110)

We are now trying to sweep up some of the debris that was left by the former Minister of Finance. What a disastrous term of office he had. The Government has adopted a time allocation frame of mind. This Bill is 300-odd pages long. It is extremely complex and I am sure that 90 per cent of the Members of the Government do not know what it contains. Yet we will be told that we have to deal with it in a matter of a few days, both on second reading and in Committee of the Whole, because the Government's timetable is in such a shambles.

I should like to refer to the committee report of October 5, 1982, Mr. Speaker. My colleague, the Hon. Member for Mississauga South (Mr. Blenkarn), shared the Chair for that committee with the Hon. Member for Ottawa Centre (Mr. Evans). Usually five of us attended meetings, although sometimes there were only four Members there. Once the attendance actually went up to seven Members but I think that was the highest number that was ever present. I think the chairmen of the committee will agree that it was not really consultation as we examined the budgetary process.

At those sessions in late August and in September we obtained observations from various bodies in Canada. The committee met morning, afternoon and evening in order to accommodate witnesses and hear explanations from officials of the Tax Planning Branch of the Department of Finance. Officials from the Department of National Revenue attended as well, but they were not heard. Those of us who attended the sessions derived a good deal of knowledge about the way officials in the Department of Finance think. To them this was consultation, but to me it was only consultation after the event.

I want to see the budgetary process changed, Mr. Speaker. In over 20 years, on both sides of the House, I have been involved in budgets and it has been a most frustrating experience. When I was Parliamentary Secretary to the Minister of National Revenue I participated, with my colleague who was then the Parliamentary Secretary to the Minister of Finance, in interdepartmental considerations of income tax changes. That was purely an in-house operation and as Parliamentary Secretaries we had to be exceedingly tough and tell the

officials that certain things they proposed just would not fly. That is not enough, but is not the type of process one wants.

• (1115)

I will not talk this morning about individual points of detail; I would have to speak for two hours and I am allowed only 20 minutes. These points will be coming up in future discussions, in which I intend to participate fully. But we should understand what we are after, and that is, at this time of year, a statement of budgetary intentions wherein the Government generally lays out its program—how much money will be required and what areas of Government revenues are suffering. Then we could have Hon. Members of the House and of the other place, the public, major economic associations, manufacturing groups and individuals make their comment, and some time in October we could settle on the budget and get it through. This would tell people precisely what they may anticipate.

Since November 12, 1981 we have had nothing but a great degree of uncertainty in soft costs and capital cost allowances. The premiums for medical services in private plans were added on to the income of individuals for whom payments were made; the previously very successful income-averaging contracts, the IAACs, were cancelled; and we went into forward averaging. This is all fine for a socialist Government. It is purely a socialist proposition because the money has to be paid by the individual to the Government and then may be claimed back under the plan, whereas, under income-averaging contracts, it went into private investment and represented a great deal of money. We will get to discussing the other deterrents of participating in forward averaging.

No, this is not the way we should proceed with regard to dealing with the budget. We certainly should not have to deal with a collection of all the left over sweepings on the floor, having been discarded by the tax proposals of 1970 following the Carter report. There is much discarded, disreputable Carter tax theory implemented or included in the November 12 budget. Of course, the Minister did not want to understand, his colleagues did not understand what they were doing and Government backbenchers were in some sort of euphoria, not wanting to know. What I charge them with is not wanting to know what is in the budget and what it means to Canada. Only when people come to them, small-businessmen, for instance, who say "You are killing us with the tax on the dividends to small business" does anything happen.

Incidentally, the theory in the tax program branch is that returns on dividends to an owner of a small business are equivalent to an employee's salary from that small business. As far as the individual is concerned, that is his return. But the small businessman has sleepless nights; he has to worry about meeting payrolls. He has high blood pressure as a result of these activities. He has all the worries. The Finance Department grandiloquently says he should only be getting a salary, that his return is equivalent to a salary. What nonsense.

• (1120)

There is a theory in the Finance Department which has been applicable for years. The Government has a right to every dollar earned by an individual because as the Minister responsible for the Status of Women in her startling proposals said the other day, a spouse's allowance is a tax expenditure, a child allowance is a tax expenditure, the personal allowance given to each taxpayer is a tax expenditure and every incentive is a tax expenditure. In other words, the Crown is giving up that money.

What does the word "expenditure" mean but a putting out of money? This is tax money being put out by the Government. That is absolute socialism right to the rotten core of it. All of that money belongs to the Crown. People have shed sweat and worried and have done all those things that are required to earn that money, be it by way of salary or be it by way of initiative and capability—the doers and the movers in this society—and it is not right. God only knows what the Government thinks. It talks about patting the pioneers on the back. It talks about all the things that have been done, that older generations deserve the accolades of the new generations. But that was not done by telling people that they were working for the Government and that the Government, the state, was allowing them to keep a certain proportion of their earnings. What was allowed to be kept? One can go through all of the documentation of the Finance Department and its philosophy, which is that everything a taxpayer, corporate or individual, is allowed to keep is a tax expenditure to be controlled by the Minister of Finance and his minions. That is the philosophy. That is the end result. I will hear the views of the former Parliamentary Secretary, but that is the net result.

• (1125)

We are told that the net result of an increase in child allowance will be increased tax expenditures. We are told that incentives with regard to multiple residences, or MURBs, are tax expenditures. That is nonsense, I believe. I have had a lifetime of exposure to these matters and I find it incomprehensible and an abuse of language for the Government to say that everything that the taxpayer keeps in income tax represents an expenditure by the state. In other words, we all exist for the benefit of the state. That is a total denial—

Mr. Evans: That is false.

Mr. Lambert: Let the Hon. Member for Ottawa Centre show how the operation of the philosophy of income tax under the Liberal administration is other than that.

I see you are getting anxious, Mr. Speaker, and I recognize that I have had my 20 minutes. I hope to raise this subject again in some other guise because this is a matter which must be brought to the attention of the people of Canada.

Mr. Deputy Speaker: The Standing Orders of the House now provide for a ten-minute exchange period for questions and answers. Are Members rising to put questions to the Hon. Member who has just spoken?

Mr. Jim Peterson (Parliamentary Secretary to Minister of State for Economic Development and Minister of State for Science and Technology): Mr. Speaker, the Hon. Member for Edmonton West (Mr. Lambert)—

Mr. Lambert: Mr. Speaker, I rise on a point of order. I trust that this will be in the spirit that motivated the committee to provide this exchange and that it will not be statement or diatribe that cannot be answered or that the period will be occupied by others for the whole time.

Mr. Deputy Speaker: Order. The Chair recognizes the Parliamentary Secretary to the Minister of State for Economic Development (Mr. Peterson).

Mr. Peterson: Mr. Speaker, I rise not to ask questions of the Hon. Member for Edmonton West but to respond to some of the charges he has made. I believe I do this in the spirit which he has just articulated in order to suggest to Members of the House the directions that we perhaps should be pursuing in the future with respect to our fiscal policy, monetary policy and the development of our general economic climate in Canada.

The Hon. Member for Edmonton West laced his remarks with hyperbole and misinformation. For example, is it Canada's fault or is this Government to blame for the situation which is taking place in energy throughout the entire world, a world of chaos? Absolutely not. Can he say that the budget of November 12 is responsible for the recession in Canada?

Mr. Lambert: Yes.

Mr. Peterson: Is it responsible for the recession in the United States, in the entire western industrial world, or the entire world? This type of hyperbole does not help us find the constructive solutions which we have an obligation to find for the people of Canada.

In that spirit, I believe that we on all sides of the House should look at what we can do and suggest for both the short and long-term benefit of Canada's economy. For the short term, I suggest we must provide the support mechanisms which will enable viable businesses to weather our current recession.

Over the longer term, we must set our goals for the productivity of Canadians. By this I mean we must set our goals on becoming world leaders in producing certain products both in our existing industries and in the industries and technologies of the future.

• (1130)

What is the role of a Government in this quest, this pursuit of our short-term and our long-term objectives? There are many roles for the Government to play, but the most important, I believe, is the role involved in creating a favourable monetary and fiscal regulatory environment, a favourable climate in these areas in which the private sector in Canada can thrive to the maximum extent possible.

Dealing with monetary policy first, I believe that individual businesses, big and small, and investors in Canada cannot survive a tremendous resurgence in interest rates such as we have experienced in the past. It would be incredible today if interest rates were again to skyrocket. What would be our alternatives if interest rates in the United States start to go back up to the unprecedented high which we saw one year ago? We have a number of alternatives available to us and I just want to mention perhaps two. If we were to keep our interest rates lower than those in the United States, naturally foreigners would come here to attempt to borrow on Canada's capital markets. We could protect our capital markets from this type of foreign borrowing which would have the tendency to drive our rates up even higher. We could protect our capital markets, which would then have low interest rates, by resorting to techniques such as the interest equalization tax which was used by the United States for over a decade. This would be one approach we should consider.

Another approach, and I believe it merits the serious consideration of Members of this House, would be to allow a modest or reasonable drop in the exchange value of the Canadian dollar as against the American dollar. This would certainly have some adverse impacts, but I think that on the whole looking at this type of approach might produce some positive benefits for Canadians. I would like to hear discussion on that type of point.

On the monetary side, as well our financial institutions have a very important role to play in both the short term and the long term. Let us consider our banks. In helping the private sector through the current recession, our financial institutions in Canada have an obligation to make available after-tax financing to our small businesses through the Small Business Development Bonds and other programs put in place by our Government.

Some Hon. Members: Oh, oh!

Mr. Siddon: Where did you get the idea, Jim?

Mr. Peterson: We have created the environment in which these types of instruments can be issued to provide less of a cash drain on businesses in difficulty.

Our financial institutions have an obligation to make small businesses in difficulty aware of these instruments and to cooperate with them in every way possible to see that those who need assistance get that type of financing. That is why we put these measures in place. I am also concerned, with the tremendously huge financing which the banks have given to our bigger companies both in Canada and offshore. With the recession coming on, and with what our finance Committee found out about the banks being highly leveraged, I am concerned that our banks do not try to pull back their lines of credit as they affect small businesses in Canada.

It is much easier, we know, to go to small business people who have been building operations over the years and say to them, "We are calling your lines of credit". Small businesses do not necessarily have the clout of the billion dollar corporations here and abroad. Our financial institutions cannot, if it is

their tendency, pull back those lines of credit from viable small businesses.

Unfortunately, I know of a couple of bad examples. People have come to me whose small businesses, employing 30 to 80 people, have not been adversely affected because of the recession, but even though they have maintained their businesses and have not defaulted on any bank loans, their bankers have come to them and said: "We will pull your loans". That is irresponsible. It creates additional unemployment. It is our small businesses which need that help in these tough times. Banks and financial institutions might be having difficulty with some big loans, but they have an obligation to support our small businesses.

I would also hope that we could get through many of the measures which have been before the House for a long period of time so that we could go on to new types of legislation, such as that dealing with our loan and trust institutions, so that they could enter into commercial lending and become an added source of funds, particularly for small business.

I also believe it would be worthwhile to study the investment powers of our major financial institutions; for example, our insurance companies and our loan and trust institutions. As Hon. Members are aware, they have the power to invest only 8 per cent of their funds in small, unproven enterprises, enterprises which do not have a proven track record. These institutions currently have very little ability to promote venture capital, to go out and help people who have an idea and are prepared to back it with all their managerial and technical ability, to get those new small businesses of the future going. The big institutions do not have the power to get into those areas.

I believe we should consider the possibility of increasing the size of the basket clause of our financial institutions. We might even consider the possibility that, in return for increasing their investment powers, they would have a greater obligation to consider the new types of ventures which the inventive genius of the Canadian entrepreneur is coming up with all the time.

The second area, after monetary policy and the role of our financial institutions, which I believe we must study in order to create a favourable type of economic environment for a recovery is our regulatory environment. The Task Force on Regulatory Reform made numerous recommendations as to the ways by which we can reduce the burden of regulation on the private sector. I am pleased to say that the former President of the Treasury Board and his successor have succeeded in implementing many of those reforms. I am delighted with the commitment of the President of the Treasury Board (Mr. Gray) to continue on that path and to bring in additional reforms which will increase the consultative process and the opportunity for business, for labour and for environmentalists to participate with the Government in determining what types of regulations would best serve the needs of all Canadians.

Fiscal policy is the third arm of the trio of areas we must study in order to help restore and bring about the type of economic environment we want in Canada. We face a dilemma in this area. Business investors need fiscal certainty. They must be able to compute their cash flows, their return on investment, for a reasonable period of time. Otherwise, one cannot expect them to make the investment or commitments we need from the private sector. We must ask ourselves, is this need for fiscal certainty, a climate for fiscal stability, incompatible with the concept of tax reform? I do not believe it necessarily is.

The answer, I believe, depends on how one goes about the process of tax reform. First, there are many areas in our Income Tax Act, in our codes, which require rethinking. If we go about rethinking these changes in close consultation with the private sector, in co-operation, where we do it openly and allow much opportunity for input from those who will be affected in the short term and the long term, we will have the ability and knowledge to avoid changes which would upset that climate of fiscal certainty which is a key to economic recovery.

●)1140)

Secondly, for those who might be affected by reform, we can have generous resort to grandfathering clauses. In other words, we can say: "We are going to change the law, but since you made your investment and business decisions under the former law, you can continue for a reasonable period of time as if the former law under which you made your decisions continues to apply". I believe that type of spirit and co-operation can create the necessary fiscal environment.

What are some of the areas which I believe we, as Members from all sides of the House, should be looking at for reform? One is capital gains. Have we taken a good look at the effect inflation has on capital gains? How much of the gains people experience on their investments are merely inflationary and do not represent real gains? What about the farmers? Should we be reconsidering more realistic valuation dates for farms? What role do farms play in providing the retirement income of people who choose to leave their farms?

I would also like to ask, what about the role of investors and entrepreneurs? If, for example, a business person takes his small savings, say $5,000, and through diligence and entrepreneurial flair builds that operation up into a million dollar company and then wants to sell it, there would be taxes payable in the area possibly of $250,000. We have to ask ourselves, should we leave that $250,000 in the hands of the entrepreneur to reinvest in Canada and create more jobs, or should we leave it in the hands of the Government? Who can best go out and bring about economic recovery by creating new jobs? I believe that one of the things we should reconsider is the possibility of a rollover where an investor reinvests in Canada to create jobs here in Canada.

Another area I think we should look at is tax simplification for small businesses. Some of the most difficult and complicated provisions in the Income Tax Act relate to small businesses. I do not think that only accountants and lawyers should make money out of these types of provisions.

Research and development is the key to our economic growth in the future. We believe we should take a very expanded view of what research and development involves. There are companies in Canada who do not fall within that traditional concept of research and development. They have

perhaps made design changes to such things as furniture. I know of one furniture company which has come up with new designs, and in spite of the fact that the furniture business is in difficulty in Canada, this one company is selling around the world. Their new designs and new products create new jobs for Canadians.

I think we should, in consultation with the private sector and the Opposition Parties, look at our incentives. Right now, under certain circumstances the private sector pays only 20 per cent of new research and development undertakings and initiatives. That is, in some cases, if they are increasing over the previous couple of years the investments they are making in these areas. Maybe we should get rid of that requirement for incrementality. Let us start talking about this and examining it together.

What about new venture capital for research and development for the new high tech, for the new sunrise industries? We have instruments called scientific research investment contracts which have been the brainchild of the private sector. Maybe we should be creating new types of investment vehicles on a federal basis that individuals can put their money in. There would be a tax conduit principle so that these types of operations can be institutionalized.

We know from the past what we have been able to do in terms of MURBs to help housing and create rental housing for Canadians. We know what we have been able to do with drilling funds in order to spur that type of investment. We know what we have been able to do for films. To me, one of the most important areas is to get this new technology operative and create new jobs. We should be looking at new mechanisms for facilitating that type of investment.

I also believe we have a tremendous opportunity in Canada because of the infrastructure that we have. The service industries that we have in Canada, our financial institutions, our accounting firms, our legal firms, our banks, our insurance institutions; all of these have given us a tremendous advantage when it comes to international competition. Should we not be looking at the possibility of expanding Canada's role as an international financial capital?

We should be looking at provisions in our tax treaties and in our Income Tax Act. This would enable foreigners to seek the stability of the Canadian environment, of the North American climate, to come here with their money, bring their money in, have their investments serviced here, have headquarters here for international operations and have the multinational corporations situate here in Canada using our service industries, using the stability that we have brought in the past to this type of circumstance.

These are just a few of the approaches which I believe we should consider on a non-partisan, non-confrontational basis, as Members of this House and in consultation with the private sector, with business and with labour. We are going to get a consensus for economic action in the 1980s by working together, government, business and labour, and I welcome the breakthroughs that have been made by the Minister of Finance (Mr. Lalonde), particularly in building the bridges of communication to the labour leaders in Canada. He deserves tremendous credit for having done this. He deserves great credit for having responded to the representations made by numerous people in the private sector in the drafting of his mini-budget of last October. This type of consultation, this type of input, this type of co-operation is critical to our future. I commend the Minister of Finance. It is the path and the process of the future. It is what we need.

Mr. Deputy Speaker: Again, the Standing Orders provide for a ten-minute question and answer period. Are there Hon. Members seeking to ask questions?

Mr. Lewis: Mr. Speaker, the Hon. Parliamentary Secretary to the Minister of State for Economic Development and Minister of State for Science and Technology (Mr. Peterson) was very eloquent about the fiscal certainty that is required, and I would ask him if he feels that the introduction of a budget in November, 1981, followed by a retreat in December, in April, and various retreats from that budget, plus the introduction of enabling legislation 15 months later, contributes to or detracts from fiscal certainty for the lawyers and accountants that he talks about?

Mr. Peterson: Mr. Speaker, first of all, a great deal of consultation went on immediately after that budget came down so it is very unfair for certain Members of the Official Opposition to suggest that Liberal backbenchers were sitting there unaware of what was happening. We were in the vanguard of bringing to the Minister's attention—

Mr. Lewis: I bet you were.

Mr. Peterson: We have been listening, Mr. Speaker. We were the ones who went to the Minister and brought the concerns of the private sector to him, and there is nothing new about this. We have taken our role in these areas extremely seriously.

The Hon. Member for Simcoe North (Mr. Lewis) has also alluded to the fact that there has been a delay in bringing in these types of measures. Let me say this. His finance critic, the Hon. Member for Etobicoke Centre (Mr. Wilson), said in his speech on this particular Bill at page 21531, and I quote:

> As I said earlier, the Government House Leader wants the Bill passed in eight sitting days, by December 22. That is totally irresponsible. Let us not forget that it is basically the same bureaucrats—

He also said that we, "do not need this legislation before mid-February next year".

This is what the Member for Etobicoke Centre said. He is proposing a filibuster by the Opposition rather than getting these things through, as the Member for Simcoe North has quite rightly suggested. We should be working together to get these measures through, to create a tax certainty; I welcome him and I hope he will talk to the Hon. Member for Etobicoke Centre to ensure that happens.

Income Tax

• (1150)

Mr. Lewis: Just one other question, if I may, Mr. Speaker, on a different matter about which the Parliamentary Secretary spoke. The Parliamentary Secretary will know that the original concept of the Small Business Development Bond was debt consolidation for small business. It has now been changed so that small businesses have to be going broke before they can get a small business development bond, if they can get one. Is that what the Parliamentary Secretary meant when he said the Government created the environment for the Small Business Development Bond?

Mr. Peterson: The point which the Hon. Member is bringing up is exactly the one which I was making—the necessity for our financial institutions to utilize the Small Business Development Bond and the Small Business Bond to provide help, as a bridging mechanism, for those small businesses which are in difficulty and have to weather the recession. We want them to be whole, to come out of this recession. We want them to maintain their employment levels. We want them to be poised for a "take-off". This type of approach is critical to helping those small businesses which have cash flow difficulties.

I suggest there is no magical solution that we in Ottawa are going to be able to bring about to do this. We can help try to create the instruments and the climate under which these things can go; but let us face it, it requires the co-operation of our financial institutions which are in the lending business as well.

I called today on the financial institutions, and I hope the Hon. Member for Simcoe North will as well, to work with our small businesses to help them get through this recession, whole and ready and poised to take off in the future.

Mr. Taylor: Mr. Speaker, the November 12 budget created a number of monsters, and now we are removing them two years later. The point raised by the Hon. Member, that the Government had nothing to do with creating or worsening the depression, is very difficult to understand. For instance, the November 12 budget virtually stopped the sale of farm lands in Western Canada because it made it necessary for a person who was selling by instalments to pay the total capital gains on that land before he even received the money. How can the Hon. Member say that the Government's programs did not worsen and deepen the depression in this country?

Mr. Peterson: I do not quite understand exactly what the Hon. Member for Bow River (Mr. Taylor) is getting at. The statement by the Hon. Member was to the effect that our programs stopped the sale of lands in Western Canada, but I seem to remember he stood up in this House a month ago to complain of sales which took place in his riding. But that is neither here nor there. What we have—

Mr. Taylor: The sale of park land in Banff to an ex-Cabinet Minister has nothing to do with the sale of farm lands.

Mr. Deputy Speaker: The Parliamentary Secretary has the floor.

Mr. Peterson: I suppose the Hon. Member for Bow River is referring to the capital gains reserves that people who sold land and did not get cash for the entire amount could take advantage of, and the changes which have been made in this particular provision. The Hon. Member will realize, that, perhaps as part of his representations in this area, the reserves for farms and for small businesses have been increased. Therefore, for one who is going to sell land, we have increased the reserve period in order to try to make the reserve provisions and capital gains conform to what would be the normal business practice in these areas.

If the Hon. Member has specific examples of where a sale would take place in the ordinary course, on an arm's length basis, say, but that reserve is not adequate, then I ask him to benefit all of us with his research and thinking in this area and sit down with us in order to come forward with some constructive alternatives. There is one thing I can assure the House of. The Minister of Finance has been extremely open to good, concrete suggestions as to how we can make our tax system work more productively for Canadians.

Mr. Domm: Mr. Speaker, my question is to the Parliamentary Secretary to the Minister of State for Economic Development (Mr. Peterson). I would like to return for just a moment to the issue of Small Business Bonds, and in particular his statement that the Government today is trying to create an atmosphere which will allow the economy to come out of its present recession. I am sure the situation in the Parliamentary Secretary's riding is no different from the situation which I find in Peterborough, and that is that farmers and small businessmen—and I have the letters to substantiate it—cannot obtain Small Business Development Bonds in order to come out of this recession because the banks will not make them available. The Government has the power, does it not, to demand that the banks make these Small Business Development Bonds available to farmers and businessmen who are going out of business at an ever increasing rate? When will the Government act?

Mr. Peterson: Mr. Speaker, I think the Hon. Member has raised a couple of points; one, have we in effect, through that budget, driven Canada into recession? Let us not get involved in hyperbole. The western world is in a recession. If the Hon. Member wants to deal with specific examples of issues, I think that is the constructive way to proceed.

With respect to small businesses, we have introduced the small business investment grants for new capital purchases as well, but let us get down to the SBDB and the SBB, which I raised and which I am concerned about. The Hon. Member has quite rightly pointed out that small business persons have come to us and said; "We just cannot get any from the bank. Small branches of the bank do not know what they are all about or just don't tell us about them."

Is the Hon. Member saying that we, as a federal Government, should go to those institutions and legislate that they have a responsibility to give an SBDB to every person who asks for one? I do not believe, the way our system works, that we want Government interfering to that extent, because I do not know how we could do it. There is a credit judgment to be made. I believe, therefore, the proper approach is the one which I have been calling for. Let us let our financial institutions know that we consider they have a responsibility—

Mr. Deputy Speaker: I regret to interrupt the Parliamentary Secretary, but the ten-minute period of question and answer has expired. At this stage the Chair recognizes the Hon. Member for Yorkton-Melville (Mr. Nystrom).

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I would like to say a few words on the tax Bill before us today and to stress one theme, and that is that we have a taxation system in Canada which is very unfair, one that generally gives the breaks to the wealthy people, to the big corporations, at the expense of the poor, the ordinary working person, farmers and small business.

An Hon. Member: Nonsense.

Mr. Nystrom: I hear a Conservative Member saying nonsense to that. I would like to see that Party back up that kind of statement. Perhaps the Hon. Member says nonsense because the Conservative Party over the weekend has invented a new math where you can win a game 67 to 33, but all of a sudden the team getting the 33 per cent wins the day. I find that is very sad for a political Party—

Some Hon. Members: Oh, oh!

Mr. Nystrom: —which wishes to govern this country some day.

Mr. Deputy Speaker: With all due respect to the Hon. Member for Yorkton-Melville, the issue before us is a budget resolution and I believe the Hon. Member should confine himself to the subject.

Mr. Nystrom: Mr. Speaker, I was responding to some of the Conservative Party heckling when I referred to the fact that our taxation system is one that favours the rich in this country and the very large corporations, and I would like to see any Conservative Member of this House get up and explain the contrary. Indeed, it is the ordinary citizens, the poor people in this country, who pay more than they should be paying. It is the ordinary citizen in this country who historically is getting shafted by Government policies.

• (1200)

In fact, the Bishops' report of January 5 stated that the lowest 20 per cent of the people in this country in terms of income received only 4 per cent of the country's income while the top 20 per cent got over 40 per cent. If that is not proof of the allegation that I am making, that the tax load and the whole system of Government in this country is unfairly on the backs of the poor and the ordinary citizens, I am not sure what is. I invite the Members of the Conservative Party, if they want to govern this country some day, to think about compassion, justice and a sense of—

Mr. Taylor: Mr. Speaker, I rise on a point of order. For the information of the Hon. Member, the Progressive Conservative Party did not bring in either of these budgets. Follow the rules. We did not bring in the budget. We did not even support it. Blame the people who brought it in.

Mr. Deputy Speaker: Order. I call to the attention of the Hon. Member for Bow River (Mr. Taylor) that there is a ten-minute question and answer period provided under the Standing Orders of the House at the end of the Hon. Member's speech.

Mr. Nystrom: Mr. Speaker, I guess that proves the point that the Conservative Party are really Liberals in a hurry.

When we deal with a Bill of this sort, we should be out to change the system and change it radically so that the ordinary citizen of this country gets a fair break from the tax laws. That has not been the case historically.

An Hon. Member: That is what MacEachen says.

Mr. Nystrom: We have a Conservative Member saying "That's what MacEachen says". If he wants to believe MacEachen, he can believe MacEachen. We in this Party do not. We want to present some alternatives to the Canadian people.

Miss MacDonald: Whoever believed MacEachen?

Mr. Nystrom: I do not know whoever believed MacEachen, but one Member of the Tory Party apparently does.

Mr. Deputy Speaker: With all due respect to the Hon. Member, the usual practice is to refer to Members of the House by constituency, or their function in the case of Cabinet Members.

Mr. Nystrom: As I was saying, we have a very unfair taxation system in this country. The Bill before us today will make it even more unfair by loading more and more on the ordinary income person. For example, there is the provision for a partial deindexation, applying the six and five program to indexation in Canada. According to calculations, that will raise $1.7 billion in 1983-84, depending on the inflation rate. The tables I have show that when you partially deindex the taxation system, the lower income person pays more than his or her fair share. The wealthier person will get off much easier.

Let us take the example of a single person earning $7,500 a year. When you partially deindex the taxation system to take into account the six and five program, that person will pay an extra $113 in income tax in 1984, which means a tax increase for that person of 15.7 per cent. The person earning $10,000 will pay an extra $119, for an increase of 14.7 per cent. The person earning $50,000 will pay an extra $591, which is an

increase of only 4.1 per cent in that person's income tax. A person earning over $100,000 will have an increase in percentage terms of only 2.5 per cent. Is that just and fair? I maintain that it is not. We need a taxation system in this country based on the ability to pay. As the Bishops pointed out, those who earn the least, the 20 per cent at the bottom, earn only 4 per cent of the national income. They should get hit less hard than those earning $50,000, $60,000, $70,000 or $100,000 a year.

The same applies to the married taxpayer. A taxpayer earning $20,000 a year, with two dependants under the age of 18, with partial deindexation will have to pay an extra $254, an increase of 21.7 per cent. A wealthy person making over $100,000 a year, with the same two dependants, will have an increase of 3.2 per cent. I maintain, and suggest to the Government and this House, that it should be the opposite way. Someone making over $50,000 or $100,000 a year should pay even more income tax. Someone earning under $30,000, $20,000 or $15,000 should pay less income tax. That is the only way if we want a fair taxation system, one that is based on compassion, reason and ability to pay. That has not been the case in this country under Liberal and Conservative Governments for the past 100 years.

Let us look at the corporate tax rate. A few minutes ago we heard from the Hon. Member for Edmonton West (Mr. Lambert). He shed a lot of crocodile tears because of companies that are paying so much in taxes. He said that because they paid so much tax, they will not expand and they will not invest. He asked what this would do to the job situation and so on. If you look at the record, Mr. Speaker, you find that corporations in Canada have paid less and less in taxes over the last five or six decades while the individual has had to pay more in taxes. I maintain that is not fair.

Let us look at the statistics. In 1952, 53.7 per cent of federal Government revenue came from corporations and 43.6 per cent from individuals. In 1962, ten years later, 40.1 per cent comes from corporations and 59.9 per cent from individuals. In 1980, just a couple of years ago, 30.5 per cent came from corporations and 69.4 per cent came from individuals.

The share of taxes paid by ordinary citizens in this country has increased from 46 per cent in 1952 to 69.4 per cent in 1980, while the share paid by corporations went down from 53.7 per cent in 1952 to 30.5 per cent in 1980.

I suggest that the priorities of this Government are the wrong ones. Instead of trying to redistribute the tax load in Canada in a more fair, equal and compassionate direction, the Government has redistributed the tax load in the opposite way by bringing in all kinds of incentives, tax cuts, tax credits and tax loopholes for the very wealthy and the corporations in this country. Time and again it has loaded it on to the ordinary citizen.

It strikes me as strange that whenever the country is in trouble, the solution is to give more incentives to the rich so that they will do better, and the solution for the poor is to tighten their belts so that they will do better. That is not fair. It is not the kind of Canada that I, and I suspect the majority of Canadians, want.

It is not only the federal Government; we must take into consideration the provincial Governments as well. When we look at their taxation system, such as unemployment insurance contributions and so on, we find the same trend developing. In terms of federal and provincial revenues, in 1950 corporations paid 49.2 per cent. In 1980, corporations carried 23.3 per cent of the national tax load. In 1950, individuals paid 50.7 per cent; in 1980, their share had risen to 76.6 per cent. That is neither fair nor just. The principal thing that we in this House should be doing is to change that kind of tax system, bringing in many of the recommendations made in this country over the years for a more fair and just tax system.

If we change the tax system so that the poor, the ordinary worker, the farmer and the small-businessman have more income, they will spend it. They will buy consumer goods. They would buy the necessities of life in order to look after their families. In the process, this would create jobs. We must stimulate consumer spending in this country. We need a tax cut, not for the large companies, but for the ordinary citizen. Large companies have never in the past responded to that kind of incentive and never will. We must get rid of a tax system which is a system of socialism for the rich and free enterprise for the poor. It is socialism for the rich because, year in, year out, Governments in Canada have given millions and millions of dollars to large companies. In fact, if we had taken equity in the CPR every time we gave it millions of dollars to upgrade rail lines, improve facilities and purchase hopper cars, we would own and control it now. The same is true of many other corporations in the country. We do not give that kind of assistance to ordinary people. We do not give that kind of assistance to the single mother, the unemployed, or the small-businessman or small farmer unfortunate enough to go bankrupt. That is the kind of thing we want to change.

• (1210)

In 1982 the budget levied a corporate surtax of 5 per cent which will be reduced in 1983 to 2.5 per cent. That perpetrates the kind of unfairness and lack of compassion that the country shows for the ordinary citizen.

On the other hand, only about .07 per cent of our GNP is in the form of a wealth tax. In the United States, about .42 per cent of the GNP is taken up by wealth tax, while in Switzerland 1.02 per cent goes to wealth tax. If we want to base our taxation system on fairness, then I suggest we examine what other countries are doing to help the ordinary citizen. But so far that has not been done.

Another point I want to raise has been referred to by the Parliamentary Secretary, and that is whether the valuation day for farmers should be changed. In 1980 the Liberal Party promised that it would be. I am sure Hon. Members opposite recall that they were to change valuation day from December 31, 1971 to December 31, 1974 and that it was to be indexed so that there would be a more appropriate reflection of the inflation in land prices. Nearly three years have passed and that promise has not been fulfilled. I do not think it is a question of whether it should be fulfilled. The Government

made a commitment and it must deliver. This is very important because land prices are being inflated day in and day out. If the valuation day is not changed and some form of indexation adopted, then small and middle-sized farmers will be paying the largest increase in taxes, in this case through capital gains.

Those are a few of the points that should be made, Mr. Speaker. In Canada we have a taxation system that is extremely unfair and regressive and which loads taxes on the ordinary citizen, the ordinary worker, the farmers and the poor in the country. They pay all kinds of consumer taxes and sales taxes which are regressive. At the same time, we allow the wealthy all kinds of incentives and investment tax credits and allow large corporations to pay less than their fair share. That is not the kind of Canada I want. I want a Canada based on freedom for the individual to do his utmost. That cannot happen while he is saddled with extremely high taxes.

We have an immense deficit and I am afraid that, as it increases, the ordinary person will have to pay the price, through increased taxes and programs like six and five which will hit him the hardest. The six and five program is a good example of what happens. If someone is making $10,000 per year and is limited to a 5 per cent increase, that amounts to $500. But if someone is making $50,000 per year the increase is $2,500. Where is the equity in a program which was supported by the federal Liberal and Conservative Parties? There is no equity in it, Mr. Speaker, but I suggest that neither Party is willing to stand up for the ordinary citizen or to represent him in this House. We should be making some real changes to benefit the ordinary citizen, rather than throwing more and more to the big companies and the wealthy people in the country.

Mr. Deputy Speaker: Are there any Hon. Members who wish to put questions to the Hon. Member who has just spoken? The Hon. Member for Peterborough (Mr. Domm).

Mr. Domm: Mr. Speaker, the Hon. Member seemed to say that we have to do two things; first, we have to get more taxes from large corporations, and second, we have to reduce the federal deficit. I wonder if the Hon. Member would support the principle that we should not be giving interest-free money to PetroCan and that, if it paid its own way, that would help reduce the deficit?

Mr. Nystrom: Mr. Speaker, I am a very strong supporter of PetroCan. I think it should be a much bigger oil company than it is today. We should be doing what other industrial states have done long ago, and that is, have a national oil company that would expand and keep oil money in Canada. I believe Crown corporations should pay their fair share, as is done in Saskatchewan. In that Province they make their fair contribution to the provincial treasury. The Government moved very late in the oil industry. By now, PetroCan should be the largest oil company in Canada.

I believe that foreign ownership in general has made this country poor and has cost many, many jobs. Government statistics show that foreign companies import four times as much as Canadian firms. Foreign ownership has prevented us from having a rational and planned industrial system. It has fragmented the industrial base that we do have and has allowed a good deal of R and D to go south of the border and into other countries.

We are the only industrialized country in the world that has allowed so much foreign ownership and I think the time has come when that should end. It can be ended in the oil industry by making sure that Petro-Canada expands.

Mr. Deputy Speaker: The Hon. Parliamentary Secretary to the Minister of Finance (Mr. Fisher).

Mr. Fisher: Thank you very much, Mr. Speaker—

Mr. Domm: Mr. Speaker—

Mr. Deputy Speaker: I will allow a short supplementary to the Hon. Member for Peterborough (Mr. Domm).

Mr. Domm: Mr. Speaker, the Hon. Member intentionally skirted the question. He delivered a fine speech today about reducing the federal Government deficit and collecting more taxes from Crown corporations.

My supplementary question is the same as my original question. Does the Hon. Member support interest-free Government money going to Petro-Canada in order that it can expand, thus reducing the viability of the federal Government and, in other words, increasing our deficit? Is he giving a speech of accountability—

Mr. Deputy Speaker: Order, please. With all due respect, the Hon. Member's question should be short and to the point.

Mr. Domm: Surely a minute, Mr. Speaker—

Mr. Deputy Speaker: Order, please. The Chair is trying to apportion time among Members. The Hon. Member has been permitted an original question and I have invited him to put a supplementary question. I think he has put his question and I am inviting the Hon. Member for Yorkton-Melville (Mr. Nystrom) to reply.

Mr. Nystrom: I support that, Mr. Speaker. I think we should use the taxation system and the resources we have in the country to Canadianize. We must make sure that Canadians control their destiny. I do not see what is wrong with that. If the Hon. Member wants to stand on the side of foreigners owning and controlling vital parts of our economy, that is his business; but I do not believe in it.

I made a speech today saying that private corporations have been paying less and less, and I said that system must end. In 1952, foreign corporations contributed 53 per cent of the revenue and today they contribute 30 per cent. We must change that system, and fast.

Mr. Fisher: Mr. Speaker, in September the Finance Committee held eight public sessions, many of them double sessions and several additional days were made available for private

discussion. Later, the Minister of Finance (Mr. Lalonde) acknowledged the good work done by the Committee and many public groups acknowledged the important forum it provided.

The Hon. Member for Yorkton-Melville (Mr. Nystrom) said that he and his Party are standing up for the ordinary citizen against the undue advantages given the rich. May I ask why he and his colleagues made only one appearance at the Committee since September? I believe the transcript will show that standing up for the ordinary citizen amounted to one brief, 20-minute discussion with one witness. Perhaps the Hon. Member could tell the House why this standing up was not a little more forceful.

• (1220)

Mr. Nystrom: I am sorry, I cannot answer that question. I am not a member of the Finance Committee. I am just saying what is the position of my Party and what is my position as a Member. We have a taxation system which is very unfair. I think we will have to change that system, but I cannot answer the question because I am not a member of the Committee.

Mr. Fisher: Mr. Speaker, I have a very brief supplementary question. I applaud the Hon. Member's position. It is a logical one; it is well-stated. Why does he not do something about it?

Mr. Nystrom: We would love to have a chance to do something about it. Perhaps the day will come very soon when we will have a people's Government in charge of things here in Ottawa.

Mr. Crouse: Mr. Speaker, I wish to direct a question to the Hon. Member for Yorkton-Melville (Mr. Nystrom). In his remarks he stated that the thought we should have an expanded Petro-Canada operation. Only last week I received a telephone call from a small gasoline outlet operator in my constituency. He asked me just what he could do with regard to our state-owned oil company. I asked him what was the problem. He said that he was operating a small service station and that one of his customers was a small taxi operation which had a fleet of five cars. The Petro-Canada operator adjacent to the man who called me contacted the taxi operation and said: "Look, we will put in a tank which will provide gasoline for your fleet at the wholesale cost, providing you buy your gas from Petro-Canada". Of course, the taxi company followed that route and as a result the small, independent operator, his wife and two children, lost that taxi business. This was the straw which broke the camel's back. Not only did the small operator lose the taxi business, but he lost the oil business and the servicing of that fleet.

I see Mr. Speaker motioning. I am coming to my question. Why would the Hon. Member for Yorkton-Melville and his Party want to see the expansion of Petro-Canada which, in effect, is putting small, independent businessmen out of business—

Mr. Deputy Speaker: Order, please. The Hon. Member will have an opportunity to make a speech later, if he wishes. The Hon. Member for Yorkton-Melville (Mr. Nystrom).

Mr. Nystrom: Mr. Speaker, there have been hundreds of cases where the Exxons of the world have trampled over small, independent people for many decades.

Mr. Crouse: But this is not Exxon; it is Petro-Canada.

Mr. Nystrom: I do not see the Hon. Member's point. I think this country needs a Canadian-owned oil company which controls the majority of the Canadian petroleum business. This is what most enlightened countries in the world have done. It works very well for them and it could work very well for us.

Mr. Deputy Speaker: The Hon. Member for Ottawa Centre (Mr. Evans).

Mr. Crouse: I have a supplementary question, Mr. Speaker.

Mr. Deputy Speaker: The Chair is having great difficulty apportioning time to Hon. Members seeking to be recognized. The Hon. Member for Ottawa Centre.

Mr. Evans: Mr. Speaker, I was interested in the Hon. Member's comments. I agree that some form of indexation of capital value about which he was talking for farmland would definitely be appropriate. He also said something about the fact that there should be a wealth tax and that tax policy should reflect the needs of the less fortunate as well as average Canadians in our society. Could he tell us what is the average value of a grain farm in his riding? Would he be suggesting that a wealth tax be applied to the sale price of farmland in his riding? I understand that farms sell in his riding in the range of between a quarter and half a million dollars.

Mr. Deputy Speaker: I call to the Hon. Member's attention the fact that questions should be short. The Hon. Member for Yorkton-Melville has a very brief opportunity in which to reply.

Mr. Nystrom: Mr. Speaker, I think that any wealth tax should be placed basically upon the wealthiest 5 per cent or 10 per cent of the Canadian population. Many years ago the Saskatchewan Government removed the estate tax for over 90 per cent of Saskatchewan farmers. I am talking here just about the very, very wealthy in society. Those people should be paying a much greater share of the income tax.

Mr. McDermid: What is your definition of wealthy?

Mr. Nystrom: What is my definition of wealthy? I have given you several definitions.

Mr. Deputy Speaker: The Chair hesitates to interrupt the Hon. Member but the ten-minute period of questions and answers has expired. At this stage the Chair recognizes the Hon. Member for Lambton-Middlesex (Mr. Ferguson).

Mr. Siddon: Mr. Speaker, I rise on a point of order. I believe the debate commenced this morning with a speech from this side. Then there was one from that side and one from the NDP, so in the natural rotation I would presume that you would return to this side of the House.

Mr. Deputy Speaker: The Chair is having some difficulty with the business of time allocation, but in this case the Chair will recognize the Hon. Member for Lambton-Middlesex and then the Hon. Member for Richmond-South Delta (Mr. Siddon).

Mr. Ralph Ferguson (Lambton-Middlesex): Mr. Speaker, first I want to pay tribute to the Members of Parliament who joined with me during the month of September and sat on the Standing Committee on Finance, Trade and Economic Affairs to listen to businessmen, construction people and professionals from across Canada make proposals that would lay the groundwork for, and give us insight into, the changes required in order to come up with a more equitable tax system. I am referring particularly to the Hon. Member for Ottawa Centre (Mr. Evans), the Hon. Parliamentary Secretary to the Minister of Finance (Mr. Fisher), and the Hon. Member for Edmonton West (Mr. Lambert), who certainly had a tremendous input into the Committee and was a very active participant on a regular basis.

I was somewhat disappointed. I hoped perhaps there could have been more regular attendance before that Committee because the calibre of submissions was extremely good and each was backed up by a level of common sense which made it easily understood by all involved. I could not help but be somewhat alarmed by the lack of knowledge of the Small Business Bond. Under the Small Business Bond Program banks do not pay income tax on interest earned. If they are in a non-profit situation—and their profits have been dropping badly because of the recession in the western world for the last several months—naturally they will not have as much profit to invest as they had, for example, a year ago when many bonds were negotiated between the borrower and the lender. I know there is a great need for this, but in fact they are not in a taxable position. We as a Government cannot force them to make loans even if they are in a taxable position because it has to be negotiated, I say again, between the borrower and the lender.

Also I should like to comment briefly on some of the submissions that were made. Some of them pointed out to all members of the Committee that there were sectors of the economy where perhaps the capital cost allowance factor needed adjustment due to the short life period of the particular equipment purchased. I am talking here about submissions that were made and the cross-examination of the persons from the Canadian Construction Association.

Also I should like to touch upon the issue raised by the Hon. Member for Yorkton-Melville (Mr. Nystrom) concerning the application of the capital gains tax. This is another issue which was raised within Committee. I believe it was the Canadian Chamber of Commerce which made the proposal that perhaps one of the most equitable ways of applying a tax in that particular area would be to tie it to the length of tenure or the length of ownership.

• (1230)

I sympathize with the situation the Hon. Member for Yorkton-Melville has described of a farming operation on which perhaps a farmer or his family have worked for several generations to build up an equitable and viable operation, only to be faced with a system of taxation that in the last few years, during an inflationary spiral, has made it very difficult to cope with the transfer or sale of that property. In one sense, perhaps it has slowed down the takeover of Canadian land by foreign owners. But in the other context we have to be very careful that we do not destroy the family farm concept.

I would like to see consideration given not only to the suggestion made by the Canadian Chamber of Commerce but also to an alternative system of indexing in this same situation. Indexing has already been accepted by our country. We index our personal income tax base, our pensions and various other aspects of our economy that affect people's lives. This may be a good time to look at this.

If we look back over the last several months, in particular the four months prior to December 1, the rate of inflation on a monthly basis has been running at approximately one-half of 1 per cent. In contrast to the way the inflationary impact is calculated in the United States, we calculate ours on the 12-month moving average. Consequently, if we consider inflation in the four months prior to December 1 to be at a rate of approximately one-half of 1 per cent, then we realize that Canada's inflation rate has been running at 6 per cent during that time, and there was negative inflation during the month of December, then we have achieved our purpose as far as the inflationary spiral is concerned, although it may not appear that way when one looks at the 12-month moving average and compares it to the monthly averages in the United States.

However, there is another area that perhaps we should examine very closely. Canadians are great savers. In the year 1981 I believe Canadians salted away something like $17 billion in savings as far as private investors are concerned. This money is badly needed in the small business and farming sectors.

Another possible vehicle to examine is that of finding another way to channel some of these savings back into the investment sector, particularly into those areas where it is so badly needed. Perhaps this could be examined in committee. Maybe we can come up with a vehicle that would ensure security to the investor and stability to the owner. I believe this can be done. I speak as a private Member of the House of Commons when I make this suggestion.

Mr. Nickerson: You can't; you are a Parliamentary Secretary.

Mr. Ferguson: I believe this suggestion would give us a boost in the arm. We have resources in Canada which are not available in other countries in the world. We are the second

largest country in the world as far as geographical area is concerned. This huge diversity in our economy spread over such a large country has made it very difficult to apply a tax system that is completely equitable to everyone.

It is in this context that I am most appreciative of the way organizations submitted briefs to us during the month of September. There were those of us who did not take any holidays but stayed to work to ensure that the proposals coming from the business community could be closely examined in committee and the appropriate suggestions sent on for consideration for the upcoming budget later this year.

I mentioned earlier briefs were submitted by the Canadian Chamber of Commerce and the Canadian Construction Association. We also had briefs from the Canadian Federation of Agriculture, the Canadian Bar Association and the Canadian Institute of Professional Accountants. All of these organizations had something to contribute.

One of the problems we have as a governing body, and I speak in this context for all Members of the House of Commons, is the diversity of our economy here in Canada. We have to work toward a solution that is fair and applicable to all of Canada. After the committee ended its work and Parliament resumed sitting, we had a submission by the Canadian Federation of Retail Farm Equipment Dealers in Canada, who asked for consideration of the proposal that the investment tax credit be applied to used equipment. This was an area which the dealers found was creating problems for them. They were carrying huge inventories of farm equipment which were not moving because of the investment tax credit on new equipment as well as the half-year depreciation allowance, and coming toward the end of the year it is to a person's benefit to buy new equipment instead of used equipment.

With all of the input we have had to date and the adjustments made in the budget papers, I think it accurately reflects the requirements that will be in place as our economy starts to turn and we achieve the level of stability required in the small business, agricultural sectors and other sectors that contribute to the welfare of this nation.

I was interested to note that, as of November 20, there were more oil wells drilled and completed in Canada from January 1, 1982 to November 20, 1982 than there had been in any other year since 1977, with the sole exception of 1980. That is an indication that the oil and energy sector has started to turn. I see some puzzled looks on the other side of the chamber, but bear in mind that I said oil wells drilled and completed, not oil and gas wells. I see an Hon. Member looking at me curiously, but I would have to ask him why drill another gas well when we have so many drilled and capped for which markets are not available? I notice that the National Energy Board has provided permits to increase our exports that I hope will bring those capped wells back into production and give some new life to the economy in that sector.

It is also interesting to note that the plans announced toward further development, not only in the Arctic and the Beaufort but in the offshore, show that very large companies have faith in our Canadian tax system and are willing to make those kinds of expenditures that will create additional jobs and bring our economy back to the level of prosperity that we had a few years ago before the world recession set in.

In spite of the fact that we in Canada think we are very hard pressed—indeed we are; our unemployment figure is far higher than we would like to see it—when we compare our situation to other industrialized nations in the western world, we do have the basic human and natural resources that should allow us to take advantage of the quick recovery that we hope will start this coming summer.

• (1240)

In closing, I want to point out that we have made a tremendous number of changes to the Income Tax Act. I believe these changes are well spread out and cover a wide range of concerns, from the automobile standby charges to the liabilities of directors of corporations, withholding tax and so on. These changes have been brought about as a result of the Government consulting with concerned individuals as well as from the representations made to the committee by the people of Canada when it sat in the month of September.

We hope that consideration will be given in the budget later this year to some long-term proposals which will have to be implemented over the next few years in order to meet the needs of a changing society and a changing business world.

Mr. Deputy Speaker: Again, we have a period of ten minutes for questions and answers. Are there Hon. Members rising to put questions?

Mr. Lewis: Mr. Speaker, I see that the Parliamentary Secretary to the Minister of Finance (Mr. Fisher) is in position now and I have a question for the previous speaker. The previous speaker referred to large inventories of farm implement dealers. Does the Hon. Member feel that the reduction of capital cost allowance to one-half of the amount that is normally allowed to purchasers in the year of acquisition will stimulate or reduce the sale of farm implements?

Mr. Ferguson: Mr. Speaker, the Farm Equipment Dealers' Association indicated that any adjustment to the capital cost allowance with respect to used equipment would have a neutral impact on that used equipment. They were more concerned about the application of the investment tax credit being extended to used equipment so that they would be able to sell it off of their lots and not have to carry it as inventory.

I should point out to the Hon. Member that it is normal for the manufacturers of farm equipment to carry the cost of new equipment on those lots until the day of sale or until a buyer makes an offer through a rental agreement. If this happens, the liability is assumed by the purchaser at that point. However, if that dealer takes in a trade on that piece of equipment, that is his liability, of course. That is their concern. They wanted to ensure that the investment tax credit provision was extended to cover that used equipment in order to lower their own inventories. I have to agree that it will clear their lots and

resolve a very heavy debt burden that they are carrying at the present time. Obviously, the Hon. Member does not understand.

Mr. Deputy Speaker: I call to the attention of the Hon. Member for Lambton-Middlesex (Mr. Ferguson) that questions and answers should be short.

Mr. Lewis: Mr. Speaker, my question referred directly to the purchase of new farm equipment. Does the Hon. Member feel that by taking half of what was normally the capital cost allowance, the sale of farm implements will be stimulted or reduced?

Mr. Ferguson: Mr. Speaker, I have to emphasize again that the retail farm equipment dealers themselves said that it would have a neutral impact upon used equipment.

Mr. Siddon: On used equipment. We are talking about new equipment.

Mr. Ferguson: Naturally, if the capital cost allowance was left as it was, it would have a positive impact on the purchase of new equipment. There is no doubt. But the way it was being applied was very unfair, because if I were to purchase a new combine late in December at a cost of $120,000, I could not use it until the following August. I would be glad to meet with Hon. Members opposite to explain farming operations to them. You do not harvest wheat in December, January or February; you harvest in July and August. Consequently, I hope the Hon. Member would realize this situation, and if there is any adjustment to be made, perhaps we should be considering a different rate for the first part of the year and another for the last half of the year, or the time when the equipment is being used.

I wish to point out as well that there was a great abuse of capital cost allowance by some sectors of business, where they were buying a fleet of equipment, trading it in after three months of operation and taking the full depreciation. As a result, the ordinary taxpayer was, in fact, having to absorb this loss of revenue which the Government was not receiving.

Mr. Nystrom: Mr. Speaker, my question to the Hon. Member concerns the capital gains tax and valuation day. Why has his Party not kept the campaign promise which it made in 1980 that the valuation day would be changed from 1971 to 1974 and then indexed? The Minister of Agriculture (Mr. Whelan) said on Thursday, I believe, that the Government would be keeping the promise very soon.

My question is two-fold. Why has his Party not fulfilled its promise up to now; and how soon can the farmers of Canada expect the Liberal Party to deliver on that promise?

Mr. Ferguson: Mr. Speaker, I think I indicated in my remarks that there is diverse opinion as to how this should be applied. The Chamber of Commerce suggested that it should be tied to the length of tenure. This is one aspect which they suggested should be carefully considered and it is being examined very carefully. The other suggestion was for a system of indexing or a change in valuation day. This affects various sectors of farming in different ways. As the Hon. Member is aware, the land tenure period in the Prairies where a lot of grain is grown will be much different from a cash crop area or a tobacco growing area where the farmer usually works very hard for 12 months of the year, rather than having a period of holidays during the winter months or at least taking it easy. They have to work all year round, as a livestock farmer does. We have to examine how this plan will be applied and what its impact will be. I have been working on it.

I am sorry that there was not a representative of his Party in the committee when this was discussed with the Canadian Federation of Agriculture. This was one of the points raised by the Canadian Federation of Agriculture. I trust that a solution will be found shortly that will apply in an equitable manner to all Canadian farmers.

Mr. Taylor: Mr. Speaker, I would like to ask the Hon. Member why a farmer would buy a combine in January when he does not use it until August or September. As well, both the Hon. Member and his Minister have stated that the Small Business Bond was brought in to help the farmer. How can it help the farmer if the banks will not issue it?

Mr. Ferguson: Mr. Speaker, the Hon. Member for Bow River (Mr. Taylor) raised a very valid point. I was explaining to his colleague that one does not harvest wheat in December, January or February, but it has sometimes been the practice to buy a piece of equipment in the last month of the fiscal year in order to take advantage of the depreciation rates. This is one of the abuses of the system that was taking place and is why we had to make an adjustment in the capital cost allowance. If we study this, there may be some sectors of the economy for which we may have to make a further adjustment, as we did for the automobile companies. I quite agree that it is not often that we harvest wheat or anything else in January or February.

• (1250)

However, just to give the Hon. Member a little further enlightenment, I must advise him that I am a farmer from southwestern Ontario and in some years I have had to harvest corn and soybean during the winter months because we had a very wet fall and we had to wait for the ground to freeze. One year I bought a combine—a used combine, incidentally—during the month of December because the fields were so soft that we could not use a conventional machine. Therefore, I bought one with huge flotation tires in order to rescue the crop and feed the people of Canada, which would not have been possible otherwise.

With respect to the second part of his question concerning the Small Business Development Bond issue, I share his concern. The Small Business Bonds were a good instrument when they were brought in and served a very useful purpose. However, when it came to the point at which the banks were not making profits as large as they were when they were first implemented, the banks withdrew. It was only business sense to them that if they were not paying income tax, the Small

Business Bond was of no advantage to them. Consequently, they became very difficult to obtain.

Mr. Deputy Speaker: The period of question and answer having now expired, the Chair recognizes the Hon. Member for Richmond-South Delta (Mr. Siddon).

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, while the frustrations of these question sessions are most felt by the Hon. Member next expected to speak, I must say that I believe these exchanges are very valuable to the House and to the people of Canada. In particular, they reveal the difficult dilemma of Members of Government in being faced with questions which the Canadian people have been asking with regard to the November 12 budget for more than a year. The answers appear to be the same today as the Government has been giving all along.

When we asked about the impact of reducing first year depreciation by 50 per cent on an item which is on the fast depreciation rate of three or five years, for example, it was impossible for Government Members to argue against the fact that this measure of the budget of November 12, 1981, included in Bill C-139 before us, does not destroy jobs. In fact, some 20 per cent of the automobiles manufactured in Canada are purchased for lease or rental and are normally written off over three years. Suddenly, the operating costs of a lease or rental equipment business have been increased by imposing this change. Therefore, the turnover rate of these vehicles is slower and the output from our Canadian automobile and equipment manufacturing industry is reduced. That means the loss of hundreds of thousands of jobs.

Therefore, I am very pleased that we are giving Government Members, backbenchers in particular, an opportunity to reveal some of the hypocrisy in the position the Government has taken under the leadership of, first, the former Minister of Finance, who introduced the budget over a year ago, and now, more recently, the present Minister of Finance (Mr. Lalonde), who has had to jump through hoops and try to justify the introduction of Bill C-139 at such a belated stage of this process.

This particular budget has now been changed 47 times. The Liberal Government has had to retreat from many of the measures and the basic principle on which it was predicated. In fact, it is no longer anything like the budget first introduced on November 12 of 1981. Nonetheless, the major and damaging elements of the budget have largely been retained. This is why members of this Party in particular do not intend to see this budget measure, the Ways and Means motions, go through the House in great haste.

I, for one, resent the implication given in a letter sent out by the Minister responsible for Revenue Canada to my constituency office suggesting that we tell taxpayers that they should urge their Members of Parliament to get this Bill through expeditiously, otherwise they will not be receiving their tax rebates in a timely fashion. I think that is a form of intimidation and blackmail which is absolutely unacceptable to Members of the House.

As we well know, the Government has already been busily collecting tax in accordance with the provisions of the budget of a year ago for a full year. In terms of the tax year ending April 30, 1982, those measures were implemented without the support of legislation or the consent of this House. Now the Government intends to tax in the present taxation period, applying the rules which we again have not adopted as law. Nonetheless, the Minister of Finance has the gall to tell Canadian taxpayers that if Members of Parliament do not get this Bill through the House quickly, then their tax rebates will not be received by April 30, or perhaps not received at all.

Mr. Cosgrove: That is a fact.

Mr. Siddon: That is the double standard which the Government regularly applies. If the Government takes, it takes without the benefit of the law. If it is required to give back, it also disregards its moral obligation to do so and then tries to accuse Opposition Members of being the problem.

Mr. Cosgrove: Followed your leadership.

Mr. Siddon: It is important that we very carefully study the provisions of this enabling legislation, Bill C-139. It is very interesting that, in fact, the Canadian Tax Foundation is due to start work on the major issue of restructuring Canada's taxation system. Therefore, one must ask the question, given all of the blunders and retractions of the measures of the original budget, why we are now in such a big rush to implement some of the remaining features which are so damaging to the Canadian economy?

When people in the New Democratic Party and Members of Government say, "We are only trying to be fairer to the ordinary Canadian and extract more revenue from corporations and the wealthy", they do not realize that many of those large corporations have declared a 50 per cent reduction of profits in the past year, that that has a direct relationship to the hundreds of thousands of people they have been laying off, that many of the small businesses and individuals of Canada have declared bankruptcy, personal and corporate, at a rate which is 50 per cent larger than it was in 1980, and that this all translates into the loss of employment.

Therefore, although we argue that our economy is in rough shape because of world oil prices and other factors, Members on the Government benches opposite evade the truth. The truth of the matter is that the November 12 budget was the trigger for a colossal decline in the Canadian economy. The Government now has no right to blame the Opposition for delaying this Bill when we feel the measures contained within it have been the trigger for the economic catastrophe that is unfolding in our country.

On November 12, 1981 the Government projected $66 billion of revenue. The projection of October 28 of last year was $55 billion. In other words, the Government's revenue predictions have dropped by $11 billion in one year. At the same time, because of additional unemployment and job program costs, we have seen the financial outlay increase substantially. The budget of November 12, 1981, which was

supposedly to raise $9 billion of additional revenue from Canadians over the previous year, has in fact destroyed the revenue base of the Government of Canada.

That confirms a theory that we on this side have discussed in the House several times. In an academic sense, it is called the "Laffer hypothesis", but for ordinary-minded people, this theory merely says that if one continues to raise corporate and personal taxes without limit, one will pass a point beyond which one will reduce the total revenue flow to Government. This theory, this down-to-earth, practical fact, is at the heart of our present economic dilemma. The Government has passed over the peak on what is called the "Laffer curve", and we are now taxing businesses and corporations to the extent that it is no longer worth being in business. That is why the revenues of the Government of Canada have fallen $11 billion over the last year and expenses have increased some $11 billion, so that, for the financial year 1982-83, we will see a total deficit approaching $30 billion. This confirms the theory that Government cannot continue to tax and increase tax without limit.

I read that when the Minister of Finance introduced this Bill shortly before Christmas, he said: "Canadians, as a whole, understand that their Government cannot continue to spend more and more while it taxes them less and less", the implication being that the Government had to raise taxes to pay for spending. Of course, the true nature of the problem is that the Government is spending far too much and doing little about reducing the extravagance and waste for which it is responsible. It is not taxation which is in dispute so much as the lack of fiscal restraint.

I think that if we merely consider the recent Auditor General's report—may I call it one o'clock, Mr. Speaker?

[*Translation*]

Mr. Deputy Speaker: Order, please. It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

POLITICAL PARTIES

NEW DEMOCRATIC PARTY POSITION ON OIL PRICES

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, you may find this hard to believe, but there were other interviews being broadcast and statements being made over the weekend that did not emanate from Winnipeg.

News reports of the interview of the Hon. Member for Vancouver-Kingsway (Mr. Waddell) with Standard Broadcast

News indicate that nothing has changed about the warm and cozy relationship between the Socialist NDP and the present Liberal Government.

The New Democrats are saying that energy agreements should not be renegotiated in order to bring down the cost of gasoline for consumers to reflect the falling world price. Canadians today are paying $2 a gallon for gasoline. According to *Newsweek* magazine, on the American side of the border they are paying $1.50 for a similar amount of gasoline, even considering the exchange rate. In spite of the fact that Americans are paying for their oil at the world price, Canadian consumers are paying more. Obviously the system put in place by the Liberal Government is not working, or the Government is perpetrating a fraud on consumers. Yet here we have a prominent spokesman for the NDP, that Party's former energy critic, urging that that system remain in place and that Canadian oil prices should not be renegotiated, even though the world price is falling.

The NDP cannot resist attacking the Conservatives for voting with the Liberals when there are useful amendments to be made and worth-while legislation presented. But when it comes to being in bed with the Liberals to perpetuate this fraud, the NDP believes it is perfectly all right to bilk Canadian consumers at the pumps, when the reality is that gasoline is considerably cheaper in the United States.

* * *

COMMUNICATIONS

FIRST CHOICE PAY TV LICENCE—CRTC ROLE

Miss Aideen Nicholson (Trinity): Madam Speaker, when granted its licence as a national Pay TV network, First Choice Canadian Communications Corporation undertook to ensure a Canadian pay TV system that would benefit Canadian viewers and the Canadian program production industry.

At the public hearing in connection with the application of First Choice for licensing, their expressed philosophy of Canadian programming focused on "quality" and "high production values", with a stated aim to increase the amount of Canadian drama. This was called into question when earlier this year First Choice signed a one-year contract with Playboy Enterprises and when they advertised themselves as "the Playboy Channel".

Members of this House, as well as the many Canadians who expressed their concern about this issue, are greatly encouraged by the response of the CRTC. The CRTC is empowered by Parliament under the Broadcasting Act to review the performance of licensees and to call them to account for indications of failure to meet programming commitments or conditions of licence.

I am pleased to see that the CRTC has reiterated its support of the recommendations of the Task Force on Sex-Role Stereotyping—particularly Section 3, which opposes "the

portrayal of gratuitous violence to women", and that the CRTC is reviewing its Pay TV regulations to take into account concerns relating to sexual exploitation.

* * *

RAILWAYS

CROWSNEST PASS RATE—PROPOSED MINISTERIAL ANNOUNCEMENT

Mr. Len Gustafson (Assiniboia): Madam Speaker, western farmers are faced with one of the most difficult economic periods in the history of farming. Increased costs of production and falling grain prices will pose major difficulties for grain producers. It would be absolutely impossible for western farmers to pay increased freight rates at this time. Considering the economic problems they face, I call on the Minister of Transport (Mr. Pepin) to announce in Winnipeg tomorrow a positive plan of action that will not put farmers in western Canada at an economic disadvantage which they cannot afford to face at this time.

* * *

[*Translation*]

PROGRESSIVE CONSERVATIVE PARTY

POLITICAL CAREER AND QUALITIES OF LEADER

Mr. Henri Tousignant (Témiscamingue): Madam Speaker, with considerable astonishment and consternation, Canadians this weekend witnessed the final moments and tragic end of the political career of a party leader. A political organization which claims that it alone has the God-given qualifications for leading the destinies of Canadians, has chosen at a time when it is fifteen points ahead in the public opinion rolls, to sacrifice in fact to literally assassinate its leader.

After sailing in troubled waters for the last two years and after weathering the storm, so to speak, now that better days are on the horizon, the captain is being asked to leave the helm just when he is about to deliver his cargo.

As politicians, we are all fully aware of the precarious position we are in. However, I am sure that I shall be interpreting the feelings of many Canadians in expressing my sympathy for the person who bore the brunt of these actions, and that whatever his future political orientation may be, we shall always recognize his tremendous sense of fairness, his search for justice and his profound understanding of liberalism-qualities which, in fact, cost him the leadership of his party.

[*English*]

EMPLOYMENT

NECESSITY FOR LONG-TERM JOB CREATION PROGRAM

Mr. Ian Waddell (Vancouver-Kingsway): Madam Speaker, I might say at first that the Hon. Member for Hamilton-Wentworth (Mr. Scott) completely misinterpreted our position on energy prices. We want low energy prices; that is why we want to keep the Alberta agreement. It provides for 75 per cent of world price. I suggest that the Hon. Member read that agreement and read what I said yesterday to the press. I think we have a good record in that we have been pretty consistent on our position there.

The Liberal Government has deliberately created unemployment to fight inflation over the last few years. It has done this on the backs of working people. Canada—

Some Hon. Members: No, no!

Mr. Waddell: It is true. That is the policy. Canada needs new direction. The first priority should be job creation. We need a long-term direction involving better control of our investment process; we need more, not less, Canadianization, and so on. In the short run we need immediate job creation.

The Government has spent $1 billion to create 70,000 jobs in 13 programs. These are part-time, restrictive jobs that pay the minimum wage and just put people back on UIC at lower rates. We need a long-term job creation program. If the federal government is serious about job creation it would opt for long-term meaningful jobs and not this short-term job creation which is merely a drop in the bucket.

* * *

NATIONAL DEFENCE

STAFFING OF OVERSEAS TEACHING POSITIONS

Mr. Dave Nickerson (Western Arctic): Madam Speaker, teaching positions in the Department of National Defence's dependants schools overseas provide unique cultural, social, and educational opportunities, according to the Department's own literature. For this valid reason, there are often more applicants than there are positions available.

Although the Department of National Defence maintains that it makes every effort to comply with the stated policy of providing geographic representation in overseas assignments of teachers, a simple review of the statistics shows that this is not the case. Despite many applicants with excellent qualifications only one teacher from the Northwest Territories has been selected in the last ten years. It is evident that systematic discrimination is being practised against teachers from the N.W.T.

The selection committee is to meet in a couple of weeks or so, and it is imperative that the errors of the past be remedied at this time.

Despite the slightly higher costs of hiring teachers from the North, Territorial teachers must be judged on their own merits and given the same consideration and opportunity as teachers from southern Canada.

* * *

RAILWAYS

CROWSNEST PASS RATE—GOVERNMENT POSITION

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, since it appears to be the intention of the Minister of Transport (Mr. Pepin) to propose changes to the Crowsnest Pass grain rates in Winnipeg tomorrow, I would like to make the point again today that my Party objects to the opening of an agreement that was to have remained in force in perpetuity.

The Prime Minister (Mr. Trudeau) has assured the House on several occasions that changes to Crow would occur only if consensus was reached among the affected parties. We heard the Minister of Transport report last week in this House that no consensus had been reached. Apparently the Government has decided to reverse its policy, change the rules, and act unilaterally without a consensus.

The existing Crow rate contract was never opened up and placed on the table for renegotiation. The vast mineral wealth in the Crowsnest Pass region that was a part of the original agreement was not on the table. No recognition has been made of the gifts of money, land and equipment that went into the original contract. Neither is any recognition given to the extreme cost increases already faced by farmers, or has any recognition been given to the great economic disincentives to grain export, under the analysis of either Gilson, Argue, or Snavely. Because of the contradictory and disruptive nature of the proposals on the table, I urge the Government to maintain the Crow rate and implement the Hall Commission proposals for rail upgrading instead.

* * *

• (1410)

YOUTH

SUGGESTED ESTABLISHMENT OF PARLIAMENTARY TASK FORCE TO EVALUATE FEDERAL PROGRAMS

Mrs. Ursula Appolloni (York South-Weston): Madam Speaker—

[*Editor's Note: And the Right Hon. Leader of the Opposition (Mr. Clark) having entered the Chamber:*]

Some Hon. Members: Hear, hear!

Right Hon. Joe Clark (Leader of the Opposition): Thank you.

Mrs. Appolloni: —we on this side of the House are deeply conscious of the need to encourage the participation of youth at all levels of Canadian society, to respond to youthful idealism, to study youthful aspirations, and to give recognition to what young people are saying and doing. Rapid technological and sociological change present to today's youth a challenge, the magnitude of which has probably never been experienced by past generations. We believe Canadian youth can and will respond to this challenge, but our duty is to listen to the youth constituency, and to elicit its views.

We, therefore, recommend the setting up of a parliamentary task force on youth which would serve to update the 1970 report by the Secretary of State, to investigate and evaluate federal programs affecting youth, make appropriate recommendations, and which would prepare a plan and submit its recommendations for the International Year of Youth scheduled for 1985.

* * *

INCOME TAX

PREPARATION OF RETURNS—PROPOSED DELAY IN PAYMENT OF REBATES

Mr. Gordon Towers (Red Deer): Madam Speaker, the chaos, uncertainty and delay in 1982 tax refunds because of the current tax situation will certainly rate as the greatest monument to confusion since the Tower of Babel. Millions of Canadians are now being asked to complete personal income tax forms which are not in accord with existing tax law. They are being asked to complete the forms when the levies have not been approved by Parliament.

My sympathy goes out to the millions of taxpayers who are owed refunds and who will have to wait months for their money. My sympathy also goes out to the employees of Revenue Canada who will be forced to examine each and every return individually because of needless inefficiency and bumbling on the part of the Government. In future, when tax forms are being drawn up and printed, the bureaucrats should interpret tax law as it is, and not what they think it is going to be at some point in the future.

* * *

RAILWAYS

PROCUREMENT OF FREIGHT CARS

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Madam Speaker, at the present time short-term cyclical employment at National Steel Car in Hamilton is followed by periods of mass lay-offs. This causes incalculable hardship to the workers and their families, and also leads many experienced workers to look for employment elsewhere. In the near future Government will have to make a concentrated effort to expand the rail network in western Canada in order to allow the production of a larger number of freight and tank cars to move grain and raw materials to port.

In order to smooth out the peaks and valleys in the demand for railway freights cars and tank cars in Canada, I would like

to suggest that the federal Government give due consideration to a recommendation made by the United Steelworkers of America which proposes that all orders for such freight cars in Canada be routed through a national procurement agency. Such an agency would be able to identify opportunities for import replacement and increase efficiency. Standard specifications for various types of cars could be developed. Smaller orders would be combined to enable manufacturers to operate with longer production runs. Such an agency could project and plan orders months and years ahead.

* * *

CANADIAN NATIONAL RAILWAYS

TRANSFER OF PRINCE EDWARD ISLAND CARLOAD OPERATION TO NEW BRUNSWICK

Mr. Tom McMillan (Hillsborough): A few days ago, Madam Speaker, Canadian National Railways announced plans to move most of its Prince Edward Island carload centre to Moncton as part of an over-all rationalization of heavy freight operations in the Atlantic region. A mere holding operation will be left behind in Charlottetown to administer the movement of heavy freight to, from, and within the entire Province. Only a handful of jobs will be lost, but much more than employment is at stake. The demise of this important service to P.E.I. shippers constitutes yet another body blow to what little remains of the railway system in the very Province which entered Confederation in 1873 to save its railway.

I implore the Minister of Transport (Mr. Pepin) to do all he can personally to convince CN to reverse its decision concerning the P.E.I. carload centre because that facility is a necessary part of the economic base of the Province and we cannot, therefore, afford to lose it.

ORAL QUESTION PERIOD

[*English*]

ENERGY

PRICE OF GASOLINE CHARGED TO CONSUMERS

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, my question is for the Minister of Energy. It is my understanding that, under the federal Government's oil pricing agreement with the producing Provinces, if world prices fall there is supposed to be a corresponding drop in Canadian prices. According to *Newsweek* magazine, world prices are falling. Is the Government still committed to the contract that Canada is going to be at 75 per cent of the world price, no matter what the world price is? And, if so, when will Canadian consumers see a corresponsing drop in the price of gasoline at the pumps?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I believe the Hon. Member is mistaken. The policy is not that the commitment is that the price of oil in Canada will be 75 per cent of oil prices. There are three components in the price of oil in Canada. There is the international price for international oil, and for new oil, and 75 per cent of the world price for old oil. This is the policy of the Government, and it still applies.

Mr. Scott (Hamilton-Wentworth): It seems that, every time we ask a question on this subject, the Government blames everybody else for the high price of oil, OPEC, the Provinces, Alberta, the weather. The federal Government never has anything to say about taking action to offer relief to the consumers.

PETROLEUM COMPENSATION CHARGE AND CANADIAN OWNERSHIP TAX

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, let us deal with one area the federal Government can do something about, and that is the petroleum compensation charge and the Canadian ownership tax. Should world prices continue to drop, will the Government make a corresponding reduction in the petroleum compensation charge and the Canadian ownership tax, or drop those taxes altogether?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, the Hon. Member should be aware that since the beginning of the month the petroleum compensation tax has been dropped by $4 a barrel. On top of this, in terms of the Canadian ownership charge, when the payments for the acquisition of Petrofina are terminated sometime at the end of March or mid-April, perhaps some of the money will be kept there for the investment which we had proposed to make in Dome Petroleum in order to ensure this corporation remains a viable corporation in Canada.

GOVERNMENT POSITION

Mr. Geoff Scott (Hamilton-Wentworth): Madam Speaker, the fact remains that my constituents do not understand the Government's policy of protecting us from the world price when all they need to do is drive across the border into New York State and fill up their tanks with gasoline at a cheaper price than they can do so in Ontario. Is the Minister of Energy offering no hope to Canadian consumers that there will ever be a reduction in the price of gasoline at the pumps in this country? Or is he going to take the advice of his friends to the left here not to negotiate any new oil-pricing agreement?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Madam Speaker, I am not surprised that the electors of the Hon. Member do not know the policy of the Government, because he does not know it himself. He should know, if he is a little informed, that the average price of a gallon of gasoline in Canada is about the same as in the United States, and sometimes a little lower. There is a major variation in price, depending on the provincial sales tax and the same

thing exists in the United States. The level of tax varies from state to state. This applies not only in Alberta, but there is a fantastically high level of tax in Quebec. Ontario taxes might be too high, but you should talk to Bill Davis about that.

* * *

VETERANS AFFAIRS

INCOME EXEMPTIONS APPLICABLE TO WAR VETERANS ALLOWANCE

Mr. Mel Gass (Malpeque): Madam Speaker, my question is directed to the Minister of Veterans Affairs. On July 15, 1982, and November 19, 1982, I asked the Minister about the possibility of raising the casual earning exemption for recipients of the War Veterans Allowance. The Minister assured me that he expected a report very soon and that it would be responded to immediately. Tomorrow is February 1, 1983, and I would like to know what the status of the alleged report is, and when its recommendations will be made public.

● (1420)

Hon. W. Bennett Campbell (Minister of Veterans Affairs): Madam Speaker, the report that I referred to has been received. A proposal has been presented to Cabinet and is presently under consideration.

REQUEST THAT INCREASED EXEMPTION APPLY RETROACTIVELY

Mr. Mel Gass (Malpeque): Madam Speaker, my supplementary is directed to the same Minister. I am concerned as to whether the recommendations in the report, if they do recommend increased earnings for war recipients, will be made retroactive to 1982.

Hon. W. Bennett Campbell (Minister of Veterans Affairs): Madam Speaker, the proposal which I put forward does make a provision for retroactivity.

* * *

PIPELINES

CONSTRUCTION OF PROPOSED WATER PIPELINE TO SERVE REGINA AND MOOSE JAW, SASK.

Mr. Simon de Jong (Regina East): Madam Speaker, my question is addressed to the Minister of Employment and Immigration. It is with regard to the proposed water pipeline from Lake Diefenbaker to Buffalo Pound. Last November I asked the Minister about federal assistance to help finance the pipeline. He agreed then that the pipeline was an important project for Saskatchewan and that the federal Government would be prepared to discuss funding with the Province as soon as the provincial task force completed its study. That report has now been made public. It has recommended the pipeline as the best solution to the Regina and Moose Jaw water problem.

Has the Saskatchewan Government contacted the Minister regarding the pipeline? What is the status of the negotiations? Has the federal Government changed its position in support of funding for this project?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, I do not think it was my colleague, the Minister of Employment and Immigration, who responded to that question. I believe it was myself. I had requests from two provincial Cabinet Ministers in Saskatchewan with respect to assistance in dealing with the water problem in Saskatchewan several weeks ago. I stated at that time that If they decided on a pipeline, it will be left to the Province of Saskatchewan to make a request. We indicated that we would consider any proposal that they put forward.

I understand through the media that the Saskatchewan Government has now put a proposal forward using a pipeline rather than an open canal, which was favoured by some other people in Saskatchewan. We will look at that proposal when and if it is submitted, however, I have not received any specific information from the Province since they made their decision last Friday.

FINANCING OF PROJECT

Mr. Simon de Jong (Regina East): Madam Speaker, the Conservative Government of Saskatchewan has offered a proposal which the cities of Regina and Moose Jaw cannot afford to accept. It would completely tie up the capital budgets and borrowings of those cities for the next 20 years.

This is an important project. It would not only guarantee an adequate supply of good clean water, but would also create much needed jobs. It would be a shame if this project were lost because of a jurisdictional dispute between the federal and provincial Governments. Will the Minister provide some leadership in attempting to work out a realistic financing scheme with the Province and the cities?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, as I indicated in a letter to the Mayor of Regina, as well as to my counterpart in Saskatchewan, we are prepared to look at any particular project. I do not want to get into a jurisdictional battle between the City of Regina and the Province of Saskatchewan. Clearly, this is the responsibility of the municipal and provincial Governments. However, because it is of importance to the people of Saskatchewan, we have indicated that we will look at any proposal and decide accordingly.

Oral Questions

ENVIRONMENTAL AFFAIRS

POLLUTION OF NIAGARA RIVER—PROPOSED ACTION BY PROVINCE OF ONTARIO

Mr. Girve Fretz (Erie): Madam Speaker, my question is directed to the Minister of the Environment. The Province of Ontario has indicated that it will attempt to enter a United States lawsuit over the S-Area chemical dump unless the federal Canadian Government receives assurances from the United States that our concerns about the pollution will be met. When will we get those assurances?

Hon. John Roberts (Minister of the Environment): Madam Speaker, I have seen the same reports on which I gather the Hon. Member is basing his question. They puzzle me a little bit. There are negotiations under way which are taking place within the context of a court ordered process in the United States. Those are negotiations between the United States Government and the company in the United States. We are in touch with the American Government on those negotiations. We are pressing on them concerns which we would wish to have the company take into account, in the hope that the company and the United States Government will reach the proper safeguards in a proper negotiation.

There is not a negotiation between the Canadian and American Governments, as the newspaper seemed to imply. There is a process of communication and consultation.

I have no objection whatsoever to the provincial Government entering the court process. My only concern, when they undertake that kind of activity, is that they make sure they touch base with other people who are concerned, to ensure that the action is one that will be useful. I hope in this case that they will be concerned not simply with whether their action might affect the federal Government's interest, but that they will make sure that they are in touch with the public interest groups, the pressure groups in the Niagara area who may endorse an intervention by the Ontario Government or have some concerns about it. That is the area they should be concerned about, not about whether there will be some specific results within the next seven days or so on the part of the federal Government.

ACCESS TO INFORMATION ON DUMP HAZARDS

Mr. Girve Fretz (Erie): Madam Speaker, my question is directed to the same Minister. It has been indicated that a confidential agreement exists between the United States Government and the American firm Occidental, formerly Hooker Corporation, that is keeping information about the hazardous dump from Canadians. What effort is being made to acquire this information?

Hon. John Roberts (Minister of the Environment): Madam Speaker, my answer would follow on my first one. It seems the Hon. Member is referring to negotiations which are under way, which are directed by the court and which are inherently negotiations between the company and the American Government, which is a confidential process. We are being kept in touch with the development of those negotiations.

The Hon. Member has talked in terms of some agreement holding back information, or some secret agreement. I am not aware of what he is referring to, unless he is referring to the negotiating process which has been encouraged by the American Court authorities. The nature of that legal discussion is such that it is not a public discussion, but a discussion going on between lawyers at the present time. We are in a general way aware of what is being discussed. We are not a party to those negotiations.

* * *

NORTH ATLANTIC TREATY ORGANIZATION

CANADIAN NAVAL CONTRIBUTION

Hon. Allan B. McKinnon (Victoria): Madam Speaker, my question is for the Minister of National Defence. Last fall the Minister attended a NATO meeting in Brussels where the allies agreed to increase their conventional capabilities and invest more money and effort in high technology weaponry. Will the Minister tell the House what Canada will be doing to improve its NATO capability in the area of high technology weaponry, or must the Canadian navy continue to look on NATO exercises as a spectator sport?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, I would think that, as an ex-Defence Minister, the Hon. Member would have respect for the navy. Our navy is doing a very good job with NATO. The communication I have received from most NATO people in charge of naval operations is that the Canadian Navy is doing a very good job in so far as helping NATO in its anti-submarine warfare roles.

The Hon. Member knows very well that we are in the process of examining how, in the next few years, we can rebuild our navy. As he knows, the program calls for six new frigates to replace the older ones. The Government is doing a considerable amount. Actually, we are in fact following what the former Minister of National Defence was proposing when he was Minister.

Mr. McKinnon: The Minister knows very well that the men and women of the Royal Canadian Navy are second to none. However, their equipment lags far behind.

MODERNIZATION OF VESSELS

Hon. Allan B. McKinnon (Victoria): Madam Speaker, my supplementary question is directed to the same Minister. We are spending over $200 million on a destroyer life extension project, as he knows, to extend the life of 16 ancient destroyers.

Gatineau has just come out of the DELEX Program, a 24 year old vessel having its life extended another eight years. It does not provide for, nor has it had installed any form of anti-

missile capability. The lessons of the Falklands point to the necessity of that. These ships will not be able to defend themselves in the event of hostilities. Will the Minister tell us why they are only doing half the job of modernizing those vessels?

Hon. J. Gilles Lamontagne (Minister of National Defence): Madam Speaker, the Hon. Member should know that behind the policy of the DELEX Program, which is a program to modernize our vessels, we are cognizant of the time that we will in fact be able to use these vessels. For the old class of 56 or 57, for example, we will refit them so that they can be used for another seven or eight years, until the new frigates are in service. There is no use spending millions of dollars on something that we will not be able to use in five or six years. However, on the newer class frigates there will be a more complex DELEX Program so that they will be useful for a longer period of time. It is just a question of judgment.

* * *

CANADA POST CORPORATION

STANDARD OF SERVICE IN RURAL AND URBAN AREAS

Mr. Maurice Harquail (Restigouche): Madam Speaker, my question is for the Postmaster General. It has to do with the problems we all face respecting the new Canada Post Corporation, both with regard to urban and rural deliveries. We know that the tampering with Saturday delivery in rural areas has not been acceptable and is not satisfactory. I know from speaking to people in the west and in the Atlantic Provinces that there are some very serious problems.

• (1430)

We know that there has been a lot of humour, and that a lot of stories have been told, about the reasons for the problems. Speaking on behalf of many Canadians, I feel that it is time we looked at these problems seriously and try to determine what the direct, effective solutions are, rather than creating a number of groups or carrying out additional studies.

In my own area there are a number of what I consider to be minor problems, but it has taken two years to settle them. I have called this week "Post Office Week" because I want officials of this new corporation to attend to these things. I would ask the Postmaster General to look into these matters personally. I am concerned especially with Saturday delivery and with post offices being closed at 5 p.m. rather than 6 or 7 p.m.—

Madam Speaker: Order.

Hon. André Ouellet (Minister of Consumer and Corporate Affairs): Madam Speaker, I appreciate the frustration of the Hon. Member and will convey his remarks to the officials of the new corporation. I am sure they will follow up on his recommendations.

RAILWAYS

CROWSNEST PASS RATE—LEGALITY OF PROPOSED GOVERNMENT ACTION

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Madam Speaker, my question is addressed to the Minister of Transport. In view of the terms of the Transport Act, and in view of the plans to make a statement on the Crow rate tomorrow, would the Minister, even at this late date, give serious consideration to asking the law officers of the Department of Justice whether the whole procedure is legal, keeping in mind the recent decisions of the Supreme Court?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, the Department of Justice has been involved in the process and is now involved in drafting the legislation that will follow our actions of tomorrow. If there were something illegal in what we are about to do, I am quite sure they would have brought it to our attention.

* * *

INDUSTRY

RAILWAY ROLLING STOCK CONTRACTS SOUGHT FOR SYDNEY STEEL COMPANY

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, my question is for the Minister of Industry, Trade and Commerce. At the outset I should like to express my appreciation for his action in reactivating the business plan for Sydney Steel.

Further to the statement that his colleague, the Hon. Member for Hamilton West, made a few minutes ago, may I ask the Minister what kind of action we can expect to have on allocation of railway rolling stock in order to relieve the very serious economic problems that exist in the Hon. Member's constituency in Hamilton West and mine in Nova Scotia. Economic conditions are very serious in both places and a substantial order for railway rolling stock for Hawker-Siddeley would have enormous economic leverage.

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, I appreciate the Hon. Member's compliment with respect to Sysco. Concerning the potential for the rail transportation sector in terms of industrial benefit, I think that tomorrow when my colleagues, the Minister of Transport and the Minister of Employment and Immigration, announce changes in the Crow Rate the Hon. Members will see substantial benefit possibilities for the whole industrial sector in Canada. Also he will see that there will be substantial opportunity for the rail transportation oriented industries in Nova Scotia.

As well, Madam Speaker, my colleague, the Minister of State for International Trade, is also working on a couple of projcts around the world, one in Nigeria, for example. These

are some of the possibilities for the company in his riding to sell rail cars.

Mr. MacKay: Madam Speaker, I appreciate that answer.

PROSPECT OF ORDERS

Hon. Elmer M. MacKay (Central Nova): Madam Speaker, I gather that the Minister is telling us that there is a definite prospect of some orders in the not too distant future?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, there are definite prospects, but I want to introduce one caveat. The most important aspect to ensure success, and the main reason for the six and five program and many of our other programs, is that our industries must be competitive. There are tremendous prospects in the transportation sector all around the world. That is one of the reasons why we have been trying to encourage Canadians to be competitive in order that we maximize the potential benefits to employees all across the country.

* * *

HOUSING

FUNDING FOR RENOVATION PROGRAM ON VANCOUVER ISLAND

Mr. Jim Manly (Cowichan-Malahat-The Islands): Madam Speaker, my question is directed to the Minister of Public Works. Applicants for the RAPP-P Program for rental units in my constituency have been told that their proposal falls within the rules and guidelines but that no funding has been allocated for the Victoria area office in 1983. Could the Minister tell the House why no funds have been set aside for this kind of labour-intensive program on Vancouver Island during a time of record unemployment?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, I do not have those facts in my mind at the moment, but I will check and inform the Hon. Member.

Mr. Manly: Madam Speaker, I would appreciate it if the Minister would look into this.

REQUEST THAT MINISTER SEEK FUNDING

Mr. Jim Manly (Cowichan-Malahat-The Islands): Madam Speaker, the RAPP-P Program does two things. It improves housing conditions for Canadian people and it stimulates the economy by promoting sales of goods and services and by providing employment.

If the Minister believes in the value of the RAPP-P Program, is he willing to go back to Cabinet and get decent funding, not only for Vancouver Island but for all Canada?

Hon. Roméo LeBlanc (Minister of Public Works): Madam Speaker, I am absolutely committed to the program of home renovation. In fact I think it is a very useful economic tool in terms of job creation. It is for that reason that, in a statement he made in the House in October, the Minister of Finance allocated more money for it. The budget is allocated very fairly by region by officials of the corporation, but there are cases where that budget has been fully committed for the present fiscal year.

I will look into this and report to the Hon. Member, but surely his question should not reflect a lack of commitment on the part of a Government which has put almost $1 billion into housing in 1982-83.

* * *

AGRICULTURE

IMPACT OF LOST QUOTAS ON DAIRY FARMERS

Hon. Don Mazankowski (Vegreville): Madam Speaker, I should like to direct a question to the Minister of Agriculture. He knows that a number of farmers are facing bankruptcy and that a number are financially burdened by the difficulties they face. Included in this are a number of dairy farmers who have lost their market share quota, in many cases through no fault of their own. These dairy farmers are heavily penalized, to the extent of approximately $28 per hectoliter for any production outside the market share quota. This further exacerbates their difficult position.

Is the Minister actively looking at this serious problem? Does he propose any interim measures to alleviate this very difficult situation for the dairy farmers?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, I do not think we have received any official representation. I saw a report that the Hon. Member had met with dairy farmers in his constituency office. The administration of that Board comes under the authority of the Alberta Government, and the Alberta Marketing Board administers that program.

I understand that this is the first time in 12 years that they have faced a cutback in milk production in the Province of Alberta with the Board quota and the traded quota to other provinces before. That is strictly an administrative problem as far as I am concerned. They are saying that supply management does not work, but I am sure the Hon. Member knows that his Premier runs supply management. He will remember how he turned the valves down on oil and gas at one time.

Some Hon. Members: Oh, oh!

Mr. Mazankowski: Madam Speaker, I cannot imagine how the Minister of Agriculture can bring oil into a very difficult problem faced by the dairy farmers. The fact is that, whatever role the Dairy Board has in the Province of Alberta, it is functioning within the ambit of the total supply management concept.

ROLE OF FINANCIAL INSTITUTIONS

Hon. Don Mazankowski (Vegreville): Madam Speaker, I have a supplementary question for the Minister of Agriculture. In view of the fact that this particular problem affects between 30 and 40 per cent of the producers in northern Alberta, would the Minister exercise a little compassion, look at the problem, and try to come up with some recommendations to his Department? Would he ask them at least to make recommendations to the financial institutions that finance these particular producers, so that there could be some leniency in that particular area?

Hon. E. F. Whelan (Minister of Agriculture): Madam Speaker, the Hon. Member knows that, when it comes to the needs of farmers, no one could be any more compassionate than I can.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: You talk about it and do very little.

Mr. Whelan: Madam Speaker, the Hon. Member also knows that the industrial dairy program is one that we have something to do with. It is an organization put together at the request of the Provinces. The Canadian Dairy Commission administers this program.

Every farmer producing industrial milk is being asked to share in the cutback across Canada. If it is brought to my attention that there is some area where people are suffering undue hardship, naturally I will make that kind of representation.

It has been reported in the press that they are suggesting that we should withdraw the program. Surely they do not want to go to what is the case in the United States where it costs $250,000 per hour in subsidies, and where they are piling up mountains of skim milk powder surplus and butter surplus. They do not know what to do with it. They are putting it on the world market at depressed prices and taking our markets away from us. I can think of one country to which they sold 60,000 tons of skim milk powder and gave it 20,000 tons as well. Yet they do not call that cutting prices. We are in rough competition, but we have a good program and we want to keep it good.

* * *

MINES AND MINING

THREE-MONTH CLOSING OF TIMISKAMING MINES

Mr. John A. MacDougall (Timiskaming): Madam Speaker, my question is directed to the Minister of State for Mines. Two iron ore mines in Timiskaming, the Adams Mine and the Sherman Mine, will each be shutting down for a three-month period during the spring and summer. This will be the third shutdown for the Adams and the second for the Sherman.

• (1440)

As well as the 800 permanent jobs involved here, there will be a complete loss of any summer job opportunities for students. The Minister has said repeatedly that action is being taken to help the mining industry. Just what action is she taking now to resolve the problems in the mining industry?

Hon. Judy Erola (Minister of State (Mines)): Madam Speaker, I advise the Hon. Member to contact our Department to see what programs we can put into effect in those areas. Through Section 30 and NEED we have put a great many out-of-work miners back into the work force. I would suggest that he contact us as soon as possible to get those programs which will put them to work moving into those areas of the country.

Mr. MacDougall: Madam Speaker, that is short term; we are looking for permanent employment.

REQUEST FOR TAX INCENTIVES TO ASSIST INDUSTRY

Mr. John A. MacDougall (Timiskaming): Madam Speaker, my supplementary question is directed to the Minister of Finance. The mining industry needs more than assurances. It needs action now. Will the Minister please make provisions in the new budget to provide incentives and assistance to our mining industry?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I have heard the representations of the Hon. Member. Obviously I will put them together with other representations I have received, and examine them seriously.

* * *

THE ECONOMY

REQUEST FOR MORE STIMULUS

Hon. Edward Broadbent (Oshawa): Madam Speaker, my question is directed to the Minister of Finance. On the weekend I visited the communities of Guelph and Waterloo, part of the so-called Golden Horseshoe in southern Ontario. In that area 31,000 jobs were lost in the month of December alone. A man in Guelph, who had heard the Minister speaking earlier in the week on the news about the need for more stimulus in the economy, put the following question to me. He asked me to ask it of the Minister, which I should like to do. He said, "If there is a need for more stimulus, why does the Government not do it now instead of waiting another two months for a budget?"

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I am glad that the Leader of the New Democratic Party is travelling a little bit in the country and that he keeps us informed of his visits and travels. I suspect the question he asked today must have been heard by the citizen to whom he referred from his own mouth last week, because it is the same as the one he asked then.

The answer I am giving him is that there is over $2 billion of stimulus resulting from the budget of my predecessor last June and my economic statement of October 27. That stimulus of over $2 billion is being injected into the economy at the present time. If my friend wants to show a little patience, he will see later this week other announcements which will have significant impact in terms of activity in the economy.

As far as additional stimulus which might be required is concerned, one way we can ensure the economy will recover faster is to ensure passage at the earliest possible opportunity by the House of the very important Income Tax Act that we started to consider this morning. In all my consultations across the country I have received one clear message, that the private sector wanted certainty and stability, and that it wanted this legislation to be implemented without further delay. I hope the Conservatives in particular will now see the light and realize that it is in the best interests of the economy to pass that legislation without delay.

Mr. Broadbent: I am sure the private sector, like other Canadians, wants certainty and stability, but it does not want the senility—

An Hon. Member: Then resign.

Mr. Broadbent: —or sclerosis that we are getting on the other side of the House.

REQUEST FOR MONEY INJECTION

Hon. Edward Broadbent (Oshawa): Madam Speaker, the Minister talked about the amount of money the Government is spending so far. I do not know why he would take pride in the fact that this money was injected when we lose, as I mentioned, 31,000 jobs a month in one small part of the country. Since it costs us some $45 million a day in terms of lost revenue to the federal Government alone, with current levels of unemployment, this will mean that if the Government takes no further action in terms of stimulus for job creation for another two months, when we are supposed to get a budget, we will lose $2.7 billion. I ask the Minister to inject some of that money into the economy now to provide jobs for people, so that they will be paying taxes instead of collecting unemployment insurance out of the country's financial resources.

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I agree. It makes a lot of sense to inject additional funds into the Canadian economy at the present time. In fact, that is what the Government is doing. As I have said before, since last June, the Government has allocated more than $2 billion in additional Government spending in our economy to help the unemployed. These funds are now being spent and have not yet been completely used up. The Minister of Employment and Immigration and other Ministers are doing everything they can to ensure that these funds will be used as quickly as possible by Canadian and especially by the private sector. In fact, I would ask the private sector in Canada to co-operate with our efforts in this area, and I hope that we shall have the support of the Hon. Member for an expeditious passage through Parliament of the tax legislation now before the House, measures which should help get us on the way to economic recovery.

[*English*]

Mr. Broadbent: The Minister mentioned what his Government has been doing since last June. I can tell him that we have been losing thousands of jobs almost every day since then. In the past 16 months we have lost 450,000 jobs in the manufacturing sector alone.

SASKATCHEWAN WATER PIPELINE PROPOSAL

Hon. Edward Broadbent (Oshawa): Madam Speaker, I would like to take another specific project and see if I can at least get a commitment from the Minister on it. The communities of Regina and Moose Jaw need improved water facilities. Just prior to the weekend the Government of Saskatchewan announced a proposal to these cities to provide a pipeline which would, in fact, put an unbearable financial burden upon the municipalities, and under present circumstances they cannot abide by it. Since such a pipeline in these communities, where unemployment has risen by 55 per cent in the past year, would provide at least 400 jobs in the steel building part of the project alone, will the Minister of Finance show some financial long-run sense and some short-run compassion and offer these municipalities and the Province of Saskatchewan substantial amounts of federal funds to get the project under way now?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, it is a cruel judgment on 15 years of NDP Government that these towns are short of water at the present time.

Some Hon. Members: Oh, oh!

Mr. Broadbent: You are getting pretty low, Marc.

Mr. Lalonde: I urge the Hon. Leader of the NDP to listen to my answer as I listened politely to his question. If we look at the fiscal capacity of a town like Regina or Saskatoon and compare it with the fiscal capacities of most cities in the country, and if we take the fiscal capacity of the Government of Saskatchewan and compare it with the fiscal capacities of most provincial Governments in the country, I would urge my hon. friend to realize that those cities and the provincial Government of Saskatchewan are indeed in a very good fiscal position. They can go into the market and borrow money on their own for those public works projects, without necessarily having to wait for the "great white father" in Ottawa to come with money.

Discussions with my provincial colleagues, the Ministers of Finance, have shown in that respect that they have a greater sense of responsibility than the Leader of the New Democratic Party. They have recognized that they themselves also have a responsibility to participate in ensuring that all Governments

contribute to the stimulation of the economy. They have recognized their own responsibility in this regard.

* * *

VETERANS AFFAIRS

STATUS OF TREATY INDIAN VETERANS

Mr. Jack Shields (Athabasca): Madam Speaker, my question is directed to the Minister of Veterans Affairs. Has the Minister determined how many treaty Indian World War II veterans, who were denied full veterans' benefits because of their treaty status, are presently making representations to his Department for their lost benefits? How much longer will these treaty Indian veterans have to wait for what all other veterans received automatically?

• (1450)

Hon. W. Bennett Campbell (Minister of Veterans Affairs): Madam Speaker, I have met with representatives of the Saskatchewan Indian Veterans Association as well as having exchanged correspondence with the Alberta Indian Veterans Association. I have asked both parties to bring forward all of the cases where there are concerns. We are now analyzing each individual case and providing a detailed response to everyone of them.

REQUEST THAT OFFICIALS INVESTIGATE SITUATION

Mr. Jack Shields (Athabasca): Madam Speaker, my supplementary question is also directed to the Minister of Veterans Affairs. Would the Minister consider sending two or three gentlemen from his Department across the country to search out the veterans who served their country in a time of need but who have been denied their veterans allowance and benefits because of their treaty status? Many of them, from every reserve across Canada, are without these benefits and do not know that they were even entitled to them. Will the Minister have people from his Department, which is responsible for veterans affairs, assigned to find these men and give them the recognition they deserve?

Hon. W. Bennett Campbell (Minister of Veterans Affairs): Madam Speaker, the Indian Veterans Association in both of those Provinces has been working with treaty Indian veterans on the reserves. We also have two counsellors working out of the Saskatoon office who are working specifically with reserve Indians.

* * *

RAILWAYS

CROWSNEST PASS RATE—PROPOSED MINISTERIAL ANNOUNCEMENT

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, my question is for the Minister of Transport. Can he explain why he is making an announcement in the City of Winnipeg on Tuesday regarding the statutory rates for the movement of grain instead of making that announcement in the House of Commons where it should be made? The Minister should be questioned in the House of Commons where he can respond to those who want to ask him questions, instead of hiding in the City of Winnipeg making that announcement.

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I am sure the people of the City of Winnipeg will not welcome that question. Winnipeg, of course, is the centre of the world when it comes to grain matters!

The announcement will be made in Winnipeg by two of us, the Minister of Employment and Immigration being one. The announcement will be made in Montreal also. The Minister of Agriculture will travel to Halifax, Toronto, and Montreal.

Mr. Mazankowski: Who will make the announcement in the House?

Mr. Pepin: The Minister of Regional Economic Development will be making the announcement in the House and answering questions. I am sure the Prime Minister will answer quite a few as well. We are not neglecting any major city of Canada, or the House of Commons.

* * *

FISHERIES

REQUEST FOR RELEASE OF KIRBY TASK FORCE REPORT

Hon. James A. McGrath (St. John's East): Madam Speaker, I wish to direct my question to the Minister of Fisheries and Oceans. Today is the last day of January, and the Minister knows that the Kirby Task Force report was promised to be released in November, then in December, and again in January. The Minister also knows about the crisis in the Atlantic fishing industry. The industry is on hold, waiting the release of that report and the critical recommendations contained in it. When will the report be released? I hope the Minister will not be content with saying "Soon."

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Madam Speaker, I can say to the Hon. Member, the former Minister of the Department, that his impatience will end in the very near future.

Some Hon. Members: Hear, hear!

Mr. De Bané: Madam Speaker, I will not limit myself to what the Hon. Member has suggested, that is, to table the Kirby report. I will propose a policy to the Atlantic fishermen which has been adopted by the Canadian Government. I will go even further than the recommendations—

Mr. Crosby: They are already tabled in *The Globe and Mail*.

Mr. De Bané: —by assuring the Hon. Member that his impatience will end very quickly.

QUERY RESPECTING POSSIBLE DISCUSSIONS WITH BANKS

Hon. James A. McGrath (St. John's East): Madam Speaker, may I ask the Minister—and I hope the banks will exercise the same patience that he is expecting from me—whether he has discussed the implementation of the recommendations in the report with the Atlantic provincial governments and with the banks? Has the Minister taken a decision, and has he discussed with the banks one of the recommendations, that of setting up Crown corporations to operate some of the major companies that are having financial difficulties?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Madam Speaker, I can say to the Hon. Member at the outset even today that the involvement of all the participants in the fisheries in the implementation of any policy is a prerequisite for the Government. I can assure the hon. Member that every participant in the fishery will have much input in the implementation of the policy.

FORM OF REPORT

Hon. John A. Fraser (Vancouver South): Madam Speaker, I have a question for the Minister of Fisheries and Oceans. It has been asked before, and his answers have been equivocal. Will the Minister release the Kirby report in the exact form in which it was submitted to the Cabinet, so we can test what the Government has decided to accept from it as against the recommendations?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Absolutely, Madam Speaker.

* * *

HOUSING

PLIGHT OF HOME OWNERS WITH HIGH INTEREST RATE MORTGAGES

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I have a question for the Minister of Finance. He is aware, I am sure, that there are significantly large numbers of Canadians who are locked into mortgage interest rates in excess of 18 per cent as a result of the extraordinary increase that took place in interest rates over the course of the last year. Has the Minister considered a program that would allow those people to get out from under the tremendous burden that has been placed upon them? Will he bring forward some recommendations, as to how the Government or the private institutions which loaned the money will deal with those individuals who had to sign for the renewal of their mortgages or lose their homes?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, as the Hon. Member knows, generally in those cases there is a way of getting out of those commitments except that obviously there is a penalty. That a penalty is incurred is the problem in most instances.

It is a complex issue, and we are examining it. I have received representations from Liberal backbenchers in this regard, and I am examining this matter with my colleagues to see, whether anything can be done. I want to stress, however, to my hon. friend a problem arises from the fact that, in many instances, financial institutions have also been borrowing money at high rates in order to finance those mortgages. Some institutions will find themselves in difficulty if they re-open those mortgages having gone into the market selling medium-term bonds on which they have to pay 17 per cent or 18 per cent interest. There is a real difficulty there. I do not want to leave my friend with the impression that it is an easy matter and we can just say, "Cancel those mortgages and no problems will arise". There are difficulties.

* * *

FISHERIES

ALLOCATION OF NON-SURPLUS STOCK TO EUROPEAN ECONOMIC COMMUNITY

Miss Coline Campbell (South West Nova): Madam Speaker, my question is for the Minister of Fisheries and Oceans. It concerns the recently announced allocation of non-surplus stock to the European Economic Community, without obtaining a commitment to market access in the Community. As the Minister is aware, many people feel very strongly about allocation of non-surplus fish for any reason, particularly without a true market concession. Does this mean that the Government will be allowing further encroachments in the future by foreigners on our non-surplus fish?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Madam Speaker, as we know, a long-term agreement was signed over a year ago by my predecessor and the Common Market Commission. In the last year it was obvious that the Common Market had not lived up to the obligation to which it had committed itself. Recently I met with the head official of the Common Market here in Ottawa. He readily agreed that the Common Market has not lived up to its commitment.

The policy devised in consultation between myself and the Secretary of State for External Affairs is that we will calculate exactly the percentage to which the Common Market did fulfil its obligation, which is to give us access to that market in return for fishing allocations. We will give the Common Market exactly the percentage to which it had committed itself. Furthermore, I hope in the very near future, in the context of the new fisheries policy, to be able to announce what our policy is concerning foreign fleets in our waters.

• (1500)

[*Translation*]

PETITIONS

MRS. CÔTÉ—OLD AGE SECURITY

Madam Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table the three hundred and seventy-ninth report of the Clerk of Petitions stating that he has examined the petition presented by the Hon. Member for Rimouski-Témiscouata on Thursday, January 27, 1983, and finds that it meets the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

STANDING COMMITTEES

PRESENTATION OF THIRD REPORT OF STRIKING COMMITTEE

Mr. Charles Turner (London East): Madam Speaker, I have the honour to present the third report of the Striking Committee, in both official languages.

* * *

[*Translation*]

BUSINESS OF THE HOUSE

ALLOCATION OF TIME TO CONSIDER REPORT AND THIRD READING STAGES OF BILL C-131

Hon. Monique Bégin (Minister of National Health and Welfare) moved:

That, in relation to Bill C-131, an Act to amend the Old Age Security Act (No. 2), one sitting day shall be allotted to the consideration of each of the report stage and the third reading stage of the Bill; and

That fifteen minutes before the expiry of the time provided for government business on those days, any proceedings before the House shall be interrupted, if required, for the purpose of this Order and, in turn, every question then necessary in order to dispose of the stage of the Bill then under consideration shall be put forthwith and successively, without further debate or amendment.

She said: In opening the debate, Mr. Speaker, on our motion to allocate time for Bill C-131, an Act to amend the Old Age Security Act (No. 2), I have a few comments I would like to submit to the attention of the Members of this House.

I believe it would be useful to recall, briefly, that the purpose of debate is to give all Members an opportunity to submit their opinions and put forward their arguments regarding a bill—usually tabled by the Government—to say whether they are for or against, and to explain their reasons, thus enabling this House to reach a decision on the bill, to amend it if necessary and then proceed with the next stage of public bills.

[*English*]

The debate on Bill C-131 which has already taken place in Parliament has achieved this purpose. The proposal to limit indexation of the Old Age Security Pension to 6 per cent in 1983 and 5 per cent in 1984 was first announced in the budget at the end of last June as part of the Government's six and five program. Bill C-131, which follows up on the intention stated in the June budget, was introduced in the House in October, 1982. This five-page Bill consisting of two Clauses explains quite simply and clearly that instead of the usuaal full automatic indexation according to the cost of living, we will reduce the indexation to 6 per cent as of when the Bill is passed this year and 5 per cent next year. This notifies senior citizens that all those who are in receipt of the supplement, even a small portion of it, will see that fully indexed, to make up for the small loss on their basic pension.

The debate on this Bill began on November 18, when second reading debate started. The Bill was approved in principle. It was then referred to the Standing Committee on Health, Welfare and Social Affairs where it was studied in detail for another four days. The Committee considered briefs and heard witnesses. In total, 71 Members have spoken at various stages of debate on this Bill.

[*Translation*]

Mr. Speaker, I have no intention of repeating the arguments pro and con made on both sides of the House with respect to this bill. Its purpose is to reduce inflationary expectations and to make a joint effort to bring the rate of inflation down to the lowest possible figure—when the Budget was brought down six months ago we had double-digit inflation—that is, we want to restrict the indexing of Old Age Security pensions of approximately 1.1 million pensioners, and this means only those who have other sources of income and do not receive the Guaranteed Income Supplement.

I have said time and time again—in the House, in committee, on radio and television, in correspondence and in meetings with the general public—that this Bill will not take away even one penny from the fully indexed pensions and the supplement of pensioners who are in need. I want to make it perfectly clear that all pensioners receiving the supplement, even if it is only $2 a month, as well as all pensioners receiving the Spouses Allowance, will continue to receive fully indexed pensions and supplements.

I think the case for time allocation for the remainder of the debate—a measure we were unfortunately obliged to impose—is easily made if we look at the content of the speeches reported in *Hansard*. Government Members who spoke in favour of the Bill clearly confirmed, in their own words and according to their respective points of view and perspectives, that the Bill would not have the slightest harmful effect on the majority of pensioners receiving the supplement and would only mean a

very small sacrifice, less than 50 cents per month, for other pensioners in Canada who are not receiving the supplement.

Although it is obvious the Bill contains very clear assurances to that effect, Opposition Members who spoke to the Bill generally had a list of horror stories that were supposed to result from this legislation. They mentioned elderly Canadians who would be losing their homes or their apartments, or would be forced to move because they would no longer be able to pay the rent, and so on. Some stories were even more dramatic. All this cannot be taken seriously. It is very easy to get public sympathy for the problems of the elderly, but it is a little harder to convince people who do not need the supplement that 50 cents less per month per cheque will mean that they are going to lose their homes or will have to move elsewhere. This is the kind of exaggeration that has lost the Progressive Conservatives, especially, their credibility in this debate. They did all this in letters to senior citizens' clubs and in paragraphs published in the parliamentary bulletin which they can get free since it is paid for by the House of Commons; they can send it to their constituents, and describe the so-called horrors and catastrophic consequences of this Bill.

The fact remains that the pensions of all senior citizens who do have alternate sources of income have been increased. People received their pension cheques about a week ago and they got $3.70 more. Furthermore, only about 50 cents will be subtracted, once the Bill is passed, from the cheques of those who do not need the supplement. I know that for some people this is a lot, and that every cent counts. I know, especially in the case of senior citizens who are just above the cut-off point and are therefore not eligible for the supplement. I think we are all quite aware of this, but the decision we have to make is not about the cheque for February or March, but the increasing lifespan of each of these senior citizens, and what they will need to live on.

I have been Minister of National Health and Welfare for only five years, but during that time, I have seen indexing increase rapidly from year to year. This year, if the predictions made in June were correct and remain consistent, we would probably have had to give something like 11 per cent. Well we were lucky, because since June, since that Budget, the average inflation rate has dropped to 7.6 per cent. But am I doing senior citizens a favour by giving them an 11-per-cent indexation? No. Indexation is not an increase, it is only a way to maintain the value of the dollar. So—

• (1510)

[*English*]

I would just like to remind all Hon. Members that this Bill would do the most, in the long run, for senior citizens as well as all other Canadians, in winning the six and five battle against inflation.

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, I wonder if you have noticed that just about every time a Liberal Cabinet Minister stands up these days, it is to impose closure. That seems to be the major reason for their being in the House, to enforce closure on one piece of legislation or another. Closure has indeed become such a commonplace procedure with the Government that we now actually expect, each parliamentary week, to start out with a closure motion, a Government motion to limit debate, such as we have seen concerning Bill C-131. This is legislation which is aimed against the senior citizens of Canada.

I was interested to hear this afternoon that the Minister of National Health and Welfare (Miss Bégin) had so convoluted her argument that she has now convinced herself that this Bill will be of benefit to the senior citizens of Canada. She said: "This will benefit them". I would like her to go out and actually speak with some of the senior citizens of this country.

The Bill will reduce the income which hundreds of thousands of senior citizens would have received had this piece of legislation not been introduced. At second reading we had 17 hours of debate on the Bill. That is less than three days in the House of Commons to consider what the Government is doing to senior citizens. At that time, a number of Hon. Members spoke. Fourteen Liberal Members rose to speak in praise of the Bill. They agreed with the punitive measures being taken by the Government against citizens in this country. Twenty-three Conservatives and eight New Democratic Members opposed it, as it ought to be opposed.

In committee we had only four sessions to hear witnesses. Every single witness and every group and organization appearing before us, crowded into those four sessions, violently and strenuously opposed the measures in the Bill. Therefore, after condensed committee hearings and limited debate at second reading, we now come back to the House for report stage, the stage at which important amendments can be intorduced and when the Government can perhaps be persuaded to modify this punitive legislation, and when it might also be persuaded of the error of its ways.

However, what has happened? Even before we reached report stage, even before we had a chance to introduce amendments and debate them, the Government moved to cut off debate, to limit it. It does not want to hear arguments against this atrocious piece of legislation and obviously does not want to consider any measure whatsoever which could possibly improve it. Therefore, once again this House faces closure. Once again, the heavy hand of the Government sweeps down to cast aside all opposition to its point of view. Once again, any semblance of respect for the principles of our parliamentary system, parliamentary democracy, is just scattered to the four winds.

This is not a new spectacle. Certainly, it is not a new spectacle as far as the Government is concerned and it is not a new experience for the House or, indeed, for the Canadian people. We are becoming very well acquainted with the Government's methods, its manipulations and its use of closure over and over again. Over and over again, it seeks to enforce its will by the imposition of silence, because it fears the expression of debate.

It says: "You do not like what we are doing. You do not like why we are doing it. You do not like how we are doing it. Therefore, we will cut debate off. We will limit debate. We will have our way and no other." However, seldom have we seen this particular means, closure, imposed on such a petty Bill as Bill C-131. Seldom have we seen the Government so determined to act, and for what? Is it to reduce its massive deficit? Is it to cut the waste and extravagance which it created? Is it to get Canadians back to work? Is that the reason the Government is introducing this measure? Is it really to cut back on its massive expenditure?

The Government now has a deficit of between $25 billion and $30 billion. The passage of a Bill like this would give the Government an additional $15 million, a mere pittance compared to the $70 million which it spends on self-serving Government advertising to puff itself up. But it is not a pittance to senior citizens. I would very clearly tell Government Members and the Minister, if she had thought to remain in the House, that the $15 million which she is grabbing from the senior citizens of the country is not a pittance to them.

The Minister for National Health and Welfare has told us, as she did in the debate following the introduction of the Bill, that it was up to senior citizens to lead the fight against inflation, yet the Government has just finished an orgy of self congratulation for having brought down inflation, for having brought it under control, as it said. If it believes that it has brought inflation under control, why does it think it is necessary to proceed with the Bill?

Some Hon. Members: Hear, hear!

Miss MacDonald: Perhaps, because of closure, we will never know the answer to that question. We will never know why it says one thing and does another. There will be no chance for it to explain—and perhaps that is the reason for closure, because it cannot explain and certainly does not want to make the effort. Therefore, we are left to wonder why the Government is proceeding with Bill C-131 and the other Bill in that unholy trio, Bill C-133. We are left to wonder, too, how Hon. Members opposite can actually support these measures taken against senior citizens and the women and children of Canada.

• (1520)

I wonder, when I look at this Bill, if it is only Members on this side of the House who through their actions are shown to represent the senior citizens of this country. I know that all Members in this House on both sides represent senior citizens, but obviously it is only the Members on this side of the House who feel they have to stand up and speak out on behalf of the elderly of this country.

The Minister said in her comments that this Bill was easily explained to the senior citizens of this country. I invite her to come to any of the senior citizen organizations in Kingston and the Islands and give them that easy explanation that she is talking about.

I wonder if backbenchers opposite who are standing up and supporting this Bill can really be unaware of the impact that it is making on the lives of the elderly in this country, the impact on those who live just on the threshold of the Guaranteed Income Supplement, or who live just outside of it, but who are going to have to bear the burden of this particular legislation. Or is it because the Liberal backbenchers have been deceived by their leaders, by the people sitting in the front benches of the Liberal Government? Have they been deceived as the nation was so clearly deceived when the Minister of National Health and Welfare promised on November 4, when she spoke on national television, and I quote:

> All social programs, that means in particular pensions and all benefits for children, will remain the way they are.

Well, they have not. She made that statement and in the next couple of days she moved to change it. Let us make no mistake. This Bill was conceived in deceit and it is being born in deceit. The legislation is a deceit and closure is a deceit.

Now, these may be deceptions that the Hon. Members opposite can swallow, but Members on this side of the House, Members in the Progressive Conservative Party, cannot swallow this kind of deceit which the Minister of National Health and Welfare is seeking to impose today.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I do not think it will be news to you or to Members of the House who are here today to find out that we do not intend to support this proposal of cutting off debate on Bill C-131.

I do not understand why the Government continues to force these measures on the public of Canada. I do not appreciate at all the arguments put forward, either by the Minister of National Health and Welfare (Miss Bégin) on behalf of this Bill, or last week by the President of the Treasury Board (Mr. Gray) on behalf of the legislation which cut the incomes of public servants who are on pension.

I do not understand what it is that the Government is attempting to achieve. On the one hand, they claim, and I think quite rightly, that the amounts of money they are taking away from people are insignificant. An insignificant amount to the Government may not necessarily be an insignificant amount to an individual or to a couple trying to survive on an old age pension and some earnings from other sources.

It may well be—I say this but I do not believe it—that last year, when the Government brought forward the six and five program,there was something somewhere to justify it. That is entirely possible. I personally did not believe it then, and my Party did not believe it then. We still do not believe, even with the benefit of hindsight, that last late July and August there were conditions which justified the six and five program as it was laid before Parliament at the time, which resulted ultimately in the legislative changes to the old age pensions, to the superannuation fund and to Family Allowances.

Let us assume for the moment there was some reason. Let us be generous and think that perhaps last summer there were conditions which existed which justified that particular course of action being followed. Those conditions certainly no longer exist. By almost every single standard you can apply, taking into account every social and economic commentator who comments on the Canadian economy and the social standing of

people within the Canadian economy, they now agree that what we need in Canada is to stimulate the economy. What we need in Canada is to provide more purchasing power, more consumer purchasing power, to stimulate Canadians' ability to purchase while at the same time improving their sense of optimism about the future of the country.

I say to you, Mr. Speaker, that to cut the incomes of those who are in receipt of the lowest incomes in the land, to cut the incomes of those who served this country hard and well and long for their entire life, to use them as the scapegoat, so to speak, for the inadequacy of past Government performance, is just unacceptable to the vast majority of Canadians today.

We have to realize who it is we are speaking about. We are speaking about people who came through the Depression and who, for the most part, were unable to garner any savings in their lifetime, who generally speaking worked at a time when pension plans were somewhat less generous than they may be today, for some who worked at a time when there was not the opportunity to get into an RRSP fund, if they had the money, and salt away a little bit, tax-free, for the future. We are talking about people on whose backs and as a result of whose work this country was built.

We give them little enough in return for their contribution over the years. The amount that they receive now from the Old Age Security program that we have in place is woefully inadequate when measured against the cost of surviving in this dog-eat-dog atmosphere that has been created by successive Liberal and Tory administrations, federal and provincial, over many, many years. To contemplate reducing even that income is to do them a grave disservice but, more importantly, it will undoubtedly work a serious hardship on many of them.

The action that the Government took last year in August, followed up by its proposals for reductions in the cost of living adjustment on old age pensions, Family Allowances and superannuation for retired civil servants has had such an onerous effect on the vast majority of those who would have been in receipt of it. How do you say to someone whose income is $300 or thereabouts that they are not able to receive an increase commensurate with the increase in the cost of living, that they will simply have to absorb any shortfall? How do you say that to people in that category when you know full well that their municipal taxes will rise, that that will reflect itself in their property tax if they own a home or in their rent if they happen to live in an apartment? How do we say that when we know full well that the cost of heating oil and natural gas will rise, and those people, whether they have to share that cost with others in rental accommodation or pay it themselves if they own a home, will not be able to recover an equal amount from their cost of living adjustment? How do you tell those people that the inadequate amounts that they had previously will be even less adequate after we pass this legislation?

• (1530)

What worries me about the Government's move to restrict debate is that I am convinced that if the Government would open up its mind, its ears, and listen, and if it would analyze more carefully both the benefit to the Government's tax coffers from the saving, and the cost to be borne by the senior citizens who will be affected, it would come to the conclusion, as I have, that with the changing economic conditions, to put in place this kind of legislation now is unjustifiable. To suggest for a moment that we ought to pass it post haste in order that we can somehow or other impose it immediately without debate, is to deny that the conditions and the minds of the people in this country have changed.

I do not want to harp on the position put forward by the Bishops, but it is worthy of note that the Bishops, representing significantly large numbers of Canadians, have said that we have to pay more attention to the inadequacies of our social service system. I suggest this would be a good place to start. The presidents of the major banks have said that the direction being followed by the Government of trying to squeeze the economy back into shape is no longer an appropriate direction to follow, that we have to move toward a more stimulative direction in order to generate economic activity, and in that way improve the economy of the country as a whole, the job opportunities, the tax flow to the Government, and the Government's ability to meet its commitments. When you take a look at the two groups of individuals as far apart in their responsibilities as the Bishops, on the one hand, and the presidents of the banks, on the other, and you find them coming to virtually the same conclusions about the direction in which we should be going, and you compare that with the direction followed by the Government, you find that the Government is going in exactly the opposite direction from the recommendations made by both of these bodies. You cannot help then but feel there is something wrong with the way the Government is pursuing its policies, there is something wrong with the methods it is using in developing its policies, and something drastically wrong with the Government's understanding of what is happening in this country as it is affecting the majority of Canadians.

I say to you, Mr. Speaker, as I started, I end; this is no way to deal with the people who built the country. We can afford to give them adjustments in their incomes commensurate with the cost of living, and we ought not to tolerate interference of the type the Government is bringing about, both in the pension programs and in the processes of Parliament in dealing with them.

Mr. Hal Herbert (Vaudreuil): Mr. Speaker, I find it utterly incomprehensible that we are once again going through this rather ridiculous procedure of establishing a time at which this House can come to a decision on a Government measure. I listened to the Hon. Member for Kingston and the Islands (Miss MacDonald). She did not talk to the motion. She talked to the Bill. The Hon. Member for Hamilton Mountain (Mr. Deans) did the same thing. In the case of the Hon. Member for Kingston and the Islands, I must admit I was not surprised, but I was somewhat disappointed in the case of the Hon. Member for Hamilton Mountain because he is a Member of the Committee which is looking at the regulations of this House. I feel I will be speaking precisely to the motion which

is to limit debate, and I object strongly to the fact that we have to go through this ridiculous exercise.

An Hon. Member: We do not have to.

Mr. Herbert: If the Hon. Members had spoken to the motion, I would perhaps understand why they are now alleging we do not have to go through this exercise. In any civilized democracy, Mr. Speaker, it is generally assumed that the Government has the right to pass its legislation and to pass its programs. The Opposition Members are supposed to bring to the attention of the public their objections to the Government programs, and should try to get the public to force the Government to make changes. That I understand. But, particularly in this Canadian Parliament, which most of us say is modelled on the Mother of Parliaments, Westminster, there is no effort made on the part of the Opposition to come to a mutual agreement to limit debate on a Bill. It is not a matter of how many days. They just say, "We are not going to let the measure pass", thus obliging the Government to bring in the measure to limit debate.

I feel that this House is in disrepute in the minds of the public. I received a call last week from a lady who was angry because the pension cheque of her husband, who was not well, is going to be delayed. But she was blaming the Government. I understand her point of view, and I tried to point out to her, as a Government Member, that our antiquated procedures here are such that the Government, instead of passing its legislation in December, when it wanted, was obliged to come into this new year of 1983, and then had to go through this crazy procedure we have this afternoon of wasting time debating a motion which will bring the issue to a vote on the floor of the House in one or two days' time. The lady, frankly, did not understand. She turned to me and put a question which I found most difficult to answer. She said, "But you are the Government." In other words, she was saying, "Why don't you do something about it?" That is what I want to address my attention to here.

It should not be necessary in a civilized society for us to go through this exercise every time we want to bring a matter to a concluding vote. If Members of Her Majesty's Official Opposition really believe that one day they may form the Government, then they ought to start thinking about changing the regulations of this House. As I said to some friends of mine in the Social Credit Party a few years ago, "Give me half a dozen stalwart MPs in this House and I will tie up this operation so it will never work." They said, "But we don't want to do that because we believe the Government has the right to govern." I said "I'm glad to hear that from a small minority Party." If I can now get that message through to Her Majesty's Official Opposition which always talks about its hopes of forming a Government, I would suggest to them that unless they look at these rules under which we are presently operating, they are going to find themselves in the same position in which the present Government finds itself. It makes absolutely no sense that we should be spending time this afternoon debating a motion to limit debate when we should be debating, instead, the merits of the Bill.

I also suggest, Mr. Speaker, that the only way we could be debating the merits of the Bill this afternoon is by reaching mutual agreement among the Parties in this House that the matter will come to a conclusion at a specific time. I also suggest that the motive of the Hon. Members of the Official Opposition is somewhat self-serving. They want to go on the record in the House not because anyone is listening, any more than anyone is listening to me right now. They want to go on the record because they want to be able to pass on their comments in their mail-outs to their constituents to illustrate what they have been doing and what their point of view is. We have a way to resolve that. Let us follow the process at Westminster. When there are a lot of Members who want to speak, by mutual agreement they carry on past the normal closing hour until midnight, until two o'clock, until four o'clock in the morning, but the Opposition accepts that when they finish talking at four o'clock, there is a vote and the matter comes to a conclusion.

Unless the Opposition accepts that a Government has the right to govern, and pass its legislation, we are going to continue to operate in the way we have been, having to force through on every individual issue, a debate and an unnecessary vote in order to come to the end of the debate on a particular Bill. The most ridiculous part about this, in my opinion, is when we look back at the operation as it existed last year when we had the ringing of the bells with respect to an omnibus Bill.

• (1540)

The Government may have bowed to some pressure here, but I find it strange that it did not put the three Bills, Bills C-131, C-132 and C-133, in the same package. After all, last year we got approval of Her Majesty's Official Opposition for the six and five program and Bills C-131, 132 and 133 are the Bills which carry out that program. I am not discussing the merits. I voiced my objections to one of those Bills in this House. What I am saying is that, because of the objection last year to an omnibus Bill, we were not able to put those three Bills in one package and pass them in a normal, civilized fashion.

As I look at the way we operate in Canada, I find it difficult to come to any conclusion as to where we are going when we talk about changing the rules in order that the Government may be able to assume its role of introducing its program as it has stated, and we are doing now what was stated many months ago, and come to a conclusion. Let the Opposition speak against the measures. Let the Opposition try to inform the public and, if it wants, let the Government hang itself. That is the attitude of the Opposition in Britain. The Government will have its way and the electorate will decide. Maybe we should do more of that in Canada.

Mr. Young: Why bother having an election?

Mr. Herbert: Why? Because our democratic process says, and the Hon. Member should know, that an election puts in a

Government for a period ordinarily of four years. They should be able to execute their program during those four years. At the end of four years the electorate will say whether the Government has done a good job. It is not the business of this House to pass every single measure back to the electorate for the electorate's decision. It is the Government's decision. The Government will stand or fall at the next election based on their program and their ability to pass their program.

At the start of this session, going back almost three years, we discussed the reform of Parliament. So far we have brought in the relatively easy measures. I suggest that we wait no longer, that we get rid of this ridiculous procedure that we have at the present time. We can allow extended debate. That is not an issue. I do not mind if we debate all night, but at the end of a fixed period of time, say a maximum two days of extended debate, we should come to a decision on a particular stage of the Bill, whether it be second reading, report stage or third reading. On that basis, there will be a minimum of six days of extended debate on any Bill. But the Government would know that that is the limit. It would not have to go through the ridiculous process we are going through this afternoon.

I plead with the Opposition, if they feel that they want to form the Government of this country, to recognize that the Government must govern. It must get its program through. Stop this nonsense. We expect the NDP to try to hinder this type of social legislation, but with the approval of Her Majesty's Official Opposition, we would come to an agreement and that would be the end of it.

Mr. Geoff Scott (Hamilton-Wentworth): Mr. Speaker, you may find this hard to believe. I had to go back and check my figures. However, this is the fifteenth time that this Government has brought down the guillotine during this current session of Parliament. On this day, the four hundred and forty-fourth sitting day of this thirty-second Parliament, we are well into the longest session in Canadian history. At that, the Government is averaging one time allocation foreclosure motion every 30 days, one a month. What this Government wants to do, as stated by Members opposite, is to bring a matter to a vote. They make the decision when the matter shall come to a vote, so they bring down the guillotine. I find this a shocking abuse of parliamentary democracy.

The Hon. Member who just spoke said that we should get rid of this ridiculous procedure. Let us get rid of the right of the Opposition to tell the Government that it is wrong when it tries to close off debate. The President of the Treasury Board (Mr. Gray), about two weeks ago, now that they average closure once every two weeks, called our opposition to choking off Parliament irrelevant. I call this sickening procedure dictatorial, pure and simple.

Not only does the Government persist in cutting off debate every time it presents obviously bad legislation, but with the recent time allocation just before Christmas with respect to the Canagrex Bill, they really outdid themselves. They moved time allocation on report stage and third reading at the same time. Now suggestions are coming from the other side of the House that we should have lumped Bills C-131, 132 and 133 into an omnibus Bill and brought down the closure motion on all of them at the same time. It would be like the omnibus energy Bill on which we had to resort to extraordinary measures to get the Government to act in a democratic way.

What really seems so unnecessary is the way the Government treats the parliamentary Opposition. I guess it can only be explained by the Liberal legislators' fear that their Bills will be exposed for the poorly drafted, badly executed pieces of legislation that they really are.

In the case of Canagrex, while there are still some clauses which are meeting with strong opposition, particularly from some of my western Canada colleagues, the proposed Canagrex Bill had had time to be absorbed by those who will be affected by it. Its exposure during the Christmas-New Year's recess, resulted in greater understanding and acceptability of Canagrex, as the Minister of Agriculture (Mr. Whelan) and the farmers have been learning.

The point is that some of these pieces of legislation need a good deal of airing both in this House and across the country. Yes, they take time. However, the Government gets upset when there is mounting concern across the country about an issue that the Government cannot justify. Then it brings down the guillotine.

This is why there is an opposition in a parliamentary democracy. I know the Government does not believe in an opposition. They will get to understand what opposition is when we form the Government. That is why we are here, waiting until we can form the Government. I am talking now about Official Opposition, of course.

This Government, under the Prime Minister (Mr. Trudeau) has always regarded Parliament as a nuisance and MPs as nobodies 50 feet away. Indeed, the Liberal Cabinet regards MPs as nobodies in this Chamber, including their own Members of Parliament.

Many of my colleagues have dealt with the substantive aspects, the downright niggling, unfair aspects of Bill C-131. I firmly believe this time allocation measure will be regarded by senior citizens across this country as one more nail in the coffin of this Liberal administration. Any MP who votes for this measure to close it off, to choke it off and go for riding on the backs of our senior citizens will, I suspect, find their own contract with the voters annihilated come the next federal election.

What they are doing is using a procedural motion to reduce the income of senior citizens. As I said, my very real concern is the astounding frequency with which this arrogant and dictatorial Government sees fit to lower the boom on this and all manner of other pieces of legislation.

I confess that in the interests of an efficient Parliament, allocation of time properly used is not altogether bad. An agreement between all Parties might make time allocation desirable for certain pieces of legislation, but is it a proper use of this motion to cut off debate on an issue that will do a great deal of harm to a great many people in this country? I can

remember when Standing Order 75C was first introduced in the early seventies by the then House leader, Hon. Donald Macdonald. He is the man now in charge of our economic destiny. At the time the Government was embarrassed to use the full force of the closure motion which, before the rules were changed, was Standing Order 33. Instead, they brought in Standing Order 75A, b and c, all of which constitute time allocation in one form or another. The then President of the Privy Council went to great pains to soothe the fears of the Opposition and of the media who were all wondering what would happen when Standing Order 75C came into effect. He told them that this would not be used as a routine measure but would only be used under very special circumstances. So much for the Hon. Donald Macdonald's commitment to the House. He is no longer a Member of the House and does not have to stand by that commitment, but it is frightening to think that he is now in charge of our economic destiny.

• (1550)

When I first came to Parliament and watched the House of Commons in action, it was the Black Friday in 1956 when the full force of closure was used in the pipeline debate. It also brought down the Government of the day. I remember the flag debate when closure was used. That was also a very special moment in our history.

It is the slow strangulation process which the Government seems bent on, with a fixed bottom line date when everything must be completed according to its desire, its will, its timetable—it is the sheer deviousness of the thing that is making us sick on this side of the House.

Never in the history of this country have so many closure motions been faced by a Parliament. During this Parliament, Members of Cabinet have moved closure 15 times in this House. Closure was moved shortly after the introduction of the constitutional resolution. Cabinet cannot do this, Mr. Speaker. Cabinet cannot deny Canadians the freedom of speech which this House represents unless that Cabinet is sustained by its backbenchers. I say to Hon. Members opposite that they must examine their consciences on each and every occasion that a Cabinet Minister suggests it is a good idea to move closure. On this side we do not feel that it is ever a good idea, particularly when it affects the constituency that bringing down the guillotine will, in this case.

In conclusion, Mr. Speaker, I say that this legislation is unfair, and even if the Liberal Government cuts us off, senior citizens will remember how unfair it has been to them.

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, at the outset, I think it is important to clear up some of the remarks made by the previous speaker.

First of all, the matter we are debating is not closure and anyone who suggests that it is, does not understand the rules. There is a fundamental difference between closure, which was introduced by the Conservative Borden Government in the naval debate prior to World War I. The closure measure, known as Standing Order 33 under the old rules, is fundamentally different from time allocation which falls under Standing Order 75 and, in this particular instance, Standing Order 75C.

My friend, the Hon. Member for Hamilton-Wentworth (Mr. Scott) said that under certain conditions, when there is an agreement, time allocation is a proper thing. The first two parts of Standing Order 75 cover the circumstances where there has been an agreement between two of the major Parties or among all three Parties and has never been used. The only occasion on which time allocation has been used Standing Order 75C, has been when there was no agreement.

Of course we would like to have agreement on how much time should be spent debating Bills in the House. The reason we have used this particular provision is that agreement has been impossible. It is very important for the public to understand that to refer to this provision as closure is wrong, misleading and unfair.

Let us see how much time has been spent in debating this Bill, Mr. Speaker. On November 18 we spent two hours; November 25 three hours 30 minutes; November 30, four hours 50 minutes, and December 10, two hours 23 minutes.

When we were discussing what would be a reasonable period of time to spend on a Bill on second reading under the new rules, a lot of us were influenced by what happens at the Mother of Parliaments, in Westminster. On second reading of a Bill, the standard procedure there is that in very few circumstances does debate exceed one day, with no automatic adjournment. If it is a controversial Bill it is usually debated into the small hours. Some Members suggested we should give consideration to that. In view of the fact that we were not going to have evening sittings under the new rules, it was thought it might be reasonable to assume that we could have two days' debate on second reading.

Of course, on second reading the nature of the debate is that the Bill be discussed in general principle. The type of amendments which may be moved at second reading are very limited. That is why, under the new rules, we provided for one round of speeches and then allocate eight hours, with the 20 minute and 10 minute time limit. Eight hours is approximately two full days, when Question Period and Routine Proceedings are excluded.

More than eight hours has been spent on second reading of this Bill. Under the new rules, the 10 minute time limit on speeches would automatically have come into effect some time ago. At report stage, the purpose is not to do again what was supposed to be done at second reading, that is, debate the general principles of the Bill, but to debate the amendments of which notice has been given, and changes that may have taken place in committee. This has been done exhaustively on this Bill.

The only conclusion that a fair and objective-minded person can come to is that the Opposition, for political reasons, has decided to dig in its heels and not allow this matter to come to a vote without time allocation. That is a legitimate political

move, but to paint it in other terms is to mislead the House and the public.

We recognize what is going on and we have said that we have an obligation to the public to bring in the six and five program across the board. That is part of the price we pay for being in Government. Sometimes we have to do things that are not particularly popular. If we are to get inflation under control, then certain Bills must be proceeded with. This one is part of the over-all six and five program. I do not expect the Opposition to allow any of the six and five Bills to go through without making us bring in time allocation—which is not closure. I anticipate that we will have to do that.

I think what you really have to decide before this motion comes to a vote, Mr. Speaker, is whether a reasonable time has elapsed for debate on this Bill. Any fair-minded person would conclude that it has and that we are now hearing arguments being repeated for the umpteenth time. This may not be particularly popular medicine, but I submit that it is leadership and it is responsible.

• (1600)

In addition to referring to this as closure, Hon. Members opposite have frequently talked about a decrease. When one caps an increase, that is not a decrease. I think the public are ill-served by that sort of political rhetoric. The motion before us today is reasonable and responsible. It shows that in fact the Government is giving leadership. We are not backing away from or shirking our responsibilities. Under all circumstances, and given the position of the Opposition, we are quite justified in the motion allocating the debate to one day for each of the two remaining stages.

Mr. Gordon Taylor (Bow River): Mr. Speaker, I found the address of the Hon. Liberal Member who just sat down very amusing. He does not agree that a rose by any other name is still a rose. If we follow his logic, instead of going out and buying roses to put on the table, we should go out and buy some stinkweed. Then he would tell us that it was not a stinkweed, that it was a rose.

Mr. Smith: A rose is a rose.

Mr. Taylor: He can call it whatever he likes, but it is still closure. He should not forget that he can call a rose a stinkweed but that does not make it a stinkweed, and vice versa. I would hate to have anybody call a stinkweed a rose and put it on my table. I do not like the smell of it, but I like the smell of a rose. I do not like the smell of closure, or whatever they call it. Closure is becoming the tyranny of the majority.

A few moments ago the Hon. Member was trying to justify this debate. As a matter of fact all Liberal Members are doing that. I would like to refer to the debate which we have had on this important issue affecting the incomes, the lives and health of thousands of people of the country. On November 18 we had debated it for just an evening, not a day. On November 25, which was a Thursday, we debated it right through the day. On November 30, which was a Tuesday, we debated it right through the day. Then, after two and a half days of debating this important issue, the Liberals brought in closure on December 2, and it was a one-day closure at that. Then the Bill was called on December 10, debated one day and closed off. The Hon. Member said that there had been a long debate. If we counted it up, we would see that there has been three and a half days of debate, that is all. That is counting the day of closure. Surely that is not too long to debate a matter which is affecting the people who helped to build the country. We must not forget that. Then we came to report stage. On December 21 we had a full day. Then on Wednesday, December 22, we had just a short day.

I wish the Hon. Member would not leave. He should get these things straight in his mind before he goes out and tells the same type of stuff to other people. There were two days at report stage, and that is all. Now they are bringing in closure again. Do they say that two days is too long a debate at report stage? At report stage there were six Liberal, five NDP and nine Progressive Conservative speakers. That is 20 speakers altogether from the House of Commons which is comprised of 282 Members on an important issue affecting the lives of people who helped build the country. These are the people who made it possible for Hon. Members and me to sit here. The Hon. Member said that that was too much. I say that this is the tyranny of the majority.

When the Hon. Member from Quebec spoke a few moments ago, apparently he was fed up with the Government calling closure and wanted different rules adopted. We live in a democracy, not a totalitarian state. Although sometimes it is difficult to distinguish from the policies the present Government advances; it is still a democracy, and a democratic Government is supposed to reflect the thinking of the people, not tell the people what is good for them. This is not a totalitarian state wherein the Government knows all that is good for the people and tells them what is good for them. The Government should be listening to the people. If the Government would listen to them, it would not bring in this type of legislation in the first place. Also the Government should realize that while it is the Government of Canada, it has representation from far less than all of Canada. It has no representation in the three western Provinces. Surely the Government should be making a special stand in trying to find out what those Canadians think, but it does not want to listen to the representatives of those people. It wants to close us off and not listen at all. Then it claims it is a national Government.

The people of Canada do not want this type of legislation. They do not want closure advanced every time we have an important Bill. If there is debate on a Bill which goes on and on and the arguments become repetitive, that is one thing, but the arguments in this debate have not yet become repetitive. There are many things still to be said about our old age pensioners. That is exactly what the Bill is stopping. It is stopping us from telling what the people of the country want.

I wonder if Hon. Members opposite ever thought about going into a senior citizens' home where there are a hundred

people and asking them what they think about these things. We should be reflecting the thinking of the people. If a large majority of the people do not want legislation which denies senior citizens a reasonable living—and I am sure a large majority do not—the Government should not bring it in. That is not reflecting the thinking of the people. It is telling the people what is good for them. That is not my idea of democracy.

Also the Hon. Member for Quebec suggested changes. They have been in power for 40 years or so. Surely they have had lots of time to bring in other changes if they wanted to do so. The people are becoming tired of closure. It has happened twice in this one debate. We had one day and now we have a two-day closure on this one. Government Members are suggesting that because they call it a different name, that because they call it time allocation, it is not closure. They are stopping debate, and to me that is closure.

Indexing was brought in by a federal Government which was representative of all Canadians. This Government is not. It should recognize that it has very little representation in some Provinces and none in others. It should be going out of its way to find out what people think, the people who are not represented on that side of the House. It should not be cutting off debate on this side where the people have sent representatives to speak for them. We are speaking for them. Indexing was brought in so that senior citizens could have a reasonable standard of living. If we cut off indexing, we will affect the standard of living of a great number of senior citizens. I tell the Government that if it cuts off indexing senior citizens will not have a reasonable standard of living.

• (1610)

Senior citizens have already gone through their restraint period. They went through the hungry thirties when they had to scrape for everything they could get. Many of them went hungry in the hungry thirties, but they continued to work to build an economy that would surely recognize the virtues of the pioneers. But now they are being betrayed. They thought that at least when they got a pension they would be okay. Indexing was added by a national government so that when the price of food went up they could still have a reasonable standard of living. But now that is being denied them. A part of their pension is being cut off. The Government is telling them that they are getting too much.

How many Hon. Members opposite have had senior citizens come to them when an overpayment was made by mistake by a Department? The senior citizen gets a letter telling him or her to pay it back. But senior citizens do not have money to pay it back. The Government says, "We will take more from your pension each month and you will have to go without a little bit because the Department made a mistake. You have to pay for it." That has happened to me many times when pensioners in my riding get an overpayment. They think the Department knows what it is doing. They think the Government knows what it is doing. Senior citizens spend their money on things that are needed. Their money is not spent on any extravagance. Their money is spent on necessities, and when a mistake is made by the Department, they, the pensioners, have to pay it back. Senior citizens have to cut back again next month. All they are asked to do is cut, cut, cut. Now this Government is asking them to cut more. This Government is also bringing in closure to stop us from even giving Parliament their plea.

Mr. Deputy Speaker: Order, please. Before I recognize the Hon. Parliamentary Secretary for the Minister of Indian Affairs and Northern Development (Mr. Tousignant), may I deal with the proceedings of the adjournment motion this evening?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for La Prairie (Mr. Deniger)—Air Transport—Alleged refusal of permission for Wardair to compete with Air Canada and Canadian Pacific Airlines; the Hon. Member for Burnaby (Mr. Robinson)—Penitentiaries—Cancellation of university courses—(b) Request that decision be deferred—(c) Provision of free university tuition to inmates; and the Hon. Member for Kootenay West (Mr. Kristiansen)—Forestry—Inquiry respecting Government programs and policies.

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

ALLOCATION OF TIME TO CONSIDER REPORT AND THIRD READING STAGES OF BILL C-131

The House resumed consideration of the motion of Miss Bégin:

That, in relation to Bill C-131, an Act to amend the Old Age Security Act (No. 2), one sitting day shall be allotted to the consideration of each of the report stage and the third reading stage of the Bill; and

That, fifteen minutes before the expiry of the time provided for government business on those days, any proceedings before the House shall be interrupted, if required, for the purpose of this Order and, in turn, every question then necessary in order to dispose of the stage of the Bill then under consideration shall be put forthwith and successively, without further debate or amendment.

[*Translation*]

Mr. Henri Tousignant (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, to hear the Hon. Members opposite, you would think the

world was going to collapse, and to see them raising their arms heavenwards like the chorus in a Greek tragedy, people must think this country is headed for a complete breakdown. Mr. Speaker, this is the worst display of bad faith I have ever seen. It is absolute hypocrisy, and I cannot believe my ears when I hear people talking about rights having been breached and our democratic system being attacked in Parliament. Imagine, since the beginning of this debate, more than 57 speakers have been given the floor during more than 20 hours of debate here in the House, and in the final instance, more than 22 hours will have been spent on debate and we shall have heard about 69 speakers. It is really unbelievable. As my hon. colleague from Vaudreuil (Mr. Herbert) said earlier, the way the Members opposite are acting now is indeed an affront to our democratic system. They have found a new weapon to obstruct the proceedings, namely, by using up all allotted time to force us to impose closure. And when we do impose closure, they are all shocked and claim we are preventing Opposition Members from speaking in the House.

Mr. Speaker, just what is the proper procedure in any legally constituted assembly? For instance, in a company, if at a meeting one of ten directors does not agree, can he obstruct the proceedings indefinitely and demand that people listen to what he has to say all night long, or all week, because that is the democratic way of doing things? I do not think so, Mr. Speaker. At meetings, people have to finish their business some time. However, the business of the House that should have been finished before the House adjourned for Christmas has not been finished yet. Of course, the debate can go on and on, until the summer recess, and the business of the House can be left to stagnate, and this is how the Opposition is trying to give Canadians the impression that it is defending their interests and that they have nothing to gain if this Bill is passed, especially senior citizens, who they say, will have lost a considerable part of their purchasing power. However, in 1984, full indexation would have meant only $50 more, I believe. So if we consider that by that time, the rate of inflation will have gone down, it is quite clear that people's purchasing power will not have been eroded at all.

The Members opposite are trying to give people the impression they will be in dire straits, that they will suffer and that they will have to tighten their belts. Well, on the radio at noon, it was said that according to an international Gallup poll, Canadians are the happiest people in the world—the happiest people on this planet, Mr. Speaker. Funny that 95 per cent of Canadian respondents said that they were quite happy with their situation, in referring to their jobs, their social life, and so on—95 per cent actually said they were very happy. We are the happiest people in the world. So, when a few moments ago, the Member for Kingston and the Islands (Miss MacDonald) asked the Government why we were doing this, and whether it was going to create jobs or reduce the deficit, and so on, and when the Member for Hamilton Mountain (Mr. Deans) asked the Government to take a serious look at the consequences of such action, they could not understand how this measure would in the final instance benefit all Canadians. They are wondering why we did this. Mr. Speaker, we merely want to be consistent. We have already imposed the 6 and 5 policy on federal employees, and we know perfectly well this is not going to mean millions of dollars for the Government nor is it going to reduce indexing by 50 cents for all Canadians, but we do not want to give any particular group special treatment. It seems to me this should not be difficult to understand. Legislation is supposed to apply to everyone, and is not meant to please some people and upset others. So we must be consistent, and that is why we must take this action.

Mr. Speaker, pensioners are really not going to be affected the way people are trying to make it seem. Actually, pensioners who are now receiving the basic pension will be capped at 6 per cent, while those receiving the Guaranteed Income Supplement will receive full indexing. As far as family allowances are concerned, they will be indexed at 6 and 5 per cent. On the other hand, the child tax credit will be increased to $343, which means that people in low-income groups will probably benefit from this arrangement. Canadians seem to understand this quite well, and they are not very worried, but the Members opposite are trying to juggle their figures and juggle people's feelings, with the result that they are spreading fear and anxiety among senior citizens. In fact, as was said earlier, this group has known poverty, the depression and the rest, and the Government is certainly not trying to breach their rights—on the contrary. We appreciate the work they have done for Canada, and we want to maintain, and if possible improve, their situation from year to year.

It is therefore clear, Mr. Speaker, that the duty of elected representatives and governments is to make themselves the voice and the agents of justice for the benefit of the community. The Government intends to proceed in this fashion and will continue to do so.

Since my time has now expired, I shall step down, as I see the Speaker is going to cut me off.

• (1620)

[*English*]

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, it is with no great pleasure that I rise to speak on this motion to invoke closure once again. It appears that it is becoming a regular habit of the Government to get all its legislation through the House by closure. I think it is particularly tragic that the Government seems to be moving a series of closure motions on a group of Bills through which the Government has decided—hard to believe as it is—who will suffer because of its mismanagement. Last week, it was the retired civil servants and retired Armed Forces personnel who were made to suffer. This week it will be the old age pensioners. I do not know who it will be next week. The Government may think of taking its troubles out on crippled children or someone else. However,

the Government's bad humour over its incapability to run the country in a logical and sensible fashion is getting to be almost more than a person can stand.

I would like to deal with the subject of closure. The Parliamentary Secretary wishes to indulge in semantics by saying that this motion does not constitute closure but simply stops debate. It is interesting to look back and see the opinion that was held in what might be said the olden days, before we had the likes of this Government. I was reading an old *Hansard* dated May 21, 1956. The debate at that time concerned the northern Ontario pipeline. Mr. George Drew was speaking. He said, as reported at page 4160 of *Hansard:*

> There has never been a similar application of closure in this Parliament or at Westminster. On the first occasion when closure was applied here the bill was introduced on December 5, 1912, and closure was applied on April 10, 1913.

That is four months later. That is how the Canadian Parliament functioned for a long time. The House was given a very reasonable amount of time before the Government swung the axe of closure on a debate.

This is no longer the case. The Government announces closure ahead of time. The Minister of Agriculture (Mr. Whelan) announced closure when he did not even intend to use it. I suspect the reason why the Government rushes into closure motions now is that it becomes a habit-forming.

I would like to quote from an old *Hansard* once again. On May 29, 1956, as reported at page 4422, the Right Hon. John Diefenbaker said:

> Yesterday the Prime Minister, endeavoured once more, by a technique so crude as to be transparent, to return out of the kindness of his heart a portion of the rights of parliament. The Prime Minister has always been a great student of history. One has to go back to the days of James or Charles in order to see similar conduct, conduct which was generally believed to have ended for all time; but that spirit of tyranny came back during the days of John Wilkes in the mid-eighteenth century. It is, therefore, interesting to read that in 1621 parliament, then dominated by the sovereign, not by the sovereign's chief minister, asked that something be done to restore freedom to parliament, and that at that time this was said:
>
> —in the handling . . . of those businesses every Member of the house hath, and of right ought to have, freedom of speech to Profound, treat, reason, and bring to concusion the same.

However, we do not have that freedom or right any longer. We do have the right to come here and debate for two or three days a vicious Bill such as this which cuts the standard of living enjoyed by old age pensioners in this country.

I listened very carefully to the speech given by the Minister of National Health and Welfare (Miss Bégin). I would like to give her notice now that I will have a question for her during third reading about her statement on how this Bill will not hurt those people on the Guaranteed Income Supplement, even if that GIS payment is as small as $2 a month. While I do not have the exact figures, let us use the figure of $250 a month for old age pension, and $250 for the Guaranteed Income Supplement. Let us say, for example, that someone had a private pension of $248 a month and the old age pension. Those pensions combined would total $498 a month. That person would then need a $2 Guaranteed Income Supplement. According to the Minister's remarks today, does this mean that the pensioner will get indexation from then on of his or her old age pension, plus full indexation of his private pension, plus whatever it takes to get him to the limit of the minimum income? I hope the Minister will be able to clarify that for us tomorrow because many people in my constituency are worried about it.

I might say that I have the honour to represent a wonderful group of people in my constituency, of whom 23,295 are old age pensioners. A great majority of these pensioners are women. There are 6,385 widows in my constituency of Victoria. These pensioners do not understand what the Government is doing. They are scared to death of what they hear the Government is doing. Frankly, I would appreciate it if someone on the Government side would tell us if the Government will even allow pensioners to live at a standard of living which is 5 per cent lower than it would have been, had this Bill not been introduced. The result of this legislation is that people will have to lower their standard of living this year by 5 per cent.

I would like to quote from a letter which I received. I am glad to be able to read it into the record because this gentleman misunderstood the Government's intention, as one easily can with a Government like this. In his letter, dated October 14, 1982, he said:

> I have heard over the radio that the Government may not be able to continue payment of Old Age Pensions and if this happens I will be in deep trouble.
>
> My wife Kathleen has been in Central Care Home, 844 Johnson Street, Victoria, B.C. nearly three years now and I use her pension and my own to pay for her care. We are both over 80 years of age.

He continues his letter, but I think you can understand from that that the people who write to me are worried. That letter is from Mr. John P. Wyseman of Stafford Street in my constituency.

I just cannot understand why the Government is proposing this legislation at this time. I am sure Members on all sides are pleased that inflation is going down. Surely it will not be long before we experience 6 per cent to 7 per cent inflation. Why scare the people? Why go after the people the way in which the Government is doing? It is really beyond me. Why not wait a few months, perhaps with a six month hoist, and if the promises of lower inflation that are given on the financial pages these days are true and if the United States gets down to their target area of 2 per cent or 3 per cent inflation, the Bill would not be necessary. We could then continue to do what is right and fitting, which is, to treat our senior citizens with the dignity and generosity for which Canada is noted. Instead of that, we seem to be seized with the idea of hurting the most defenseless people in our society. I wish that it would stop.

• (1630)

Mr. Jim Peterson (Parliamentary Secretary to Minister of State for Economic Development and Minister of State for Science and Technology): Mr. Speaker, the Bill before us deals with our senior citizens. The Hon. Member for Victoria (Mr. McKinnon) has indicated to us that many senior citizens are apprehensive concerning the intentions of our Government

toward them. Therefore, I welcome the opportunity of explaining in brief what the six and five program is and how it relates to Canada's senior citizens.

There can be no doubt but that we are asking Canada's senior citizens to engage with us in the process of helping to build a stronger economic future. That is why there is a capping of certain payments going to senior citizens, but we have not capped nor put any limit on the amount of Old Age Security benefits which are related to a test of one's income, that is, the Guaranteed Income Supplement.

Mr. Nickerson: That is called welfare.

Mr. Peterson: It is not limited. Therefore, we can ensure that those senior citizens who are most needy will have the benefit of full indexing.

The Hon. Member for Victoria, quite correctly, pointed out that inflation is falling. We hope very much, fervently, that it will fall to 6 per cent or an even lower level. That way we will all be able to move ahead and there will be no one who falls behind.

A number of Hon. Members opposite have spoken of closure. We are debating time allocation. They have called it a draconian measure. I believe that when one takes away the hyperbole and the partisan rhetoric, one finds that there is a certain amount of hypocrisy in that statement. Hon. Members in the Official Opposition did vote for our six and five program in this House, and all the constituent elements were before all Hon. Members when it was voted upon. However, if their concern is for senior citizens, then let me tell Hon. Members that I join in that concern and so do other Hon. Members on this side of the House.

There are far too many senior citizens in our country today who are below the poverty level. Sixty-five per cent of senior citizens living below the poverty line are women living alone because they are single, separated, divorced or widowed.

Mr. McKinnon: It will be lower next time.

Mr. Peterson: I do not think it is anything of which anyone in this House can be proud.

An Hon. Member: It is the Liberal legacy.

Mr. Peterson: Mr. Speaker, when Hon. Members opposite start to shout partisan, stupid rhetoric rather than helping us to address the problems and get on with the issues, then I think they are doing a disservice to our senior citizens. I humbly submit that those people will not be raised above that poverty line simply by an indexing or deindexing measure relating to the Old Age Security payments which will probably be anyway at the 6 per cent level in terms of inflation. It requires a much more massive assault on our entire pension system.

I welcome the efforts of Hon. Members opposite to join with us and deal with the very serious issues concerning retirement income for Canadians which are before us and which have been tabled in a Green Paper on pension reform.

Pensions funds developed by the private sector cover very few of our pensioners. Only about 10 per cent of retirement income is derived from private pensions plans. In particular, these private plans do not meet the needs of women in our work force.

Women are inclined to work part time in certain circumstances. They will often have to move from one job to another in order to accommodate their spouses. Women often drop out of the work force in order to bear and raise their children. Women in this country earn a disgraceful level of income when compared to that of men. It amounts to about 60 per cent. We have not achieved equality, equal pay for work of equal value. We must look on pensions as being joint family assets and not simply the asset of the contributor who, under most plans, receives more benefits than the survivor who, in most cases, is the spouse.

Therefore, I ask Hon. Members opposite to join with us in this serious process we have started of looking at pension reform, particularly to help the people about whom I have spoken. That is the real way of dealing with the big problem before us. We should not simply nit-pick the six and five program.

Another aspect which we must also consider very carefully involves the very important role played today by senior citizens in our society, one which I believe can and should be vastly expanded.

The 1980 report by Statistics Canada on voluntarism in our country showed the very big contribution made by volunteers in Canada. In the one year considered, 2.7 million adults worked as volunteers. They donated over 373 million hours of work, which boiled down to 212,000 person years which, if we had to pay for it at going rates, would have constituted additional wages of $3.5 billion in that particular year.

I hope that because of our amendment as well as the Charter of Rights, we will see women and women's groups becoming much more active in enforcing their rights which are on the books and to which they are entitled as human beings and as Canadians.

We also find that because women have lower incomes, they have much lower pensionable earnings. This is what creates the problem for women who are retired and who must live on this type of low income. This is why so many of them live below the poverty line. Quite frankly, it is a disgrace. This is why we must consider very carefully many improvements in terms of pension reform. We must worry about earlier vesting, improved portability and better protection for spouses under our private sector plans. Under the Canada Pension Plan, we must consider increasing the maximum pensionable earnings which can go into the plan and also consider child rearing and drop-out provisions. We must be concerned about survivors' benefits and the consequences of separation of marriage breakup and credit splitting between spouses.

Senior citizens have a great deal to contribute in our society. Just because a person reaches retirement age does not mean that he or she should be put on the ash heap of humanity. Senior citizens should not be forgotten immediately, because

they have much to contribute from everything that they have learned through their education, from on-the-job training and from life experience. Many of our volunteers are senior citizens. This type of effort must be given the recognition which it deserves. We could not do without them and we want more from them.

Mr. Darling: You sure do!

Mr. Peterson: It calls for a changed attitude.

Mr. Darling: You sure do! You want your other 50 cents!

Mr. Peterson: It calls for a changed attitude by us toward our senior citizens and toward the useful and constructive role that they can play in developing our country. It calls upon us to make better use of the talents that are there. I cite to Hon. Members one program only. It is the Canadian Executive Service Overseas under which retired people who are experienced can go to developing countries. They get no salary for it. Transportation is paid. They will have accommodation in the host country, and they will be able to bring to bear their skills there, to work. I think that type of program is one that we should all work on expanding, taking advantage of the talent and particularly the compassion that these people have.

● (1640)

Our senior citizens have seen tough times but they know how to cope with them as well and they can bring a great deal to the way we want to build our society. We could never afford their services if we had to pay for them on a full-time basis.

Let us join together to give senior citizens the due recognition that they deserve and, more particularly, their due place in our society so that they can continue their valuable contribution.

* * *

MESSAGE FROM THE SENATE

Mr. Deputy Speaker: Order, please. I have the honour to inform the House that a communication has been received from the Senate informing this House that the Senate has passed Bill C-133, an Act to amend the Supplementary Retirement Benefits Act, No. 2, without amendment.

* * *

THE ROYAL ASSENT

Mr. Deputy Speaker: I have the honour to inform the House that a communication has been received from Government House as follows:

Government House
Ottawa

January 31, 1983

Madam,

I have the honour to inform you that the Honourable Julien Chouinard, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 31st day of January, 1983 at 5.45 p.m., for the purpose of giving Royal Assent to certain Bills.

I have the honour to be,
Madam,
Your obedient servant,
Edmond Joly de Lotbinière,
Administrative Secretary to the Governor General

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

ALLOCATION OF TIME TO CONSIDER REPORT AND THIRD READING STAGES OF BILL C-131

The House resumed consideration of the motion of Miss Bégin:

That, in relation to Bill C-131, an Act to amend the Old Age Security Act (No. 2), one sitting day shall be allotted to the consideration of each of the report stage and the third reading stage of the Bill; and

That fifteen minutes before the expiry of the time provided for government business on those days, any proceedings before the House shall be interrupted, if required, for the purpose of this Order and, in turn, every question then necessary in order to dispose of the stage of the Bill then under consideration shall be put forthwith and successively, without further debate or amendment.

Mr. Neil Young (Beaches): Mr. Speaker, I have listened with great interest to the contributions that have been made on this debate by Members on the Government side of the House. One of the more interesting ones was the one just made by the Hon. Member for Willowdale (Mr. Peterson) on the benefits that society derives from those individuals who volunteer their time to work, within society. If I may, I do not mind suggesting to the Member for Willowdale that it would be a great idea if he were to sit down with the Minister responsible for the Status of Women and have a chat with her about the things that he just said, because I think she could benefit from that.

I also listened with some interest to the Hon. Member for Vaudreuil (Mr. Herbert) who complained at great length that Members of the Opposition perhaps did not act in a very civilized manner by allowing the Government to get its own way in terms of allowing the legislation that they perceive to be important to go through expeditiously in this House. He seemed to indicate that the Opposition should in fact only oppose to the extent that the Government desired any form of opposition. Quite frankly, after listening to the Hon. Member for Vaudreuil, I developed a new appreciation for the need for a strong opposition to the Government in this particular House, because the kind of democracy that he perceives is certainly not one that I would desire or indeed that I believe the vast majority of Canadians would desire to be put in place in this House.

Also, in listening to the Hon. Member for Don Valley East (Mr. Smith), in this particular debate, I found that he took the tack that I have heard for so many years coming from the Government side, which is that there is an increasing tendency to blame everyone for the country's ailments. Whether it be on economic questions, whether it be on oil pricing, it is never the Government that accepts the blame for all these things. It is always international markets, international conditions that are to blame and the fact that inflation is an international phenomenon. Now what we hear from the Government side is that senior citizens are to blame for inflation, and they are asking senior citizens to mobilize to bring down the country's inflation. One of these days I would hope, and I am sure most Members on this side of the House and most Canadians would like to hear it, that the Government just for once would stand up and accept some responsibility for its own actions, rather than try to blame everyone else, as I said, in this case senior citizens, recipients of Family Allowances, public servants, for the high inflation in the country. Just for once I would like to hear them stand up and say, "Perhaps we had a role to play in bringing about inflation".

Miss MacDonald: Admit a mistake!

Mr. Young: They could say that perhaps it is through measures that they could implement in the House and in the country that inflation could be brought down. But I think I am going to wait a long time before I hear this Government make that kind of concession both in this House and to the Canadian people.

The Hon. Member for Kingston and the Islands (Miss MacDonald) correctly pointed out that she did not understand why the Government was initiating this indecent haste to pass this legislation through, what we like to call closure and what the Government complains is not in fact closure, it is something else. But by any name it is closure and designed to cut off debate on this extremely important Bill and in effect put a gag on Parliament, and especially the Opposition Members, who have a responsibility to express the views of those Canadians who strongly disagree with what this Government is trying to do. In my view I was elected to do exactly that, and I deeply resent any measure on the Government side which says, look, you guys are opposing this to such an extent that it is hindering us in implementing this piece of legislation, albeit bad legislation. I think that is my right to do that as a person who represents the constituency of Beaches.

One of the reasons why I really resent this Government measure at this time to limit debate on this Bill is that I sat on the committee, as did other Members present in the House, and we took a look at this piece of legislation. We said to the Government, "You have had this intent since last June, and the legislation was finally referred to committee last December". I believe it was referred on Thursday or Friday and went into committee on Monday. The Opposition Members said to the committee, "This piece of legislation has such serious implications for the seniors in this country that we believe they should be given the opportunity to appear before this Committee." They can then give us their views on this legislation and tell us what impact, in their view, this legislation would have on their future incomes.

We said that simply giving this committee one week to study this piece of legislation will not give people the right to do that. As a result, we submitted a list of people who we thought should be called because they represented large segments of the population. Those people were contacted and we heard from many of them. We certainly did not receive a wide input from many Canadians who may have wished to appear before that committee to express their concerns about this piece of legislation. I think that is a crying shame because I know of many individual Canadians who have spoken to me since then who said that they felt badly because they would have likely to appear before the committee to talk to us and, hopefully, to make the Government Members understand what the true impact of this legislation was going to be on them.

There certainly seems to be an awful lot of confusion about the impact of this legislation. The Member for Willowdale, in his contribution to this debate, told us that in his view this would not add to any great numbers being driven into poverty as a result of the 6 and 5 legislation. He is totally off track with most other Canadians who have taken a look at this piece of legislation. Some very authoritative organizations which have studied the impact of the 6 and 5 program on seniors have estimated that at the end of the two-year period there will literally be a couple of hundred thousand elderly Canadians, who now have incomes above the poverty level, who will have incomes below the poverty level at the end of the two-year period. If the Government reintroduces full indexation of pensions at the end of the two-year period, and that is a big "if", because I have never heard any assurance that it will do so, the indexations on which the pensions are calculated will be much, much smaller than they would have been without the six and five program. We have pressed the Government to give us figures to show what the true impact will be, and the Government still has not done that. Surely, if they are imposing this kind of legislation on over two million senior citizens in this country, at the very least they should have done the calculations which would have clearly shown what the impact will be at the end of the two year period, and they have failed to do so.

• (1650)

Until such time as they do that, Mr. Speaker, I am going to continue to stand up and protest any attempt by this Government to gag the Official Opposition or the Members of my own Party. I totally disagree with the concept and I will oppose it today, tomorrow, next week and over the next two years. In fact, I would suggest, Mr. Speaker, that we in this Party, and I am quite sure I speak on behalf of the Conservative Party, intend to make this issue a major issue in the next election campaign.

Mr. Jim Schroder (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, this debate today has ranged far and wide, but the major reason for the debate is

to talk about the reasons for time allocation, and to debate on the use of time allocation. I will reverse the words of the Hon. Member for Hamilton-Wentworth (Mr. Scott) and say that obstruction is a shocking abuse of the time of the House and that the tyranny of the minorities is what we see in many of these cases preventing good legislation. I would like to draw the Hon. Member's attention to the fact that a Member of his own Party suggested that time allocation is a gentle form of ending debate.

Why do we have to have time allocation? Presumably, it is to make better use of the time of the House of Commons. I can appreciate the fact that when people have something to say, they should have an opportunity to say it, and that we should be able to see Bills going through the proper stages and eventually coming back to the House for passage.

I would just like to quote to the House the exchange which followed the introduction of time allocation on second reading of this Bill. The Hon. The House leader of the Official Opposition made the statement that whoever it was in the New Democratic Party who made the accusation that they are Liberal stooges is wrong because their sympathies with respect to Bill C-131, the Old Age Security Act, are precisely the same as those of the NDP. He then went on to say, "We intend to vote against both of those measures", which are Bill C-131 and Bill C-132. Then the House leader for the New Democratic Party said as reported at page 21173 of *Hansard:*

However, voting against a piece of legislation is one way to indicate opposition. We are not only opposed to the point where we want to vote against it, but we are opposed to the point where we do not want to facilitate its passage in any way.

I would gather from that, that even if there were amendments which were acceptable, they would not be willing to see this Bill passed. Therefore, I think that we have no alternative but to look toward some reasonable use of the time to get this Bill passed. I would like to read you something from the Halifax *Chronicle-Herald*, which I found quite interesting. It is entitled "Parliament's pique". However, most of us would like to think we would always be referring to it as "Parliament's peak". It says this:

No one would deny Parliamentarians their support of political prerogatives, steadfast stands on principle, and opportunities to make their opponents appear to be the progenitors of weak or defective thinking. It is, after all, an adversarial forum whose members have long held opposing views on many matters.

But one expects—

And this is what is important. It says that one expects the Government to govern, and they expect it to govern well, while the Opposition opposes—and I think the important words I am going to bring out in this next message read:

—while the Opposition opposes for an allotted period before the majority proceeds to approve the issue it has raised.

I will read that for you again. You were not listening. It reads:

—while the Opposition opposes for an allotted period before the majority proceeds to approve the issue it has raised.

What happens, of course, is that in normal debate, the Government claims the Opposition delays passage, and it has been suggested that the Government has the majority and has the Speaker, and one assumes that it could easily make the rules of procedure work. But that is exactly what we are not able to do. We are not able to make the rules of procedure work. The Opposition Members have vented, overly so, considerable rage over the proposal and have squandered their consideration with procedures which have long strayed from the point. There are many matters which demand the earnest attention of the House, but they are being similarly mishandled. Therefore, if there is any reason for having time allocation and trying to put the debate in proper perspective, I hope you will appreciate that that is the argument I am trying to put forward.

What has happened with the time spent on this Bill? You have already had the numbers of those who have spoken on this Bill, how many speakers we have had, how much time we have had, but the important thing is that although it is time allocation, we are still discussing the Bill, and by the end of the day there will be approximately 70 speakers on this Bill. What really bothers me is that we seem to be talking about the senior citizens as if they were a sort of mindless body, and we have not only to speak for them but also to think for them. I would like to read you something which was in the Ottawa *Citizen*, written by Marjorie Gillies on January 25, 1983. She says, the following:

Although some seniors have expressed dissatisfaction with the government's imposition of a six and five per cent restraint increase on retirement income for the next two years, Bert Hanmer—

Mr. Hanmer is a retired Canadian Legion national service bureau director.

—says the majority of pensioners aren't upset by the limitation.

Mr. Hanmer is vice-chairman of the Council on Aging in Ottawa and Chairman of the Economics of Aging Committee. He is a pension specialist. He goes on to quote figures which we already know, that 54 per cent of Canadians over 65 will not even be affected by the restriction. Then he continues:

You know, most elderly Canadians will tell you they have little to complain about today—

It is interesting that when one hears the other side of the story, one is told that really it is not the truth, it is not right. But I also receive letters from my constituents and I also see people in my constituency. I have yet to see the pressure that has been told is there by Members of the Opposition. I think most seniors are grateful to take some part in this battle against inflation.

• (1700)

What happened in committee? That is interesting. This was one of my first experiences in trying to organize debate in committee. Actually we had to go out and seek out people to come and make presentations before the committee. Most said they had read about the Bill, examined it and chosen not to make any kind of presentation to the committee.

In any event, we had five groups appearing before the committee. They spoke mostly—

Time Allocation

The Acting Speaker (Mr. Blaker): Order, please. The Hon. Member for Western Arctic (Mr. Nickerson).

Mr. Dave Nickerson (Western Arctic): Thank you, Mr. Speaker, for recognizing me at this point in time. According to my calculations, I have two minutes in which to register my indignation that for the fifteenth time this Government has used closure during this single session of Parliament.

The reasons on this particular occasion are ones which we cannot possibly condone. The explanation given by the Minister of National Health and Welfare (Miss Bégin) was that she had heard enough from Opposition Members of Parliament, that in her consideration there was no necessity for debating the matter any longer. I remind the Minister that it is not up to her to decide whether debate has gone on a sufficient length of time. These matters are covered by the Standing Orders of the House of Commons. They are for no one individual to decide.

I was disappointed with the presentation by the Hon. Member for Vaudreuil (Mr. Herbert). He proposed that we have a permanent system of closure in this House, that once a Bill is presented, it automatically be subject to the guillotine, that it automatically be cut off. It is my submission that three and a half days is not sufficient time to debate this issue, namely, the hidden policy in this Bill which is the end of universality. Unless we are prepared to accept and condone the tyranny of the majority, as the Hon. Member for Bow River (Mr. Taylor) so succinctly put it, we must vote against closure on this occasion when it is so completely unwarranted.

The Acting Speaker (Mr. Blaker): Order, please. It being 5:03 o'clock, the two hours provided for the consideration of the motion now before the House, under the provisions of Standing Order 82, have expired. Accordingly, under the terms of the Standing Order, it is my duty to interrupt the proceedings and put every question necessary to dispose of the motion.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

The Acting Speaker (Mr. Blaker): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Blaker): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Blaker): Call in the Members.

The House divided on the motion (Miss Bégin) which was agreed to on the following division:

(*Division No. 284*)

YEAS

Messrs.

Appolloni (Mrs.)
Axworthy
Bachand
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chrétien
Collenette
Comtois
Corbin
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Dupont
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Frith
Garant
Gauthier
Gendron
Gimaïel
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Harquail
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Ittinuar
Johnston
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Lumley
MacBain
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid (Kenora-Rainy River)
Roberts
Rompkey
Rossi
Roy
Schroder
Smith
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Yanakis—121.

NAYS

Messrs.

Althouse
Andre
Baker (Nepean-Carleton)
Beatty
Blackburn
Blenkarn
Bosley
Bradley
Broadbent
Carney (Miss)
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Deans
de Jong
Domm
Ellis
Elzinga
Epp
Fennell
Forrestall
Fraser
Fretz
Friesen
Fulton
Gamble
Gass
Greenaway
Gustafson
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hargrave
Hawkes
Hnatyshyn
Huntington
Jarvis
Kempling
Kilgour
King
Kristiansen
Kushner
Lambert
La Salle
Lewis
MacDonald (Miss) (Kingston and the Islands)
MacDougall
MacKay

Messrs.

Malone
Manly
Mazankowski
McCain
McDermid
McGrath
McKenzie
McKinnon
McKnight
McMillan
Miller
Mitchell (Mrs.)
Mitges
Munro (Esquimalt-Saanich)
Neil
Nickerson
Nielsen
Nystrom
Ogle
Parker
Patterson
Reid (St. Catharines)
Robinson (Burnaby)
Roche
Sargeant
Scott (Hamilton-Wentworth)
Shields
Siddon
Skelly
Speyer
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Waddell
Wilson
Young
Yurko—95.

[*Translation*]

Madam Speaker: I declare the motion carried.

Motion (Miss Bégin) agreed to.

* * *

● (1730)

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,320, 4,537 and 4,543.

[*Text*]

SALTWATER FISHING LICENCES

Question No. 4,320—**Mr. Wenman:**

1. What was the total amount of revenue collected from saltwater fishing licences from (a) Canada as a whole (b) the East Coast (c) the West Coast in 1980 and 1981 and what are the projections for 1982 and 1983?

2. What were the total number of licences issued in (a) Canada as a whole (b) the East Coast (c) the West Coast in 1980 and 1981 and what are the projections for 1982 and 1983?

3. What was the total cost of administering the collection of these fees in (a) Canada as a whole (b) the East Coast (c) the West Coast in 1980 and 1981 and what are the projections for 1982 and 1983?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): 1. Revenue collected from saltwater fishing licences:

(a)	1980—$ 910,990.00	
	1981—$4,083,511.50	
	1982—$3,460,000.00	(projected—East Coast only)
	1983—$3,460,000.00	(projected—East Coast only)
(b)	1980—$ 657,460.00	
	1981—$2,476,170.00	
	1982—$3,460,000.00	(projected)
	1983—$3,460,000.00	(projected)
(c)	1980—$ 253,530.00*	
	1981—$1,607,341.50	
	1982—not available	
	1983—not available	

* A tidal water sportfishing licence was introduced in April, 1981. Prior to this date only foreign vessels were required to purchase licences. After April, 1982 personal licences both Canadian and non-Canadian fishermen were required.

Order Paper Questions

2. Number of licences issued:

(a)	1980—149,393	
	1981—410,815	(large increase due to introduction of tidal sportfish licence on West Coast)
	1982—141,464	(projected—East Coast only)
	1983—141,464	(projected—East Coast only)
(b)	1980—141,517	
	1981—141,464	
	1982—141,464	(projected)
	1983—141,464	(projected)
(c)	1980— 7,876	
	1981—269,351	(large increase due to introduction of tidal sportfish licence)
	1982—not available	
	1983—not available	

3. Cost of administration:

(a)	1980—$1,320,000	(estimated)
	1981—$1,874,500	
	1982—$1,600,000	(projected—East Coast only)
	1983—$1,600,000	(projected—East Coast only)
(b)	1980—$1,300,000	
	1981—$1,600,000	
	1982—$1,600,000	(projected)
	1983—$1,600,000	(projected)
(c)	1980—$ 20,000	(estimated)
	1981—$ 274,500	
	1982—not available	
	1983—not available	

Non-resident sportfish licences were sold during 1980 in local district fishery offices, Vancouver Headquarters and through a limited number of independent agents. The new tital water sportfish licences are now sold through contracted agents.

IMF CONFERENCE—TRANSPORTATION SERVICES

Question No. 4,537—**Mr. Mazankowski:**

1. Were transportation services provided by the Government to the IMF Conference held in Toronto in September, 1982 and, if so, what were such services and what was the cost of the services?

2. Were private firms hired to provide transportation services and, if so, were tenders accepted for those contracts?

Hon. Paul J. Cosgrove (Minister of State (Finance)): 1. The following transportation services were provided to the joint annual meetings of the International Monetary Fund and the International Bank for Reconstruction and Development in accordance with the standard requirements of these organizations.

(a) 180 official cars for Governors and senior IMF/IBRD officials for official use within Metropolitan Toronto. Cars were leased from General Motors Canada for $1. The cost of gas, maintenance and parking was approximately $68,125.

(b) Rental of five cars and two vans from Avis for use as pool cars and standby replacement cars—cost $8,626.

(c) Rental of three minibuses for 29 days to transport small groups between Toronto International Airport and the Sheraton Centre Hotel—$29,025.

Order Paper Questions

(d) Fifty-four 40-passenger buses for seven days to transport delegates between Toronto International Airport and downtown hotels—$17,050.

(e) Shuttle service (40-passenger buses) for delegates between hotels and to official functions—$98,440.

(f) Signs for buses and cars—$5,051.

(g) Costs for drivers recovered by Department of National Defence for salaries and travel costs of militia personnel and for travel costs of regular force personnel—$400,000 (estimated, final costs not yet known).

(h) Accommodation for drivers and support staff—$110,000 (estimated, final costs not yet known).

(i) Two-way radios installed in ten vehicles—$8,475.

2. Department of Supply and Services invited tenders for all cars. All buses were rented through Gray Coach lines or the Toronto Transit Commission as these are the only services allowed to handle such assignments on the streets of Toronto.

WESTERN GRAIN STABILIZATION PROGRAM

Question No. 4,543—**Mr. Gustafson:**

1. Will the Government consider allowing farmers to opt out of the Western Grain Stabilization Program and, if not, for what reason?

2. Since the inception of the Program, by year, what amount was paid out to western farmers?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Agriculture and the Canadian Wheat Board as follows:

1. At present, the Government is not considering a change in the Western Grain Stabilization Act to permit producers to opt out of the program in an unrestricted manner. Provisions in the Act allowed participants to opt-out within the first three years of participation. Producers who participated in the program from its inception had until December 31, 1978 to opt out. Participants who joined the plan since its inception may still opt out if they have not reached the third year of their participation.

Provisions in the Act to limit opting out were put in place to prevent producers from only participating in years when a payout is projected. If opting out was left unrestricted, this could affect the actuarial soundness of the program in that funds would not be built up to stabilize producer incomes as provided in the Act.

2. Since the inception of the program in 1976, two payments have been required, one of $115 million in 1978 and one of $253 million in 1979 for a total of $368 million.

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, if question No. 4,579 could be made an order for return, these returns would be tabled immediately.

[*Translation*]

Madam Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Is it the pleasure of the House that Question No. 4,579 be deemed to have been made an order for return?

Some Hon. Members: Agreed.

[*Text*]

INCOME TAX—COLLECTIONS AND REFUNDS

Question No. 4,579—**Mr. Lewis:**

By month, for the fiscal year (a) 1979-80 (b) 1980-81 (c) 1981-82 (d) 1982-83 to date, what were the income tax gross collections and refunds for (i) corporations (ii) individuals (employer remittances plus direct payments)?

Return tabled.

[*English*]

Mr. Blenkarn: Madam Speaker, I rise on a point of order. Question No. 3,628 was asked on January 25, 1982. It has not been answered. It is a rather easy question although it does have nine specific points to it. It is in regard to the budget of November 12 and the way the present Bill C-139 is to be proceeded with. The answer should have been produced. It has been over a year now since it was placed on the Order Paper. Can the Parliamentary Secretary tell us why the answers have not been forthcoming?

Mr. Smith: Madam Speaker, I do not know the exact stage at which the answer is in preparation on that particular question. But, of course, as of today we have answered 83.3 per cent of all questions asked in this session. I will be delighted to look into that matter on behalf of the Hon. Member to see what I can find out for him.

I ask, Madam Speaker, that the remaining questions be allowed to stand.

[*Translation*]

Madam Speaker: Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

INCOME TAX

AMENDMENTS TO STATUTE LAW

The House resumed, from Monday, December 13, 1982, consideration of the motion of Mr. Lalonde that Bill C-139, to amend the Statute Law relating to Income Tax (No. 2), be

read the second time and referred to a Committee of the Whole.

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, before the House rose before lunch I was commenting on a statement which the Minister of Finance (Mr. Lalonde) made when he introduced the Bill for second reading debate. He said, as reported in *Hansard* at page 21521:

> I believe that Canadians as a whole understand that their Government cannot continue to spend more and more while it taxes them less and less.

I was making the point at one o'clock today that it is not merely adequate to try to raise revenue, particularly when one realizes that there is no more revenue left in the pot. The more important objective which this Government has failed to pursue is to reduce the waste and extravagance in the Government's spending program. I was about to remind the House of the $100 million thrown away to bail out Consolidated Computer; the failure of Eldorado Nuclear and the massive amount of waste in that connection; the $600 million annual subsidy to Canada Post and to Air Canada; the lack of financial control and accountability on the part of Crown Corporations as well as the bail-outs of Dome and Maislin which are completely inexcusable. If we do not bring this kind of excessiveness and waste under control, this country is indeed doomed. We cannot continue to rearrange the income tax system and raise new tax levels levied against corporations and businesses. In fact, if we look at the 50 per cent increase in bankruptcies and the 50 per cent decline in corporate profits over the past 12 months, we can see that the only way our nation's economy will be brought back under control is to introduce a much higher degree of awareness in the importance of restraint.

I would like to note that the Minister of State for Mines (Mrs. Erola) herself has some accounting to do to this House. Her travel budget increased from $28,000 in 1981 to $58,000 in 1982. That is a 109 per cent increase. The Minister of Energy's (Mr. Chrétien) travel expenses were even worse. His travel expenses went up by 263 per cent over the previous year.

Mr. Darling: He is energetic.

Mr. Siddon: The Minister of Energy is energetically travelling the country from one end to another. The Minister of State for Mines has a departmental budget which increased from $171 million in 1981-1982 to $223 million in 1982-1983. In fact, the amount is $230 million if you add the supplementary estimates. There is a more than 35 per cent increase in spending by that Department alone. Although the Minister's officials did a very ambitious review of mineral policy in the 1981 period, they now admit the report which resulted from that review is very much outdated. Some of the initiatives it recommended were totally contradicted by initiatives of the November 12, 1981 budget. Certainly that report totally ignored the declining competitive position of Canada with respect to other major world producers of minerals.

The Auditor General commented on this serious deficiency outlined in that report entitled "A Mineral Policy for Canada." It is this kind of misdirected energy and misuse of financial resources that now leads the Government to come before this House to ask for further changes in the income tax laws which were originally intended when the infamous November 12 budget was introduced a year and two months ago to increase Government revenues by some $11 billion. The consequence, of it, because of many of the adverse effects of that budget, was to reduce Government revenues by some $10 billion. Yet here we are debating measures which have already proved to be failures and the Government wants to implement them and make them law. The Government also has the audacity to tell the Canadian people that if we do not make these measures law, those who would otherwise receive income tax rebates will not get them after the taxation year-end on April 1 arrives.

Here is a double standard in telling Canadians that they cannot have their income tax rebates because the budget may not become law at that point while at the same time insisting that tax returns be filed according to the provisions of the November 12, 1981 budget and subsequent corrections. That double standard is absolutely inexcusable.

• (1740)

I would like to discuss some of the specific measures of the Bill as they pertain to Canada's mining industry. At the very beginning, at page one of the policy analysis undertaken by the Minister of State for Mines, we are told that the junior mining industry of Canada is in severe economic difficulty and that, "Unfortunately, this sector of the mineral industry has fallen on hard times because of technological changes which have increased the cost of exploration and taxation changes which have reduced the after tax profitability of new mine investment for junior mining companies."

We can then compare the measures of the November 12 budget with the Minister's recognition that the mining industry is already being excessively taxed, particularly the junior mining sector. We see that the Government is penalizing people further, those who would invest in IAACs, Registered Retirement Savings Plans and other investment instruments, and people who would want to capitalize mining ventures are penalized with the withdrawal of one-half year's depreciation in the first year of acquisition of a capital asset. We see that the Government, through the November 12 budget, is making it much less attractive for Canadian investors to take some risk in helping to provide increased employment for those in the mining sector.

Early in 1982, a team of Revenue Canada tax auditors went to Vancouver and began to audit and reassess a large number of mining company employees who had been taking stock options in return for services rendered to those mining companies. These were professionals such as engineers, geologists, managers, surveyors and the like. While previously, these types of stock options were only to be taxed at the capital gains rate, 50 per cent of the return, Revenue Canada is now taxing these earnings at the full income return and taxes them retroactively, going back as far as five years.

Income Tax

The Minister of State for Mines has been contacted by the B.C. and Yukon Chamber of Mines. It has been pointed out to her that this measure alone which has been taken by Revenue Canada will extract some $600 million in anticipated revenue that those companies and shareholders would have enjoyed when those stock options were converted to legitimate shares in the subsequent mining companies that materialize from these junior exploration ventures.

In fact, this change of rules runs completely contrary to the kinds of ideas that appeared in the Minister's policy paper. They are detrimental to development of mining and opportunities in that industry. In fact, as the B.C. and Yukon Chamber of Mines has pointed out, rather than strengthening the mining industry at a time when it needs to be strengthened, the Government is making it much more difficult for such companies to operate.

There are problems with the roll-over of one mining company, a junior mining company, to an operating company. The Government implied in the November 12 budget that it would make those roll-overs subject to capital gains tax. It has now decided that this is not such a good idea. However, it is not prepared to say it will rescind the measure. It will now study it in a special committee for many more months.

That is the other major difficulty with many of the measures that were first introduced in the budget of November 12, 1981. They have never been withdrawn. Many of the measures are being studied to death. In the meantime, there is a tremendous reluctance on the part of investors and companies to take any investment risks and expand their capital worth because they do not know what the rules will be a year or two from now. The instruments for saving for retirement such as LAACs, RRSPs and registered profit-sharing plans are also having a serious impact on many of our constituents. The change from the use of the income averaging annuity contracts to the other mechanism that is being proposed by the Minister of Finance (Mr. Lalonde) is, in fact, costing many investors much additional taxation on revenue that they have not yet received.

I see that my time has come to an end. I just want to say that as long as we have an opportunity to debate this important measure in the House, we must continue to point out a number of the deficiencies which are having a very detrimental effect on the economy of Canada at the present time.

Mr. Lewis: Mr. Speaker, I am not rising to ask questions of my colleague. Did you intend to give the House the opportunity to ask questions?

The Acting Speaker (Mr. Blaker): I thank the Hon. Member. It is a problem for the Chair, under the new rules, to determine whether Members are rising for the purpose of exchanging questions and answers or to debate. Perhaps I could ask if there are Hon. Members who are seeking the floor for the purpose of exchanging questions and comments. Otherwise, I will recognize the Hon. Member for Simcoe North (Mr. Lewis) for debate.

Mr. Doug Lewis (Simcoe North): Mr. Speaker, it is my pleasure to have an opportunity finally to address a few remarks to Bill C-139. I think it will be useful to review the process through which this legislation finally came to the House of Commons after 15 months of controversy.

The House will remember that in November of 1981 the then minister of finance, the Hon. Member for Cape Breton Highlands-Canso (Mr. MacEachen), brought in a budget which was completely wrong for the times. That budget created and caused a greater recession than we had as a result of the efforts of his colleagues in the Cabinet. It created quite a stir in the country amongst small business people, farmers and employees, all of whom were adversely affected by this disastrous budget.

The House will also remember that in an almost unprecedented step taken by the Government, the Minister came into the House on December of 1981 and made a statement on motions in which he withdrew several of the measures in the budget which were completely out of step with the times and out of step with what was required to rejuvenate the Canadian economy. Through the spring of 1982 there were further retreats and, finally, another retreat in July. As responsible Members of the Opposition, our reaction was to send some 65 Members of the Progressive Conservative Party across Canada to hear from the public. We took briefs from several dozen interested parties, including individuals and organizations consisting of labour unions and the business community. We received a very representative opinion from the people, which is something the Minister of Finance neglected to get. As a result of the pressures from the Progressive Conservative Party, several revisions were made to the budget.

We were then treated to an amazing act when there was a Cabinet shuffle in the fall of last year. The Prime Minister (Mr. Trudeau) returned from an extensive investigation of western Canada, travelling in a private railway car, and shuffled the Cabinet. I should mention that this Cabinet shuffle per se put the then minister of energy, mines and resources in the position of Minister of Finance. In my riding, several hundred of my constituents are farmers. One of them noted that the Cabinet shuffle was rather like rotating one's crops in a dead field. In any event, the present Minister of Finance (Mr. Lalonde) spent the fall gaining credit for consulting with the financial community and withdrawing things that his colleague, the previous Minister of Finance, had said that he would do. It was rather an unusual way to gain political points, but we on this side understand that the Minister of Finance was trying to undo some of the disasters of the previous Minister.

• (1750)

At this point we should zero in on one thing with respect to Bill C-139. After 15 months, the Government has finally brought into legislation, which we can debate in the House of Commons, a disastrous budget. Throughout the 15-month period, there has been a great deal of uncertainty and my

colleagues, both in the accounting and legal professions, find themselves in the position of being unable to advise clients with any certainty whatsoever. That delay is unacceptable to the Canadian people.

I suggest to Your Honour that we would do well to take a hard look at the method used in the United Kingdom. In the United Kingdom, the budget is normally brought down in March. It goes through six days of debate. At the same time, the enabling legislation is introduced in the House of Commons, and after the six-day debate, there is a vote on the acceptability of the budget and, within three to four months, the legislation must be passed. I suggest to the House that the Government should have to bring in its legislation, which is bad, a little quicker, because I do not think there is any way that the Canadian people should be forced to put up with what they have had to put up with as a result of the delays of the Government.

I want to address certain specific items in Bill C-139 which are completely wrong for the times. The Government has decided, in this country called Canada, that it will restrict shareholder loans for employees to buy homes. On the one hand, it is very proud of enforcing mobility rights in the Charter of Rights and Freedoms while, on the other hand, through its inability to understand this country, it is bringing in taxation adjustments which militate against companies being able to send their employees around the country.

THE ROYAL ASSENT

[*Translation*]

A message was delivered by the Gentleman Usher of the Black Rod, as follows:

Madam Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the Chamber of the honourable the Senate.

Accordingly, Madam Speaker, with the House went up to the Senate Chamber.

And being returned:

Madam Speaker: Order. I have the honour to inform the House that when the House went up to the Senate Chamber the Deputy Governor General had been pleased to give in Her Majesty's name the Royal Assent to the following bills:

Bill C-98, An Act to amend the Canada Agricultural Products Standards Act—Chapter No. 133.

Bill C-620, An Act to change the name of the electoral district of Missisquoi—Chapter No. 134.

Bill C-647, An Act to change the name of the electoral district of Saint-Michel—Chapter No. 135.

Bill C-133, An Act to amend the Supplementary Retirement Benefits Act (No. 2)—Chapter No. 136.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

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

AIR TRANSPORT—ALLEGED REFUSAL OF PERMISSION FOR WARDAIR TO COMPETE WITH AIR CANADA AND CANADIAN PACIFIC AIRLINES

Mr. Pierre Deniger (La Prairie): Mr. Speaker, in an article that appeared in the Ottawa *Citizen* on January 11, a journalist for that paper wrote that the Government intended to refuse permission for Wardair to compete with Air Canada and CP Air for certain regular flights. I asked the Minister of Transport (Mr. Pepin) for his comments, to find out whether a decision had been made, and if so, how it would benefit the Canadian user and Wardair. The Minister's answer was rather disappointing, especially since I had taken the trouble to give him notice of my question. In fact, the Minister merely answered that he had had a meeting with the president of Wardair, and that details about the future of this company would be disclosed very shortly. In his short reply, the Minister did not mention the article in *The Citizen*, so I imagine that there is still some hope. This is why I want to confirm this evening my support to Wardair and re-emphasize the need to deregulate the industry.

At the present time, Canadian air policy is a failure. It benefits a few national carriers and a couple of regional carriers, at the expense of Canadian consumers and businesses and Canadian businessmen interested in air transport. Let us consider the case of Wardair. Its main competitors, Air Canada and CP Air, now have full access to its chartered flight market, while it has no access to the markets of Air Canada and CP Air, which of course distorts completely the rules of the game. The result is obvious. Wardair cannot compete, just as Quebecair could not compete against Air Canada for the rich Florida market. In fact, I believe that Canada is the only country which still differentiates between chartered and regular flights. This is why Transair went bankrupt and Wardair and Quebecair are in serious financial difficulty. As we all know, Mr. Speaker, the United States have long abandoned that distinction. In the case of Wardair, there are only two solutions. The first would be to allow the company to become a regular carrier on certain routes or to prevent certain carriers or their subsidiaries from offering chartered seats in addition to their regular seats. The second solution would be to limit competition and is therefore unacceptable in my opinion. The first solution is the only valid answer to the problem of our nonsensical air policy.

I wonder whether the Minister realizes the trememous damage caused by the *status quo* to certain carriers and to Canadian consumers.

In my opinion, Mr. Speaker, it is important to point out that the Canadian air industry no longer needs crutches. Federal regulations should be limited so that any new airline can enter whatever market it wishes and established companies can decide what type of plane to use or what market to serve without any federal restrictions. We should allow strong competition for prices and not impose any restriction as to service quality. Such a policy, Mr. Speaker, would enable Quebecair and Wardair to survive if they deserve to do so because of the quality of their services and attractive rates. Passengers of these airlines will determine their future. If not, the rules of the market will apply and the competition will take care of these carriers. Whether such companies prosper or not will be decided not by regulations, but by the people using them.

Mr. Speaker, I hope that these comments will not fall on deaf ears because they should be considered before a final decision is made concerning the future of Wardair.

• (1805)

[*English*]

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Mr. Speaker, first of all, I wish to congratulate the Hon. Member for La Prairie (Mr. Deniger) for taking advantage of this period in our Parliamentary process to highlight certain policies in which he believes. I also want to congratulate him as he, in his capacity as Vice-Chairman of the Parliamentary Standing Committee on Transport, had great input in developing Canada's domestic air policy. For this, my thanks to him and his constituents.

As the Hon. Member knows, Wardair has asked for Government approval to become a scheduled domestic and international airline. He will recall that the Minister of Transport (Mr. Pepin) stated in the House on January 19 that he has met with the President of Wardair to discuss Mr. Ward's concerns, and that a response would be forthcoming in due time. Since the matter is still under consideration, I cannot say what the final decision will be.

Some claim that granting Wardair's request to become a scheduled airline would be a good idea because this would help to lower fares. On the other hand, the addition of more wide-bodied aircraft capacity in search of passengers already comparatively well served in terms of price, capacity and frequency, may result in carriers dropping scheduled services in their smaller markets and increasing prices because they have been driven to smaller aircraft with higher unit operating costs.

Wardair is undoubtedly facing difficult financial times. Despite advice to the contrary, from a number of sources, it has added substantially to its fleet of large aircraft, at high interest rates, in anticipation of traffic growth which just did not materialize. All airlines have found that traffic demand has grown much more slowly than expected. In some scheduled markets traffic has dropped drastically in the past year. To adjust, airlines have mothballed, sold or leased out some of their larger wide-bodied aircraft. They have cut back on their schedules, reduced staff, and have tried to stimulate traffic with attractive promotional fares. Despite all this, Mr. Speaker, major Canadian carriers probably suffered about $85 million to $100 million in net losses last year.

• (1810)

In short, it is unclear whether the public interest would be met by allowing Wardair to compete for the high density long-haul domestic and international scheduled markets for which its large aircraft are most suited. The matter is being carefully considered. As soon as the Minister makes a decision, he or I will notify the Hon. Member for Laprairie accordingly.

PENITENTIARIES—CANCELLATION OF UNIVERSITY COURSES. (B) REQUEST THAT DECISION BE DEFERRED. (C) PROVISION OF FREE UNIVERSITY TUITION TO INMATES

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am rising to pursue a question which I asked of the Solicitor General (Mr. Kaplan) on January 24 last in which I was critical of the apparent decision of the Solicitor General to cancel all post-secondary university education programs in the federal penitentiary system. At the time the Minister indicated that his decision was final and that he was not prepared to entertain any further consideration of the very great advantages of this program.

Since the announcement of the termination of these programs, effective at the end of the contracts in question, there has been widespread criticism of this decision right across the country. I want to emphasize that this criticism has come from all sectors of the correctional community and, indeed, from even beyond that. It is by no means a partisan question. For example, even the leader of the British Columbia Liberal Party, Shirley McLaughlin, has taken the Government and the Solicitor General to task in a telegram sent to the Solicitor General, urging him to have another look at his wrong-headed plan to cut post-secondary programs for federal penitentiary inmates.

The programs in question are offered through four institutions at a number of prisons throughout the country. By far the most successful and popular program, the one affecting the greatest number of prisoners, is the program which is offered through the University of Victoria affecting some 150 prisoners as well as a number of support staff. It is offered at four institutions, Matsqui, Kent, William Head and Mountain Institution.

As well, other programs affected include the program offered by the University of Manitoba, the Stony Mountain institution; the program offered by Queen's University at Collin's Bay Institution; and, finally, the program offered at Laval Institution by Laval University. All of these programs are going to be terminated, effective some time this year, unless the Minister can be persuaded to change his mind.

The decision to terminate all post-secondary university education programs in the federal penitentiary system is a profound mistake. As I said in the question which I asked of the Minister on January 24 last, it represents an exercise in colossal correctional stupidity. Not only are these programs which I just enumerated going to be cancelled, but as well all paid for university level correspondence courses are going to be cancelled. In other words, effectively we are seeing the gutting of all post-secondary education programs within the federal penitentiary system.

The response has been immediate and angry. I am just going to quote a number of people involved. Even the Minister's own director of academic education indicated to me that this was certainly not a decision he made; it came down from on high. As he said, the programs in question are the finest programs of their type in North America. That was Doug Griffin, the chief of academic education.

As well, the co-ordinator of the program at the University of Victoria, Douglas Ayers, stated that the decision in question by the correctional services was a mistake, cancelling probably the only program shown to have a positive effect on prisoners. The unemployment rate following involvement in this program, the rate of recidivism, which is considerably lower than that for other prisoners, changes in residential, marital, friendship patterns, and a number of other indicators, all make it very clear that this program is by far the most successful program with the federal penitentiary system.

A gentleman who evaluated the program, Mr. Ross, although he was somewhat critical of the methodology involved in Dr. Ayers' study said, and I quote:

> My observation of the program and my discussions with the prisoners and faculty lead me to think that the UVIC program actually epitimizes many of the principles and practices involved in the vast majority of effective correctional programs.

He further said:

> —I consider the principles and goals of the UVIC program to be eminently reasonable and the strategies to be, if not entirely unique, innovative and thoroughly in accord with information currently available about strategies for effective correctional intervention. Given the type of offenders, the length of their sentences and the nature of the setting, it may even be said that it approaches the ideal in its theory and practice, if not in its evaluation.

● (1815)

I do not have time to read from the evaluation of Doug Drouillard who did an evaluation on behalf of the Department of Supply and Services. His assessment was that the program was positive and beneficial.

The Chairman of the Citizen's Advisory Committee at the William Head Institution said that programs that contribute to reduced crime should not be the first to be axed in a cost-saving effort.

The Warden of the institution has made his views on the subject very clearly known and has stated that the axing of the program was a mistake which could have very serious consequences on prisoner morale and could lead to incidents and disruptions within the prison. He and other federal prison directors tried, apparently in vain, to persuade the Government that this was a mistake.

There was no consultation whatsoever either with wardens or with the Citizen's Advisory Committee before the decision was taken. I emphasize that the decision reinforces the worst kind of warehousing concepts within the federal correctional system and flies in the face of the unanimous recommendations of the 1977 Subcommittee on Penitentiaries. If the Government wants to cut costs, and certainly that is an understandable objective, there are many other areas where the costs could be cut within correctional services.

I was pleased to be able to attend the graduation ceremonies at Kent Institution and the Matsqui Institution in 1981. All persons involved in the program expressed their pride in an obviously successful and positive program.

This is an example of a decision which, if not reversed, in many ways represents a threat to the community that is supposed to be protected. The recidivism rate of the people involved in the program is 14 per cent as opposed to an over-all recidivism rate of well over 50 per cent. While we are talking about saving money, we should seriously consider the fact that we may very well end up spending more money if the people no longer involved in the program return to the federal penitentiary system at a cost of $20,000 or $30,00 per year.

The cancellation of these programs is a profound mistake which reinforces the most backward and archaic correctional principles, namely that prisoners are there to be warehoused and nothing else. It does nothing whatsoever to protect the community and ultimately may have the opposite effect.

I should like to close by quoting from a letter sent to the Solicitor General by Keith B. Jobson, Chairman of the Citizen's Advisory Committee. His concluding paragraph reads as follows:

> Considering the morale of the institution, the contribution the program makes to dynamic security, the success of the program in terms of reduced recedivism, the need to keep an open door to CCC's and CRC's in times of overcrowded conditions, the contribution of the program to reduced prison costs generally, the importance of the Program in meeting CSC objectives respecting improved community-prison contacts and relations, the contribution of the program to CSC objectives of providing opportunities for inmates to come out of prison better citizens than when they went in, considering its low cost ratio per inmate at William Head, and the large part of the prison population involved in the program, we urgently request your reconsideration of the decision to eliminate post secondary education programs at William Head.

I urge the Minister to take that plea very seriously, Mr. Speaker.

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): As you know, Mr. Speaker, the Solicitor General (Mr. Kaplan) likes to reply to questions in person. Unfortunately he is not able to be here tonight, but has asked me to reply on his behalf.

On January 24 the Hon. Member for Burnaby (Mr. Robinson) raised questions pertaining to the recent cancellation, by the Correctional Service of Canada, of post-secondary educational contracts in federal penitentiaries and asked whether the

Solicitor General would agree to defer a final decision on the matter.

As the Minister has previously stated, the post-secondary educational programs were good programs—he agrees with the Hon. Member—and the inmate students did benefit from them. But they have also proven to be too expensive to maintain. The programs cost $3,500 per inmate per year and 232 inmates or 2.3 percent of the inmate population are involved in them. As you know, Mr. Speaker, these are times of economic restraint and the Correctional Services of Canada must also exercise restraint. Cancelling these programs will mean savings of $541,428 in 1983-84, and $744,062 in 1984-85, for a total saving of $1,285,490 in 1982-83 dollars.

• (1820)

Although funding for post-secondary programs has been cut, inmates will be able to continue taking correspondence courses at their own time and expense. I hope these inmates will also rely on group meetings and self-help as learning methods. The service is undertaking to explore alternative sources of funding post-secondary educational programs. This could include grants from private foundations, loans, bursaries and scholarships for current students who might qualify.

The service will also continue to enhance primary education training, to raise the base level of literacy and to focus greater attention toward functionally illiterate inmates. Approximately 66 per cent of the CSC inmate population has an education of less than grade ten; of these about 18 per cent are functional illiterates.

As the Solicitor General said on January 24, he believes that the federal Government has a responsibility to rehabilitate offenders who are behind bars. We will continue to exercise that responsibility, but when programs across the country are being cut back for people who are not in prison, inmates and others who support inmates have to understand that restraint also has to be applied within the correctional service. Accordingly, the Minister is not prepared to defer his decision.

Finally, even though this funding is being cut, the Solicitor General believes that the inmates who have been benefiting from the programs will have the initiative to find other ways within our system to achieve a higher education.

FORESTRY—INQUIRY RESPECTING GOVERNMENT PROGRAMS AND POLICIES

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, on October 27, 1982, I directed a question to the Minister of State for Economic Development (Mr. Johnston) regarding what plans the Government may have had for assisting unemployed people in the forest industry across the country, particularly action in terms of assisting both employees and the industry in which they normally work. I asked what proposals they were putting together to ensure that more of those people could be employed constructively during the spring just immediately ahead of us. The answer from the Minister at that time was most inadequate and very generalized. I hope this evening we may have some clearer answers as to just what is taking place.

Under the Employment Bridging Assistance Program, we have had a series of problems. I know the Government is aware of these problems and has made some attempts to resolve them, and I refer to people being dropped from the UIC rolls as they enter EBAP. Sometimes their benefits are mysteriously stopped, as was the case for many last December, and are restarted after they have been enrolled in the program. This is causing some demoralization on the part of many unemployed forestry workers who were hoping to make contributions, not only to themselves but to the long-term welfare of their own industry. Why get off UIC with a regular cheque and go to something more constructive if one ends up with no income at all? They also have their families' interests to look after.

In my own constituency the Salmo Workers Employment Society was formed. In fact, it was the first program under EBAP in the forest industry in British Columbia. Over the past few months they have developed a considerable amount of expertise, with the continual employment, on a revolving basis, of some 50 unemployed woodworkers in a variety of projects. What they are concerned about now—and I suspect this will happen in many similar programs across the country—is that as their benefits expire they will no longer be eligible to stay on the program. While we have talked about NEED as a separate program to be utilized by people who run out of UIC benefits, we need a better system of integration so that we do not lose the potential worth and expertise these people have gained through some of the worth-while programs which have been conducted.

Unfortunately, in terms of numbers, we still have a problem. There is still a problem in that while there is an increasing emphasis by the federal Government on getting involved in some of the reforestation and forest management areas, recently the provincial Government, at least in British Columbia, cancelled and wiped out its long-term forest management program, despite the fact that there is a new forest subsidiary agreement between the federal Government and that Province. How do we guarantee in both situations that we come out of the downturn with a stronger resource base for the industry than we have had in the past, instead of making it worse as is now happening with many companies trying to highgrade the little timber we have left in some of our areas?

• (1825)

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the Hon. Member has made a statement that the Employment Bridging Assistance Program has created only 15 per cent of the projected 10,000 jobs. I am pleased that he has given me the opportunity of correcting his statement on behalf of the Parliamentary Secretary to the Minister of the Environment (Mr. Ethier).

The Program has not yet run a full year but already it has produced more than 5,000 jobs in the forestry sector. Across the country we have approved 9,300 potential positions.

Interest in the Program is steadily increasing now that the normal growing pains and birth pains of the Program are over. The Government has recently acted in a number of ways to increase the effectiveness of the Program. For example, we have recently taken action in co-operation with CEIC to accelerate payment to the workers.

The Canadian Forestry Service has also increased its level of contributions to overhead costs which has allayed some particular concerns of potential project sponsors in British Columbia. We are working in co-operation with the majority of unions and with the Workmen's Compensation Board, to achieve the best possible success for the Program. Productivity on Section 38 Projects is very high, and we are satisfied that the Projects provide high quality forest management work in British Columbia.

In addition to the very successful Programs carried out under Section 38 of the Unemployment Insurance Act, the Minister of the Environment (Mr. Roberts), along with the Minister of Employment and Immigration (Mr. Axworthy), is promoting new programs that will allow the participation of unemployment insurance exhaustees, and will provide for useful forestry work. I will mention here the Canadian Employment and Immigration Commission's new NEED Program, the New Employment Expansion and Development Program, to which the Hon. Member referred, and the extension of the Canada Community Development Program, CCDP, which will support local organizations in the development and management of short-term employment opportunities for unemployment insurance exhaustees. As well, the Canadian Forestry Service is looking into new programs that will ensure long-term employment in the forestry sector.

The Hon. Member inquired about new policies regarding employment and forest development to meet Canada's wood supply needs and to ensure market expansion. On September 2, the Minister announced a policy for forest renewal which provides an assessment of forestry expenditures and responsibilities and emphasizes the need for renewal in order to meet future timber production goals. I see, Mr. Speaker, that I must now conclude.

The Acting Speaker (Mr. Blaker): I am sorry, I must interrupt, but, as the Parliamentary Secretary is aware, the rules for the late show are rather rigid.

The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m.

At 6.30 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, February 1, 1983

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

OLD AGE SECURITY ACT (NO. 2)

MEASURE TO AMEND

The House resumed from Wednesday, December 22, 1982, consideration of Bill C-131, an Act to amend the Old Age Security Act (No. 2), as reported (without amendment) from the Standing Committee on Health, Welfare and Social Affairs; and the motion of Mr. Dantzer (p. 21795).

Mr. Gordon Gilchrist (Scarborough East): Mr. Speaker, I am not usually inclined to speak on non-scientific or non-economic issues to an empty House of Commons and to Government Members who do not listen anyway. However, I have a few remarks to make on a topic about which I feel very strongly, both for the deleterious effect it will have on senior Canadians' ability to live in dignity, or even to survive in some cases, as well as the breach of faith and contract which this represents between the Government and its citizens.

All Canadians acknowledge and support restraint and moderation in spending. Indeed, Government spending is exactly what should be restrained, but that should not come from past contractual obligations, or from needy senior Canadians who cannot defend themselves. Most Canadians are more than willing to share the burden of reducing inflation, including our seniors, and most Canadians are able to adjust their lifestyle to their incomes. Not all are, of course, and certainly not the unemployed; but the 87 per cent of Canadians who are working are able to maintain a reasonable lifestyle, even if some belt-tightening is required.

The real tragedy of this, the richest country in the world, is that one in seven Canadians cannot find work, and because of the loss of tax revenues from these unemployed, the Government now wishes to break its moral obligation to defenceless senior Canadians.

The tragedy rests in the failure of the Government to have invested wisely in the productive aspects and in the job-producing aspects of a healthy Canadian economy over the past 20 years. If instead of selling off our valuable natural resources to other nations we had devoted our tax dollars to the support of advancing technologies and the manufacture of all the products needed by less well-endowed nations, there would today have been more jobs than there would have been Canadians to fill them.

If we had invested wisely in the infrastructures of a sound productive economy, we would not be debating this disgraceful Bill today. What we, the citizens of the richest and most literate country in the world, should be debating is how we could be improving the Canadian lifestyle and the lifestyle of other world citizens who are not blessed, as we are, with either our resources or our abilities. But here we are today, the supposed leaders of our country, debating the cutting back—the cutting back on the moral obligation to aid many of our senior Canadians, both men and women, who have, through no fault of their own, unless age is now a fault, left the work force and are now no longer able to influence or add to their own income to offset the inflationary costs which are largely the result of this Government's failed economic policies and massive bureaucratic overspending.

There may be no written contract between the Government of Canada and retired Canadian seniors, but there is a clear and strong moral contract between the Government and people who have given 40 or 50 years of their lives to building this country, paying their taxes and raising their families and who now are the taxpayers of today.

• (1110)

Has the Government surveyed or in any way asked today's taxpayers, the sons and daughters of today's seniors, if they in fact want the moral responsibility to their parents' retirement withdrawn? I think the public of Canada would give a resounding no to such a breach of moral contract.

Let me quote the Minister of National Health and Welfare (Miss Bégin) when she introduced this "mean and wretched measure", as described by the Hon. Member for Kingston and the Islands (Miss MacDonald). The Minister said:

> We are asking 1.1 million old age pensioners to help lead the way in the fight against inflation. I am very conscious of the sacrifice we are asking of them.

I doubt that very much. I doubt that she, any other overpaid and underperforming Minister of this Government, any of the rest of us Members or, for that matter, most of the working public, can have any possible conception of the trapped feeling, the despair and anguish of a senior Canadian who is too old to work and is unable to meet the daily and weekly costs of an existence which the rest of us have defined as the poverty line.

The Minister claimed that the so-called Guaranteed Income Supplement, which is not deindexed, will protect the 600,000 or so of the hardest hit pensioners, particularly single pensioners whose income is less than $8,900 per year or married couples under $15,000 per year, and those two out of every

three unattached women over 65 who live below the poverty line.

If the old age pension is already inadequate for these seniors, so that they are already in need of an income supplement to bring them up to or past the poverty line, then why is the Government making the problem even worse by reducing the impact of the already inadequate old age pension? How does taking money out of one pocket and putting it in another save money? How can putting more seniors on the extreme dependency list by reducing the increase of their basic pension plan help the pride and self-respect of a person's retirement years? How can the Government of the richest country in the world even consider a pension plan which would only keep its retired citizens in a state of poverty?

What a joke is the term "Guaranteed Income Supplement" when one looks at the record of the Government! The dictionary definition of "guarantee" is: "Give one's word that something will happen; given as security for fulfilment of conditions".

Canadians well know the record of the Liberal Government in giving its word—its word about no wage and price controls, its word about 18-cent gasoline, its word that it would reduce Canada's annual deficit. We have seen the Government go back on deals made on Canada lands through the National Energy Program. We have just witnessed the passing of legislation to renege on or to flatly break the Government's contract on pensions to public employees, RCMP members and people in our Armed Forces. If the Government is prepared to break written deals, it should come as no surprise to Canadians that it will readily break moral or unwritten contracts with its seniors.

It is interesting to note that private sector pensions, those provided by life insurance companies, do not have the privilege of reneging on their amounts or conditions. The Government sees to it that private company pensions may not withdraw any rights, conditions or amounts which have been promised, and this is how it should be. Why, then, should Canadians tolerate a Government which can break its word, its social contract with Canadian taxpayers? Can it be that the Government old age pension plan is failing? Obviously, the answer is yes. None of the private sector plans has failed or been cut back. This is because they are, by law, actuarially funded so that money will be there when needed. At the very least, actuarial funding should be a condition of Government pensions, or we will be continually facing the cutting back in promised pensions similar to what we are seeing today.

In Canada's aging society it will be impossible to sustain various pension plans we now have on the books. The 2.1 million so-called "old people" of today will become 3.4 million by 2001, which is just 18 years away. Instead of breaking its social pension contract with Canadians, the Government should be introducing legislation not to increase pensions but to improve them, consistent with many of the recommendations of the Senate special committee report of 1979, particularly as it relates to gross underfunding in general, and the terrible inequities and injustices suffered by women under present provisions in particular. What good is a pension plan that has no money? Thanks to lack of planning the only way the rest of us will get a pension will be to increase the taxes on our children.

• (1115)

As I said earlier, private pension plans must, by law, be actuarially funded so that the money must be there when the time comes to pay it out. Not so Government pensions. This was brought out clearly when this House debated the large pension increases voted on by Members of Parliament for themselves. If the money had had to be found to buy such pension increases for Members of Parliament through a private pension company, it would have been a different story and Members and Senators would not have been able to afford to vote themselves pensions of a size double that allowed other Canadians. Imagine the unbelievable cost of $1.2 million for a pension for our new Senator Pitfield. By the time he retires, it is estimated that he will have been paid some 15 times as much money as the average Canadian pensioner. How is that for equity and social justice Liberal style?

Of course, I support the principle of the 6 per cent and 5 per cent wage guidelines in our fight to bring inflation down, but I do not subscribe to the breaking of a moral or a written contract with just a selected few Canadians, rather than all Canadians.

I would also support a major economic policy drive to increase Canadian production, productivity and other measures which would lower inflation to below 6 per cent per year. Then the pensions of seniors would not need to go up over 6 per cent and this Bill will have been proven to have been unnecessary.

What we need is economic action, not negative legislation. If any Liberal Member, after voting himself or herself a huge pension increase just a year and a half ago, were to rise in support of this despicable cutback in pensions to deserving seniors, then hypocrisy will have been elevated to a new level in this House of Commons and Liberal social justice to a new low.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I rise today to speak on behalf of my Party, the New Democratic Party, on Bill C-131, an Act to amend the Old Age Security Act. Before I do so, I have one comment on the words of the last speaker. He said that the Conservative Party, of which he is a member, supported the principle of six and five and then he said that he is against this Bill. It seems to me that the Conservative Party must have foreseen, if it supported the principle of six and five—this phony Liberal principle—that in fact the Conservatives would be faced with Bills like this one which will affect old age pensions. As well, the Conservatives would be faced with Bills that would affect children, Family Allowances, Public Service employees, retired army people, retired policemen and other retired employees of the civil service. The Conservatives must have known that. Is the Conservative Party of Canada so divided and so mixed up in its leadership fights and its Members so preoccupied with

stabbing one another in the back that they are to the point where they are muddled in their thinking?

What we are seeing in Canada is the disintegration of the Conservative Party. Those of us who come from Western Canada are concerned that we really have an Opposition in this House. Therefore, it falls to us in the New Democratic Party to provide an Opposition, a real Opposition, to this terrible Trudeau Liberal Government. That is the task we will begin today.

I am pleased to begin on behalf of constituents of mine, old people and young people, who are concerned and have written to me about the effects of the six and five program. This Bill robs a million pensioners of benefits. I use the word "robbed" because it limits the indexing of Old Age Security to 6 per cent in 1983 and 5 per cent in 1984. It means, as well, that older people will be out of pocket as a result of reductions in benefit levels in the two-year period 1983 to 1984.

• (1120)

Second, it means that when and if indexing is reintroduced in 1985, the calculation will be computed on a lower base than it would have been if full indexing had been permitted over that period. Therefore, pensioners in Canada will suffer a permanent reduction in the amount of Old Age Security benefits. Our calculations are that it will be close to $300 that old age pensioners will lose. Over half of this group is women who are in particular need of money.

I ask the Government, where is the equity and justice in this six and five program when it takes $300 from the pensioners in Canada? There are Governments in this country which bail out the big companies, such as $500 million for Dome. This Government takes $300 away from each pensioner in Canada but provides $500 million for large oil companies and the banks who back the debts of Dome.

In my Province of British Columbia, the Government has even bailed out a ski hill, Whistler Mountain. The B.C. Government is prepared to bail out speculators and developers of a ski hill while this Government is prepared to take $300 from each pensioner in Canada. That is the type of justice we see in Canada and the people will realize it.

We in the NDP, as the real Opposition now in Canada, must point this out to the Canadian people. We will certainly do that in Western Canada, where I come from. Those who are watching or who read this debate must realize that the six and five program is a phony program. I see the Minister nodding his head. We have a depression in this country which was caused by the Government. It was its policies, like those of the United States and Great Britain, to bring in monetarism and put interest rates as high as possible to squeeze the economy, which have caused the economy to take a nosedive.

The Minister will say that it is an international problem. That is partly true, but Canada has the worst record, if one sees the OECD figures. There has been a drop of 5 per cent in our GNP. This country has the worst performance record.

It is Government policy to induce a depression. It has done this by making the interest rates so high that people could not afford to borrow and, therefore, would not spend. The entire economy is in a recession—some call it a depression.

How does the Government propose to recover from this recession? It proposes to do it on the backs of the working people, on the backs of old age pensioners and retired civil servants and on the backs of children. It is a gutless policy.

I have asked some people in my riding to write about this type of policy. I want to relay to the House some of those letters. I have one letter from Mrs. Margaret McNeill of East 33rd Avenue in Vancouver. She says that she is concerned about high interest rates that are going up, increases on taxes on low wage earners and the six and five limit on Old Age Security while there is no limit on prices. She knows that when she goes to the local store the prices are not restricted or controlled. However, her pension is controlled. It is a shame to fight our economic difficulties on the backs of old people.

Mr. Park of Normandy Drive in Vancouver says that he is waiting to receive his old age pension. He understands that the inflation rate is near 10 per cent. He says, "I have to ask myself, is this what I went overseas for in World War II?" I see the Minister of Veterans Affairs (Mr. Campbell) in the House. How does he feel about a letter like this from a veteran who lives in Vancouver? This man went overseas and fought for our country and is about to become a pensioner, but he has to suffer because his pension is cut back.

We are talking about people who are making less than $9,000 a year. It is all very well for us who make $60,000 a year to restrict the pensions of elderly Canadians. It is a shame and a scam. It is the most unjust piece of legislation we have seen in the House for a long time.

• (1125)

I could read more letters. I have in my hand a letter from Mrs. Adams who lives on Fraser Street in another part of my riding, and she wrote about her difficulties. These old people are proud people. They have fought for and served the country. They are prepared to make sacrifices and have made sacrifices for Canada. But why must we fight a Government-caused recession on the backs of these people? I say it is unjust and that eventually the young people of this country will realize that if it can be done to old age pensioners today, it can be done to them when they get old, with a Government like this.

In our society we once respected our old people. I hope that some people in society still do. However, it is certainly a mark of Government disrespect to make old people poor through a law like this.

I will conclude by saying that once I was the energy critic in my Party and I watched $8.7 billion being earmarked for grants to oil companies. I saw grants given to Chrysler, to Maislin and to Dome Petroleum. Then we saw the money being taken away. Therefore, we in the New Democratic Party, unlike those in the Conservative Party who are so divided that they find trouble even being logical about this matter, certainly oppose the six and five principle. We will

fight, and we will to our dying breath, the injustice of this legislation, which fights our present economic problems on the backs of the people who can least afford it, namely old age pensioners in Canada.

Some Hon. Members: Hear, hear!

Mr. Campbell (Cardigan): I rise on a point of order, Mr. Speaker. I know the Hon. Member would not want to mislead the House in his comments with reference to veterans, but I am sure he is aware that benefits through the Department of Veterans Affairs to veterans are not affected by the six and five program; that in fact, as of January 1, benefits increased by 11.5 per cent—

The Acting Speaker (Mr. Corbin): Order. That is not a point of order; that is a point of debate.

[*Translation*]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, in addressing Bill C-131, I may point out that we are discussing the dire consequences of a policy set by the present Government some fourteen years ago.

You will remember that at the time, inflation was already a problem, and I recall quite distinctly the words spoken by the Right Hon. Prime Minister (Mr. Trudeau), who boasted here in the House that: We have wrestled inflation to the ground. Those were his very words. However, we also know that it was not true, and that the following year, the Government tabled a motion in the House to adjust Old Age Security pensions if inflation were to exceed 4 per cent. Because the Government failed to act then, in 1971 it brought in full indexing of Old Age Security pensions. And even then, nothing had been done to wipe out inflation. All the Government did was add another cushion to lessen the shock of inflation. That is all very well, and it could go on for ever, but today, we have a situation where the Government has decided to impose its 6 and 5 program. For the edification of the young New Democratic Party Member who has just left the House, the 6 and 5 program applies to salaries in the Public Service, some Crown corporations and a few other corporations and to various individuals, but it does not affect veterans' pensions nor the Guaranteed Income Supplement. Today—and I think it is rather peculiar, although the people concerned are recipients—people receiving a special allowance as an income supplement, since they are going to lose about $35 a month, will receive compensation. What they lose on their Old Age Security pension, they get back in the form of a supplement. So they get indexing to cover inflation, and that seems to be the privileged class under the Old Age Security Act, namely, people whose individual income is less than $8,900. I know there is a certain percentage of people in this situation, but honestly, Mr. Speaker, what about people, especially in Quebec, in the country, who have worked all their lives and saved up and have made modest investments which today provide them with a retirement income. Everywhere we are encouraging people to save for their retirement, because the State—oh, I know that the New Democratic Party and many members of the Liberal Party expect Canadians, upon reaching the age of 65, to go to the Government authorities and say: Look here, I have no money and no possessions and I have spent my last cent. Now it is up to you. No, that is not the Canadian way. The vast majority of our senior citizens have additional sources of income. They are not living in abject poverty, but the Government seems to be favouring those who are. People who have saved up are being told: Look here, you are going to be penalized for this, whether you are a public servant or a former bank clerk or a teacher or whatever, you have savings in the bank, so we are going to take away your savings. Furthermore, Mr. Speaker, the 6 and 5 is being imposed twice, since under the provisions of Bill C-139, indexing of the personal deduction will be capped at 6 per cent this year and 5 per cent next year. The deduction was introduced by Mr. Turner in 1973, after the 1972 election when he said that Mr. Stanfield's policies would bring this country to bankruptcy. If that is the case, he has certainly benefited from this program. Pensioners, however, who have been able to provide for a modest income by dint of saving carefully, are twice penalized. I think this is extremely unfair, and to me, it is certainly not part of the 6 and 5 program we supported in July. The program we supported then applied to salaries and not to pensions or family allowances. However, in other areas the Government is ignoring its own 6 and 5 policy. Some people are being given fantastic raises well above the 6 and 5 levels. That is why my colleagues and I are opposed to the 6 and 5 as it applies to indexing of Old Age Security pensions. Needless to say, Mr. Speaker, we shall vote against this Bill.

• (1130)

Mr. André Maltais (Parliamentary Secretary to Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Mr. Speaker, I did appreciate the remarks of the Hon. Member who has just spoken concerning the six and five policy. I would say that each and every one of us agrees with the basic suggestion that the rate of inflation must be reduced at all costs and that the Government had to come up with a policy designed to rid ourselves of that cancerous growth which is undermining our economy as well as those of the North American continent and of other countries which are traditionally oriented towards expansion and contemporary economic development.

Unfortunately, Mr. Speaker, in this debate on the six and five per cent program, it is often too easy to make demagogic speeches and keep on asking who should have full indexation, who should have capped indexation, and we might proceed in stages and wonder whether it is fair to anyone. In my opinion, the underlying principle of this whole issue is to devise a formula whereby the full load will be shared by all Canadians.

It stands to reason of course that senior citizens would deserve full indexation. As I said before in this House, perhaps

they would even deserve much more than what they are getting now if we keep in mind the fact that among Canadians they are the ones who did make it possible for our economy to flourish very rapidly. However, what we must not forget is the fact that—and I am talking about the basic element of the entire issue—if we manage to reduce the rate of inflation to 6 and 5 per cent and even to bring it down to zero, elderly people will be the first to benefit because, as the previous speaker said a moment ago, they have worked hard throughout their active years, they have faced their responsibilities and they were able to set a few dollars aside for their retirement. It was extremely difficult for them to save that money during those long harsh years, and they now find that inflation is robbing them of what little savings they do have. Senior citizens whom I have met in my own constituency and during my travels all tell me the same thing: Do try and get rid of inflation and we shall be able to live with what the Government gives us and, in some cases, with what we have saved. As for those who have no savings and no investments, they say: We shall get by with the Old Age Security and the Income Supplement for senior citizens.

In fact, what these people want is to be able to get full value for their money. This is what they want. When we speak about the six and five program for senior citizens, since inflation is now going down and will soon be under six and five per cent then, everyone will benefit, starting with the senior citizens.

I listened to the Hon. Member for Edmonton West (Mr. Lambert) when he spoke earlier, and he gave the impression that the Government was voluntarily trying to treat senior citizens unfairly with its six and five program. There is no discrimination, Mr. Speaker, since, under the six and five program, those who do not have a reasonable guaranteed income will receive a fully indexed income supplement. Therefore, if the Hon. Member for Edmonton West wants to speak about discrimination, I must point out that taxwise the program applies differently to wealthy people and to those with lower incomes, because there are two formulae. This is the purpose of the program, to have formulae which are fair for everyone. It would be wrong to treat everyone in the same way. Everyone must be treated on the basis of what they have or do not have. In this regard, I believe that the House would agree that the six and five program has been adjusted on the basis of each individual's responsibilities and income. This is an important consideration in this debate, but the public is being asked to believe that the Government has been insensitive to the needs of senior citizens.

As I understand it, Mr. Speaker, the new rules allow us to come back to this during the question period later on. So if there are any questions later, there will be no problem. Perhaps there could be a debate on the subject. Once more, however, I want to make it clear that the Government has been very sensitive to the needs of senior citizens. I agree, the formula may not be perfect, since there is no such thing as a perfect situation or a perfect regulation. However, it was necessary to find a formula that could be adapted as closely as possible to the needs of this group, in much the same way this was done by the Government for our veterans, considering their very specific needs. As far as families are concerned, people with children receive special consideration in the form of the child tax credit, and as a result, the Government has given people who are particularly burdened with responsibilities as a result of inflation, the mechanisms that will help them to help themselves. Now, is it the best formula? Is it the ideal formula? I can only say that it is probably the best formula in the circumstances. If we compare our situation with what is happening in the United States, anyone can see that the Canadian Government has probably taken the most progressive approach in its efforts to control inflation, an approach that is sensitive, unlike other countries which are taking extremely drastic action with severe consequences for everyone concerned. Only yesterday, the President of the United States announced he was reducing the deficit by eliminating as many social programs as possible.

The Member for Edmonton West pointed out that when the Progressive Conservatives supported the 6 and 5 policy, it was on the understanding that it would apply only to salaries. In fact, we have applied the program to salaries, and that as far as senior citizens, mothers, people with families and veterans are concerned, the Department has given everyone an equal share of the burden. That is an important part of bringing down inflation to 6 and 5, which should not be overlooked.

Mr. Speaker, there is one last point I should like to make. It has to do with the fact that if all those measures enable us to reduce inflation down to nothing—and I am convinced we will be successful—the six and five program will lapse by itself. But still, it will have been instrumental in our fight against that cancerous growth which, whether we like it or not, is the root of most of our current problems in Canada. Canadians have been asking their Government and their Members of Parliament to find a truly acceptable solution in certain fields and to take compulsory action in others, with a view to shoring up our economy.

That is the price we have to pay if we are to set the country back on its proper course, as all Canadians want, including younger people. Seen in that light, the six and five program does offer an interesting challenge because, as the Minister of Finance (Mr. Lalonde) explained in his speech, on October 27, 1982, the money saved will be reinvested to create jobs. The Minister of Finance did say that $1 billion would be earmarked for creating jobs. Had the six and five program been launched only as a means to reduce public expenditures without any intention of using that extra money to create jobs, it might not be as good. But, in short, Mr. Speaker, the program is good because its impact can be felt on two fronts: it will enable us to strengthen the economy by reducing inflation and to free some funds to create jobs for young Canadians. If they stand to benefit, the program has to be very good as well for senior citizens and parents because those people are urging

us to create jobs for younger people who in turn want our economy to flourish. When we are moving ahead as a country, every Canadian is better off, including the elderly and those who have families. All Canadians will be proud to have a Government which has found an effective way to solve the problem without being unduly harsh towards its citizens.

• (1140)

[*English*]

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, this Bill has to be debated in terms of the whole picture of the six and five program, as the previous speaker mentioned. When I spoke on Bill C-131, I tried to put the perspective before the House as to where the Bill fitted into the course of parliamentary action over the last 40 years. In case there is anyone in the House who was not here at that time, I took as my starting place the official history of Canada from 1939 to 1957 called "The Forked Road", by Donald Creighton, just deceased a couple of years ago. He was then our leading historian. "The Forked Road" is the final copy in a series of 18 volumes of Canadian history, written by Canadians for Canadians and paid for by the Government of Canada. It was called "The Canadian Centenary Series".

I had a little fun the last time I spoke by saying I had never found another Member of Parliament who had read it, even though copies were handed out free to Members. They were too busy. I would plead at this time that some Members take the time to read what were these forks in the road that we chose in the war years and following. I mentioned one, that Members of all Parties had accepted the concept of the social revolution which is world-wide and will continue to be the main force for probably another 100 or 200 years. I pointed out that there was a Keynesian consensus that we all had to follow, as the economic victims of Keynes.

There was also the question of who should govern. That was the philosophy of elitists. Some of these forks in the road have to be considered again. This legislation or group of Bills we are now putting through have to deal with the question of how we can apply some slowing down to the expansionary nature of our cost-push inflation.

• (1150)

I think it is well known that both Government Members and the Official Opposition supported the concept that we should reduce the rate of income growth for the next two years to an expected rate of inflation of about six and five. But they have run along with that a lot of other connotations and thoughts which could only be described as the result of diseased thinking of the mandarins. To reach this exalted position of being an elitist in Government, according to their own words you must be consistent. What you do for one person, you must do for everyone, regardless of written contracts, moral obligations or common sense. Everything has to be consistent.

In the case of those employed in Government service in the last ten years, they have not only paid for their indexing, they have paid double and the figures show it. The Government made money out of that huge amount of money they took from civil servants to pay for indexing. In this case, however, it is a little different, and to understand the difference I think you have to know just a little about the history.

I believe it was the Hon. Peter Heenan, Minister of Labour in 1924, who first brought in the old age pension at $20 a month. How welcome that was to people who had no chance to build some security for their retiring years. The old age pension of $20 a month was a great mark of acceptance in Canada of the social revolution. I might say in passing that the Hon. Peter Heenan called himself a Liberal-Labour and he was our next door neighbour when I grew up, so I have some knowledge of him.

Then jumping ahead to the "six buck boys" of 1956, we had a very good Minister of Finance who was persuaded that the time had come to raise the old age pension. He was persuaded by this elite corps which had now expanded and taken more control than they had in the earlier days. They said all we can afford is $6, so they were named the "six buck boys", raising the pension from $40 to $46.

Then we have the Diefenbaker period and we got it up from $55 eventually to $65, aiming for $100. Then a Conservative by the name of Stanfield took advantage of discussions we had in caucus and proposed that, with inflation beginning to rise, everyone—those on fixed incomes particularly but even those working under contract—should be indexed so that they could protect themselves against inflation and stop the Government from reaping profits out of inflation.

That proposal by the Hon. Mr. Stanfield was accepted by all parties of this House, and I think sincerely and honestly. Naturally, as it was accepted the civil service stepped in and charged all Government employees an extra amount to pay for indexation. I covered all that in my remarks on Bill C-133.

In the case of Bill C-131 that we are discussing, the situation is different. The difference is that there is no contract on paper concerning indexation, but there is a moral contract with all parties who supported it in the House. It is generally assumed by many that the Old Age Security cheque is a handout from the Government. When that program was introduced in its modern form it was supported by a program of taxation of two, two and two—2 per cent of this tax and 2 per cent of that tax, to be put into this Old Age Security amount. These people have paid all their working days without even knowing it was for their old age pension. So it is a non-written contract.

I want to conclude, Mr. Speaker, by saying that even though I can honestly and gladly support restraint of six and five on the growth of income for people still working, it goes against the grain of all of us to take advantage of people with whom we have a contract, written or unwritten. I suggest that by worshipping this concept of the rationalists that everything has to be the same regardless of contract or principle, we do ourselves and this Parliament an injustice by putting this Bill through.

I would like to remind everyone that there is no country in the world which has done better for its senior citizens at all levels than this nation of Canada. Why spoil it by going through this because civil servants say we have to be consistent? For such a small thought, that of consistency, we destroy our own reputation as being fair and equitable.

Mr. Rod Murphy (Churchill): Mr. Speaker, I rise to support the amendment in opposition to Bill C-131, which will limit pensions for old age pensioners. Prior to beginning I would like to refer to the previous speaker on behalf of the Conservative Party. He said that, of course, he quite willingly supported six and five controls over the wages of people who still have income. Then in the next breath he said he opposes the breaking of contracts, whether they are written or unwritten. I would like to remind the speaker for the Conservative Party that when he and his colleagues voted for C-124, they in fact voted for the Government to break contracts with hundreds of thousands of Canadian workers. They supported the Liberal Government in breaking collective agreements which that same Government had negotiated in good faith with its own employees. So the Conservative Party cannot have it both ways.

Bill C-131 is one the New Democratic Party has to oppose. New Democrats across the country, like old age pensioners across the country, recognize that this Government lacks the proper priorities in spending and taxation. The Government is asking people who were born before 1920 to make sacrifices. These are the people who were in their teens during the great depression. These are the people who fought in World War II. These are the people who worked in this country when wages and prices were low, and now that they have reached what we call their golden years, the Government of Canada is saying that they must sacrifice again. The Government of Canada and all Canadians should recognize the sacrifice those people have made. They should recognize that these people have sacrificed during the depression, the war and their working years, and that they should be given adequate and reasonable old age pensions. They should not be the victims of a public relations program divined by some Liberal strategists in the Senate. These are the people who have made sacrifices for Canada and it is time that the Government recognized their contributions.

• (1200)

Earlier I spoke about the lack of priorities. If the Government really wants the restraint program in order to make more money available for job creation, then why is a former Deputy Minister of Finance receiving a salary in excess of $100,000 per year although he does no work for the Government? What kind of priority is that? He will receive $30,000, $40,000 or $50,000, although he is not working. That would pay the old age pensions of a lot of senior citizens.

At the same time, why does the Government introduce tax legislation which will, in effect, reduce the taxes of those people at the higher end of the income scale? Why are we asking old age pensioners to make the sacrifice at the same time as we reward those with high salaries? Does that make sense? Is that the priority of the Government?

Why is the Government so lenient in taxing the banks? The banks are making good profits at the present time but are restricting the salaries of their workers. Why is the Government not taxing the banks at a higher rate? That really is an example of its lack of priorities.

The Government has issued a green paper on pension reform but it is really just more public relations. At the time the paper was introduced we were debating bills which would affect old age pensions and Government pensions, yet the Government talks about pension reform. That is sheer hypocrisy, Mr. Speaker.

We have often heard Government spokesmen speak in this House about the plight of women in the country. I would remind the House that it is women who will suffer most under the six and five legislation. The legislation affects not only the women in the work force who tend to receive lower salaries, it affects not only women who worked for the Government and received lower Government pensions and also earned lower salaries, not only widows of former Government workers who also receive low pensions, and not only women who receive the Family Allowance—because that is often the only income they have in their own name—and this legislation is a direct attack on the women of Canada. They are the people who need the old age pension the most. If the Government were sincere in asking for sacrifices, it would have given full indexation to these men and women and would raise taxes for those people at the top of the income scale.

That is not Government policy, nor is it Government strategy. Its strategy is to invoke the public relations program designed in the other place by Senator Keith Davey, whose one and only purpose on the payroll of the taxpayers of Canada is to get the Liberal Party re-elected to Government. This is a public relations program and the leaked documents that have come our way prove that.

I will not support that, Mr. Speaker. I recognize the sacrifice of the people born prior to 1920. I mentioned the depression and World War II. Some of these people also fought in the Korean War. They made sacrifices for Canada and they deserve the recognition and support of the Canadian people now.

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, it is a privilege to be given the opportunity to speak on Bill C-131 and to add my voice to the many others in the House and across Canada that are violently opposed to the latest dictatorial attitude of the Government of taking their inefficiency out on the senior citizens. That is the one group in Canada that can least defend itself.

Yesterday I heard some Members say that approximately 75 Members out of 282 have participated in the debate. The Government seemed to think that was too many speakers. I am quite sure that there are 282 Members of Parliament who have a great many senior citizens in their ridings. If those people who have worked so hard and paid taxes for so many years had

their way, they would want to know where their Member stands.

Yesterday the Government introduced closure, although I am aware that it does not like that word, believing it is too cruel. Time allocation, which is the same thing, prolongs the agony a day or two; it is closure in all but name.

We must consider whether this Bill will seriously injure a group of citizens. I am aware that the reduction, beginning next month, will amount to only 50 cents per month. The Government will claim that that is peanuts and ask why we argue about it. If it is peanuts and does not mean much, then why did the Government propose it in the first place? Why did it not go after some other sectors of the economy that could better afford a reduction?

Our friends to the left support this Bill and each of the other Bills, as do we, but they have taken great exception to our support of Bill C-124 last August. Mr. Speaker, there is a great deal of difference between reducing the salaries of Members of Parliament and reducing to 6 per cent the increase given to members of the civil service who, we are well aware, are not among the most underpaid sections of the economy. We therefore agree that six and five is a good thing to aim for, but it should be aimed where you can get the money most easily and without harm.

If we look back at what our senior citizens have contributed to this country over the years, we see that it is a rather severe and draconian action to single them out and say they are going to have to bear their share of the burden. We should ask ourselves whether senior citizens have contributed to inflation. If that can be proven, then I suppose they should bear the blame.

I see the Minister of National Health and Welfare (Miss Bégin) in the House. I have great admiration for the Minister and I know she is a very sympathetic person. I wish I could have been a fly on the wall in the Liberal caucus. I think the Minister probably said: "For God's sake, leave the senior citizens alone". I do not expect the Minister to divulge confidences in the Liberal caucus or the Liberal Cabinet, but I have enough confidence in her to think that that is what she did. She was sure talking to a tough bunch of nuts who said, in plain English, "to Hell with it"; and as a result senior citizens have to feel the weight of it.

• (1210)

Also it was pointed out by the Minister, because she had to make the best of a bad case, that the amount was not so much and that senior citizens who were in the direst of straits would obtain some benefit through the full indexation of the GIS. This will help them, but there are those people who are neither fish nor fowl and will probably be hurt. They are just a bit over the poverty line. Probably the $50 a year at the present time will put them below the poverty line. Therefore, I consider this an absolute calamity.

Someone spoke about a tragedy and a calamity and was asked to define the difference. Let me say that Bill C-133 was a tragedy for pensioners, members of the RCMP and all other people who had their pensions reduced. Certainly that Bill was a tragedy, but this Bill dealing with old age pensions is a calamity. The best example of the difference between those terms, as I heard the other day, would be this: Suppose the Prime Minister (Mr. Trudeau) fell into the river, that would be a tragedy; but if someone fished him out, that would be a calamity.

This is the most important Bill of them all. Certainly we are opposed to them all, but if we can take our choice or our druthers, it would be Bill C-133 to cap the increase given to old age pensioners. They should be left alone.

The next Bill which will be coming up for discussion will be the one on Family Allowances. Certainly some mothers or persons who are designated to receive Family Allowance cheques are in pretty good income brackets. That Bill will not be too severe on them, but it will hurt those in the lower income brackets. It is very important to try to protect those who are hardest hit by inflation. Thank the Lord that inflation is starting to come down and will hopefully reach bottom.

Let me return to our senior citizens. The Government should have certainly left this group alone. I am well aware that some Hon. Members across the way voted against—

Mr. McKinnon: What do you mean by "left alone"?

Mr. Darling: I mean that this particular Bill C-133 should be thrown out and that senior citizens should be left alone. They did not have the nerve to monkey with or reduce the amounts on this one in January because it was written into the legislation. Naturally the Treasury Benches are looking forward to having this Bill rammed through so that they will at least be able to get their pound of flesh when the February cheques are ready for issuing.

As I was about to say earlier, there were certain Government Members who rose, spoke against and voted against Bill C-133. Of course, that Bill affects a significant segment of the economy, but the Bill before the House presently will affect literally tens and hundreds of thousands who are in much more serious financial positions—the pioneers of our land, the ones who worked so hard when there were not the benefits that are available now.

I know that my time is drawing to a close. It could be pointed out to me that I should not be speaking on the Bill because I have a conflict of interest. I have reached that august plateau where I, too, am a senior citizen. The Minister of National Revenue (Mr. Bussières) is certainly getting his pound of flesh back from me, and I am not worried about it. I hope that certain Members on the other side will rise and voice their opposition to this very important Bill, as they did to the other one.

[*Translation*]

Mr. David Kilgour (Edmonton-Strathcona): Mr. Speaker, it is with great pleasure that I now rise to speak against this Bill on behalf of all Canadian senior citizens, of all their children, and also, I believe, of all Canadians across the land.

[*English*]

Bill C-131 will limit the increase in the basic old age pension to a maximum of 6 per cent in 1983 and 5 per cent in 1984. Previously, this pension has been fully indexed to the rate of inflation as measured by the Consumer Price Index. If consumer prices in fact rise faster than 1.5 per cent a quarter in 1983, and it is projected that they will rise by 1.2 per cent a quarter, this Bill will result in a sacrifice in real purchasing power by those who receive the old age pension and do not receive the Guaranteed Income Supplement or spousal allowance.

The other day some of us talked with considerable anxiety about Bill C-133. The principle there was different. It involved the principle of breaking a contract between the Government and its public servants. This Bill has no contractual element. The principle here is social benefits in a just society. One does not have to qualify for OAS, other than having spent 65 years working, paying taxes and contributing to Canadian society.

What is the Government's priority in terms of deciding to cut back on social payments such as this? It is a test of the Government's strategy for hard times. What do Liberals opposite think when we can no longer afford, in their view, a certain level of expenditure? Who do they think should be cut first? Who gets cut next? Do they have any batting order? Has anyone in Government ever applied his or her mind to the priorities which should exist within a just society? Are they adopting ostrich-like tactics and putting their heads in the ground, just going from crisis to crisis? Should not we all at least know what are the guidelines for determining the priority so that they can be seen to be just and thus, although unpalatable, at least have a chance of some public support?

What are the defects in the Bill? In my opinion, the prime defect in this Bill is that it creates the impression, or reality, that the Government, thinking that it has to cut somewhere, picks the weakest members of society on which to bring down its axe. I am referring to those who cannot fight back or those who do not have alternative sources of income. We know that the Bill, by definition, affects those in the country who have the least available alternative means of support.

Some years ago the life insurance industry conducted a study. As I understand it, it determined that those people with the highest level of incomes had the best chance of living longer lives. In other words, all other things being equal, if one had a decent income in old age, one's chances of living longer were better. The Government is doing precisely the opposite by applying, in rough language, the boots to senior Canadians. Senior Canadians are not persuaded that they should be treated this way. They ask why the Government should use brute force on them. The Government has hardly even attempted to persuade the elderly that there is not enough food for everybody, so to speak, and therefore in the interests of the whole family it would make it hardest for those who are no longer able to work. In fact, that is the tradition of the Government on this issue. The obvious conclusion is that the Government has a new set of priorities.

In the last election campaign the Liberals said that they would increase the Income Supplement by $35 per month. What will they say in the next election campaign when they will have to look voters in the eye? Will they say that they are the Government which decided that people receiving Old Age Security must be comfortably well-off, although everyone knows that is not the case, and therefore they cut from them?

[*Translation*]

I believe that just before an election, this Government is willing to do anything for the voters, including our senior citizens. However, in a somewhat difficult period such as the present one, those who are the first victims of a Government attack are the weakest economically, such as senior citizens. Is this a fair Government? I believe that it is the most cynical Government in the free world. This is a Government made up of the most callous people. What other Government in the free world is now doing the same thing to its senior citizens? There! I can hear no reply from Government Members.

• (1220)

[*English*]

I am not suggesting, Mr. Speaker, that there should not be cuts. There should be cuts for Mr. Ed Clark with his $200,000 gift to go to Paris with his family for 18 months. Maybe there should be cuts in the $1 million we have paid to the Prime Minister (Mr. Trudeau) over the past 10 years so that he can eat caviar and drink champagne and have his children supported, not a penny from his own pocket. Maybe we should make some cuts in the Prime Minister's perks. Maybe we should cut out such things as sending Janet Smith from the Privy Council Office to Paris and the Riviera to study French for I do not know how many months. That cost us about $13,000. Are there not enough people from Quebec, from Ontario, or from the West who are capable of teaching Janet Smith French without having to send her to France?

In passing, the argument of the Government was that it would cost slightly more to send Miss Smith to a language school in Quebec in terms of cash outlay than to send her to the Riviera. That is the most obtuse piece of logic I think I have ever heard from the Government. Of course, that money is going out of the country. Of course, that affects French teachers in Quebec and it hurts the balance of payments of Canada. How can you speak to Government Members when they do not listen?

I would like to refer to a suggestion made by my colleague, the Hon. Member for Qu'Appelle-Moose Mountain (Mr. Hamilton). He suggested, quite properly, that if there are to be cuts, these cuts should be made from those in the working population who can bear a reduction better than the retired people. I believe he also suggested that perhaps we should make some cuts in the amount of money we are pouring into Canagrex or into other sacred cows. Maybe we should take the Auditor General's advice and get control of spending once again—

Old Age Security Act (No. 2)

Mr. Schroder: Mr. Speaker, I rise on a point of order. I know my hon. friend would not like to mislead the House, but this Bill does not have anything to do with cuts or saving money. It has to do with reducing inflation to six and five.

Mr. Lambert: By reducing Government expenditures.

The Acting Speaker (Mr. Corbin): Order, please. The Parliamentary Secretary to the Minister of National Health and Welfare (Mr. Schroder) is debating; he is not rising on a point of order. The Hon. Member for Edmonton-Strathcona (Mr. Kilgour).

Mr. Kilgour: Mr. Speaker, the Hon. Member opposite is a distant cousin of mine, it turns out. Our families' roots began in the region of Guelph. With respect to him and to you, Mr. Speaker, he does not have the slightest comprehension of what causes inflation.

I respectfully submit that one of the causes of inflation is spending about 25 per cent more in a year than is taken in by way of revenue. The Government has been doing that now for some years and in large measure has been printing the difference. If the Minister who is heckling from the other side went down to his basement and printed as much new money on fresh new bills as the Government has done over the last ten years, he would be put in jail for printing counterfeit money.

I suggest Hon. Members look at what happened in Germany in the 1920s and at what is happening in Argentina today. A government that prints money as fast as this Government has done can only create inflation. For the Hon. Member to get up and say that cutting back on Old Age Security payments will fight inflation is absolute nonsense.

The point I was trying to make, which was made by the Hon. Member for Qu'Appelle-Moose Mountain, is that if you are going to cut payments to people, then cut those being paid to the working population, not those paid to people on pension. Cut anything, cut MPs' salaries, but for Heaven's sake, do not cut money from the thousands and thousands of Canadians across the land—

[*Translation*]

—all those in every part of the country who count on the OAS.

[*English*]

This is clearly a stop-gap, an ill thought out, crisis-coping measure that we are dealing with today. It is the measure of a Government that has lost the confidence of the people across Canada. With respect, Mr. Speaker, Canada is a ship without a rudder with a captain who no longer cares in which direction we are going. He is like Captain Queeg who was down in the engine room playing with his beads and took his ship on to the rocks. This country is being taken on to the rocks by this Government.

I would urge Hon. Members opposite to vote against this Bill in the interests of all their constituents.

[*Translation*]

The Acting Speaker (Mr. Corbin): Is the Hon. Parliamentary Secretary rising on a point of order?

Mr. Maltais: Mr. Speaker, I would like to ask a question to the Hon. Member.

The Acting Speaker (Mr. Corbin): This can be done only with unanimous consent because the time allotted to the Hon. Member has now expired.

[*English*]

Is there unanimous consent for the Parliamentary Secretary to the Minister of Industry, Trade and Commerce (Mr. Maltais) to put a question to the Hon. Member for Edmonton-Strathcona?

Some Hon. Members: Agreed.

[*Translation*]

Mr. Maltais: Mr. Speaker, I should like to know what means other than those proposed by this government would the Hon. Member advocate to bring down the inflation rate.

Mr. Kilgour: There are a number of steps the government could take to fight inflation. I have already mentioned reducing the budgetary deficit. That is one measure. We might also follow the example of Japan, West Germany and Switzerland. Obviously, the governments of those three countries have been much more successful than ours and those of all other countries in their fight against inflation. Those three governments have implemented a series of policies especially aimed at fighting inflation. For instance, the government of West Germany has lowered the so-called trade barriers to alleviate price competition. A government can promote investments. For instance, the government of West Germany grants a tax exemption to every resident who invests in housing. This keeps the manufacturing industry going. There is less unemployment. There are more people paying taxes and, therefore, providing the government with more revenues. In short, there are a number of steps the government could take to fight inflation. Also, Mr. Speaker, I suggest that a careful study of the policies of these three counties would help us determine what anti-inflation measures Canada should implement. I can say that such anti-inflation measures have been very successful in those three countries.

Mr. Maltais: Mr. Speaker, I have another question for the Hon. Member.

The Acting Speaker (Mr. Corbin): I repeat that the unanimous consent of the House would again be required.

• (1230)

[*English*]

The Parliamentary Secretary again rises to seek unanimous consent to put a further question to the Hon. Member who has just spoken. Is there unanimous consent?

Some Hon. Members: Agreed.

[*Translation*]

Mr. Maltais: Mr. Speaker, I just want to remind the Hon. Member that the present Government has already implemented the programs he just mentioned in those three countries. For instance, the Government has offered $3,000 to prospective homeowners; it granted tax cuts, such as the child tax credit, and offered a whole series of incentives to promote investments in Canada. Better still, through FIRA, it is trying to strengthen industry with a greater Canadian ownership.

However, I should like to ask the Hon. Member whether those countries have not precisely cut public spending and practically eliminated indexation, while the Canadian Government is still indexing at least at the 6 and 5 per cent level not only the benefits of senior citizens, but also the allowances for those families that need it most.

Mr. Kilgour: Mr. Speaker, the Hon. Member is correct in saying that the Government has just changed its policy, but the problem is not as simple as that, because for ten or fourteen years, the present Government has been fighting private enterprise, foreign investment, the oil industry and our own manufacturing industry. The flight of capital from this country has been enormous. It is common knowledge that last year, $1 billion left the country. There is $8 billion which cannot be found in the national accounts. So we have had a tremendous flight of capital from our country, and now it is a matter of confidence, of encouraging people, for instance, to build plants in Canada. The petrochemical industry in Alberta is a good example. Do you know that a company near Medicine Hat is now having a petrochemical plant built, not in Canada but in New Zealand? Why? Because the tax levied on the petrochemical industry is $1.05 per 1,000 cubic feet.

As the Hon. Member from Alberta said earlier, we cannot sell the product on the international market because it is too expensive. I think in Alberta, construction of nine or perhaps eleven plants was either cancelled or delayed because of this tax. One plant can provide, I think it was 800 or 900 jobs for two years, during the construction period.

We should have a Government that . . . The Hon. Member mentioned that since the 1980 election, FIRA has been telling foreign investors: Do not bother to come, we do not need you. It is quite true that three months ago, the Right Hon. Prime Minister (Mr. Trudeau) changed his mind. Now, you may come.

But let me give you another example in connection with FIRA.

The Acting Speaker (Mr. Corbin): Order, please. I am sorry to have to interrupt the Hon. Member, but although he did agree to answer a question by the Parliamentary Secretary to the Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion (Mr. Maltais), he should confine himself to the subject now before the House. I am afraid that we are now discussing an entirely different matter.

Mr. Kilgour: As far as the other subjects are concerned, if I may not go on with my examples—although they are quite good ones—of the problems created by FIRA in this country, I would say that none of these three countries has similar measures because to my knowledge, these countries are incapable of introducing a measure that is unfair, harsh and ridiculous in the extreme as far as the economy is concerned. For instance, when, thanks to the Government, senior citizens see their purchasing power go down, unemployment and economic problems for our country are the result. Kenneth Galbraith, in fact, any economist will tell us that a drop in purchasing power creates major problems for the economy.

[*English*]

Mr. Jack Shields (Athabasca): Mr. Speaker, I had the pleasure of speaking on this Bill earlier in the debate. Now that closure has been imposed on the debate on Bill C-131, I would like to add a few remarks in the brief ten minutes that I have.

First, I wish to condemn the Government in the most emphatic terms for its obvious attack on old age pensioners. The Government's appeal that old age pensioners must join all Canadians in contributing and sacrificing to help the Government reduce inflation borders on immorality. It is an appeal for sacrifice to today's senior citizens, our grandparents and parents, who more than anyone are used to sacrifice. They have sacrificed all their lives to raise their children. They made a sacrifice when they came to this country and went without year after year so their children and grandchildren could get the best education and enjoy a better standard of living. They knew what sacrifice was.

One has only to visit senior citizen homes such as the New Horizons Drop-In Centres across the country to learn of these sacrifices. Talk to the pioneers who broke the land with nothing more than an axe so that they could build and pass on something to their children: they know what sacrifice is; the Government does not have to tell them.

I say it is immoral for the Government to zero in on the senior citizens and for the Minister of National Health and Welfare (Miss Bégin) to say that senior citizens know their responsibility to the Government. That Government is spending $40 million on television and radio advertising year after year. In the year when the Government is asking senior citizens to relinquish $260 of their pension which they received because of their sacrifices, the estimated total advertising

budget for all federal Government departments is $70 million. This money is spent for advertising its six and five program and how it will beat inflation. This same Government increases its deficit spending by 18 per cent to 20 per cent. That does not make sense to me.

Although the Government has told us of the need to control inflation, it is its own spending which has caused that high inflation. The Government injects money into the market which, in reality, should not be there. I cannot think of anything worse than the money the Government has wasted on advertising. It is immoral for the Government to increase its spending by 18 per cent while turning on a particular segment of our population which least deserves the treatment it is being given by this Government. They are citizens of Canada whom we represent in this House and we must protest that treatment. They were the pioneers who did without.

I am sure that if Hon. Members would reflect upon that for a moment they would remember what their grandparents must have gone through to ensure that they would receive a better education and a higher standard of living. Surely every family experienced the same thing. All of us did not live in affluence 50 years or 75 years ago. I still see those sacrifices in the northern parts of Alberta today. I still see people who spent their whole lives building communities by clearing the land in order to have something to pass on to their children. I have seen that and I know that Hon. Members have seen that. Go to northern Quebec, where many generations of families have lived and passed on the fruits of their hard work to their children. The Government is saying: "Thank you, senior citizens, thank you, pioneers; the people who laid the foundations and built Canada, thank you very much, but now we will reduce your Old Age Security". That is utterly sickening. It is immoral.

• (1240)

The Government and the Minister of National Health and Welfare know full well, as the Minister stated in the House, that the senior citizens know where their responsibilities lies. The Government makes that appeal to the very people who do know what sacrifice is all about.

I am utterly ashamed that Members in the House would allow and vote for an attack on the senior citizens. It does not sound like very big dollars are involved. It will amount only to about $90 or so this year, and amount only to $250 or $300 next year. For some senior citizens, that is equivalent to two months' rent next year. For some senior citizens, that means the difference as to whether they have meat on the table or not. We know that Hon. Members opposite agree that it will affect some senior citizens who have private incomes and will not hurt them very much. However, there is a borderline group of 50,000 to 75,000 senior citizens who do not deserve the treatment they are receiving. It is wrong.

I think that every Hon. Member, if he searches his conscience, will know full well it is wrong and immoral. I would ask them to search their consciences and think back to the tremendous sacrifices made for them by their parents and grandparents. Those are the kinds of people we are touching. If they do this, they will vote against the Bill and against closure.

Mr. Darling: Right on.

Mr. Jim Fulton (Skeena): Mr. Speaker, I rise with a little sadness to take part in the debate. I support the amendment which is being proposed right now, but it is certainly no solution to the problems which Bill C-131 will inflict on over one million elderly Canadians.

I have a few comments on the debate so far, not only in terms of closure being brought in, but also concerning the peculiarity of the debate. I have not heard any high-rolling speeches from Liberal Members which can be sent out to pensioners across the country as to why this is so good for them. I heard one Liberal Member say that the six and five, in relation to Bill C-131, deals with inflation. The elderly in my riding, whether in Smithers, Atlin, Cassiar or on the Queen Charlotte Islands, know that the six and five program being brought in is not helping them with inflation. It is taking food from their mouths and part of their rent money. It is taking all kinds of funds away from them because inflation will remain higher. The Consumer Price Index will remain higher in 1983 and 1984.

I would like to hear some Hon. Members opposite stand up and give speeches, because I have sent copies of the ones they have given thus far to people in my riding. In those same packages I have also included speeches put on the record by Conservative Members and by those in my caucus. I have received some interesting comments in reply, which I will draw on some time later in my speech today.

In touching on the issue of Liberals not really standing up and sending a strong message out there, I would also say that a very strange boomerang kind of message is being sent out by the Tories. I remember watching them stand up in the House when the six and five program was brought in in principle. They were pretty quick to get on the bandwagon and try to send the signal out to the business community that they were all in favour of six and five and that they would fight to see that it was applied in principle throughout.

Right at the moment that a Liberal backbencher rose and said that the six and five program, in relation to OAS, is to fight inflation, the Minister of Veterans Affairs (Mr. Campbell) pointed out that for veterans it was in fact indexed at 11.5 per cent as of January 1 of this year. Again, the peculiarity of the kind of legislation which is now being brought forward by that side of the House is that it will not affect veterans. We are gradually seeing the whole concept of the means test rolled in, not only in relation to pensions and the OAS, but ultimately in relation to the GIS as well.

Let us run through a few facts so that we know exactly what we are dealing with. In relation to the 6 per cent being applied in 1983 instead of the Consumer Price Index, which would certainly be a few percentage points higher, even according to the Government's own estimates it will be 1 per cent above the 10; so we are looking at roughly a 50 per cent cut in the kind

of indexing which should have come forward. With respect to the 5 per cent in 1984, it is very much an unknown.

We have seen the inability of two Ministers of Finance to really come to grips with the problems this country is facing. While the whole interest rate issue is designed by Government, various Members on the Government side are always trying to say: "Well, it is the international scene; there is nothing we can do. It is the United States, Europe and Japan". However, the House of Commons and the Government do have control over interest rates. They have control over the Governor of the Bank of Canada and interest rates could have been rolled back; but it was a depression by Government design. High interest rates simply squeezed consumers. They could not borrow or get loans. They had to refinance mortgages. Rents went up. All kinds of problems were shot into the structure of the Canadian economy. Taking in closure, taking in the fact that there is no Liberal sending out signals as to why this is so good, leaving it up to the Opposition to point out why it is bad, it really leaves a vacuum out there for the elderly in terms of assessing why Bill C-131 is being brought in.

The biggest loss is the kind of trust which Parliament has lost over time. Members of Parliament and members of legislatures are next to convicted sex killers in terms of having the lowest level of respect and support of any group within Canadian society. If we consider trust, how can the elderly, those now over the age of 65, put any trust in Government? What will come next? In the next two years, each of them will have $300 taken away. What will happen a few more years down the road?

In any critical assessment of what has happened in the last 31 or 32 years of pensions in this country, one finds that there is a watermark close to each election. I would not doubt that some time in 1984 the Government will make some kind of an announcement that pensions will go up. Then we will have pension reform and the green paper will be reactivated. We saw this in 1971, right before the 1972 federal election.

Mrs. Mitchell: Set-ups.

Mr. Fulton: We know what the Liberals are up to in terms of their set-ups and strategies to keep the elderly and workers in this country confused.

Concerning trust, how can those who are in their late fifties or sixties plan? The whole pension scheme is very much an unknown. To give an example, if hospitals are suddenly short of beds, or if there are line-ups of people because there is a sudden wave of sickness in Smithers, Vancouver or Ottawa, the first thing the hospital administration does is not to close the hospital or to limit the number of beds, although that is certainly something promoted by certain people in our society. However, when we really need an inflation net, when we really need something in relation to the Consumer Price Index, whether it is in relation to the Unemployment Insurance Fund or pensions, and when the Government gets a little sticky for cash, from whom does it take it? It takes it from those who are the least able to organize. Big business has full-time lobbyists here in Ottawa. If the Government tried to take money away from big business, there would be all kinds of chaos and hell to pay. However, since it is going against pensioners all across Canada, many of them living in rural areas with insufficient income to get together and organize and to come in a mass lobby to Ottawa, they are the ones who get their teeth kicked out. They are the ones, as the Tory Member said, who get jackbooted and blackjacked first by the Government.

What about Dome? The Government gave over $500 million to Dome. The whole contract was based on high interest rates, cost of living increases and the Consumer Price Index. All of these things are done by economists to protect a big corporation like Dome which really should not have that kind of protection.

The Government poured $100 million into Consolidated Computers here in Ottawa and then tossed it up for auction and received $100,000 for it. The same amount, $100 million, was thrown away on a poorly assessed and analyzed Government enterprise. That money, which could have gone to pensioners, was thrown away instead.

When Bill C-131 is implemented after closure, perhaps after an amendment or two, what will happen? The Liberal Party, on its own Richter scale of misery, will have gone up again. The Liberals are once again the ones who are going after those who can least afford it and have the least capability of fighting back.

In relation to the pensioners, the first step will be a net income reduction in benefits for the first two years, 1983 and 1984. Second, if full indexation is restored—we do not know whether or not it will be but I am sure that will be tied to some kind of an election promise in the next election campaign—those pensioners will never be able to regain in terms of indexation what they lose in these next two years. There are over one million Canadians, more than half of them women, who will be affected by this Bill. They will have a reduced income based simply on the Government's own figures, not on the figures of the Minister of National Health and Welfare (Miss Bégin) which have been jiggery-pokery in one way or another. They have been calculated to be a net loss of $300 to pensioners during 1983 and 1984 for those getting OAS only, and $604 in the following two years, as a result of rendering the regular formula of indexation worthless. The total loss over the next four years is going to be in the neighbourhood of $900.

• (1250)

I can speak certainly for the elderly in my constituency, the Queen Charlotte Islands, Prince Rupert, Terrace, Kitimat, Hazelton, Smithers and on up to the Yukon, representing many native villages where there are many, elderly people. In Cassiar, Atlin and Good Hope Lake, and a number of very small communities, there are elderly but no homes for the elderly, unlike most cities across Canada. There are no special services, there are no Meals on Wheels for many of them.

Taking $900 away from these people means perhaps the loss of little gifts that they were going to give to their grandchildren or special meals they were going to prepare for themselves, or perhaps some clothing, something for their apartment, their rental dwelling or for the home they live in. It is not really very much money when Members of Parliament are talking about it, but when I speak to the elderly and I read the mail coming in from the elderly to my office, it is a question of trust. It has been a very painful experience for them to see the Government squandering money to big business. Big business, Mr. Speaker, as Liberal Members opposite know, owes right now legal taxes that they are supposed to pay comparable to our existing deficit. Is the Government attempting to collect that money from big business? Not likely.

It is unfortunate at this point in the debate that the Hon. Member for Winnipeg North Centre (Mr. Knowles) is not here, but I took the time to read some of the debates that he was involved in, going back more than 30 years, and the fight that was put up by Members such as the Member for Winnipeg North Centre and others in this House that brought forward in 1951 the first real kind of pension program that we had in this country. We have been fighting ever since to get away from the concept of means tests.

Mr. Speaker, a pension in this country is a right. The Government is tampering with that right and Members are saying there is no written contract and so on. It is a right, and a trust to the elderly in this country has been broken. I feel ashamed for any Member who would get up and vote for Bill C-131 in this House.

Mr. Sid Parker (Kootenay East-Revelstoke): Mr. Speaker, it is also a sad day for me to rise and speak on the amendment and to Bill C-131.

The amendment is a worthy one and I want to make it clear that we will be supporting it because at the end it states that the Guaranteed Income Supplement will be added on to the Old Age Security benefit. So therefore, those who qualified for the Guaranteed Income Supplement would in fact, be indexed. It is a very small token, and we do not agree with the six and five concept.

I want to speak for a moment about the comments made by the Hon. Member for Manicouagan (Mr. Maltais). He said the Liberal Government is sympathetic to our senior citizens, yet not one of their Members is getting up and telling the real story here. I want to tell that Hon. Member how sympathetic they are in my riding, where senior citizens come up to the railway station and try to get on the VIA Rail passenger train. There is no accommodation available for them, although they have actually booked on that train. When they get to the station they find that the Government, through its program of cutbacks and so on, has not enough equipment on the train, so they cannot board the train. The Government has abandoned lines in many parts of Canada which senior citizens helped to build, yet those are the very kinds of travelling systems that our senior citizens need and desire. Is that being sympathetic to these people?

For a moment, if I may, I would like to revert to the original Bill that caused all these problems, Bill C-124. The Hon. Member for Parry Sound-Muskoka (Mr. Darling) has indicated—

[*Translation*]

Mr. Maltais: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Corbin): Order, please. The Hon. Parliamentary Secretary to the Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion (Mr. Maltais) on a point of order.

Mr. Maltais: Mr. Speaker, I simply want to point out that the remarks made earlier by the Hon. Member do not reflect at all what I said. If he wants to quote me, I would urge him to read the blues. That would be much easier than speaking off the top of his head in the House.

[*English*]

Mr. Parker: Mr. Speaker, I would like to quote from the "Budget in Brief" of June, 1982 which caused this problem. For the Hon. Member for Parry Sound-Muskoka to say that the Conservative Party agrees with the six and five program for working people in the public service sector but he does not agree, and his Party does not agree, with Government policy on Old Age Security pensions, Family Allowances or Public Service pensions, I think is being very, very misrepresentative as to what happened. The "Budget in Brief" states very clearly, and I quote:

> Public sector compensation restraint program will constrain rates of pay of federal government employees to increases of no more than 6 per cent in the first year; no more than 5 per cent in the next year.

This will create a savings of about $250 million the first year and $550 million the next year. The Conservatives supported that program. I know the Conservatives have a problem counting, but I did not realize they had a problem reading, because if they had gone on a little bit further they would have seen this:

> A 6 per cent limit on increases in indexed social payments . . . comes into effect with the January, 1983 increases; stays in effect for two years—

Very clear. The next page applies to Family Allowances, to people receiving Public Service pensions or old age pensions, but does not affect people who receive the Guaranteed Income Supplement. It gives a very clear indication of what the Government was going to do. At the bottom of the page it says:

> It will generate $45 million this year and $315 million next year for reallocation.

It does not say anything about inflation. It says that the Government is going to take this money from these programs and reallocate it. I would like to ask the Government, when it is taking this money from senior citizens, from children and Public Service people who are on retirement, and it is going to reallocate it, does that mean it is giving it to the railways? Does that mean it is giving it to Dome Petroleum? Because if that is what the Government is doing, I think it is a sin and does not show very much sympathy from that side of the House.

The Government is ashamed of this Bill, the Minister of National Health and Welfare (Miss Bégin) is ashamed of it, and that is why they have brought in closure on almost every one of these Bills, to try to control debate, to try to stop this side of the House from identifying the problems they have.

Senior citizens in my riding are experiencing expenses that many people cannot cope with. How they are doing it, I do not know. If there is a major snowfall, it means hiring someone to help senior citizens in many parts of my riding open up their path to get in and out of their homes. It means extra heating costs.

I want to refer for a moment to the point made by the Hon. Member for Athabasca (Mr. Shields), who said that if the Government had to do this, it should do it to the working people. My goodness, he has identified the working people as being the ones the Government should attack, but he did not attack the profits. He did not say the Government should attack the excessive profits the banks are making, or the excessive profits that other people are making. But the Conservatives and the Liberals have an obscene way of dealing with things.

The Acting Speaker (Mr. Corbin): Order. Perhaps the Hon. Member may wish to call it one o'clock.

[*Translation*]

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

GARRISON DIVERSION

RESTORATION OF UNITED STATES FUNDING

Mr. Dan McKenzie (Winnipeg-Assiniboine): Madam Speaker, the United States Government has just announced that more than $22 million has been proposed to continue the completion of the Garrison Diversion project. This is in addition to the $4 million which was overwhelmingly voted against and then re-instated last month.

As reported in *Time* magazine of January 3, 1983, Congressman Silvio Conte stated publicly in Washington that Senator Mark Andrews of North Dakota persuaded the House-Senate Conference Committee to restore the proposed funding for the water diversion project. Congressman Conte further declared that Senators knew they must vote in favour of these moneys for Garrison or risk having Senator Andrews put a halt to their own projects.

In view of the fact that the best interests of Canada are not being taken into consideration when funding for the Garrison Diversion Project is voted upon, and the recommendations of the International Joint Commission are being totally ignored, it is all too obvious that immediate representation by the Secretary of State for External Affairs (Mr. MacEachen) must be made to the United States Government to resolve this ludicrous situation.

* * *

[*Translation*]

EMPLOYMENT

AIR CANADA PROGRAM

Mr. Claude-André Lachance (Rosemont): Madam Speaker, I want to call the attention of the House to the anxiety felt by Air Canada employees as a result of the announcement made by Air Canada in the Fall of 1982 that there would be a 10 p. 100 reduction in manpower. Air Canada subsequently submitted to the International Association of Machinists and Aerospace Workers a six-point program designed to avoid the layoff of 585 employees. Unfortunately, this six-point program was never officially negotiated and between January 3 and the end of March, 359 employees will be laid off in Montreal alone and perhaps even more will lose their jobs in the Spring. Since air local 1751 has stated publicly that it is willing to immediately begin negotiations with Air Canada in an effort to stop its members from being laid-off, the Department of Labour should urge the corporation to immediately discuss with the unions the details of the single six-point proposal it made last Fall.

In conclusion, it should be pointed out that the union has indicated its willingness to accept any management proposal for a work sharing program.

* * *

[*English*]

TRUST COMPANIES

CALL FOR PASSAGE OF LEGISLATION INCREASING DEPOSIT INSURANCE LEVELS

Mr. Don Blenkarn (Mississauga South): Madam Speaker, the Government brought Bill C-142 before the House as a matter of urgent necessity. Thousands of people have claims against the Crown, Greymac, and Seaway companies, and at this point can only receive $20,000 toward their claims. The balance of their money is tied up. There is no protection, and they can get nothing. This Bill could be passed through this House in one day and the urgent concerns of these depositors, many of whom are retired, would be alleviated if they were covered up to $60,000.

S.O. 21

The Government has had a white paper on trust companies before the House and the Government is aware that there are real concerns with respect to the administration of matters involving the Department of Insurance and in connection with all of the powers the Government has over trust companies, mortgage companies, insurance companies, and banks. These security problems should be referred to a special committee of this House forthwith so that the House can make the necessary inquiries, hear evidence, and assist the Government in introducing new legislation, and organizing its supervisory and licensing powers. Let us get Bill C-142 passed. Let us get all matters concerning financial institutions before a special committee of this House. Let us get on with it.

* * *

AUTOMOTIVE INDUSTRY

FAILURE TO MEET COMMITMENT TO WORKERS AND TAXPAYERS

Mr. Derek Blackburn (Brant): Madam Speaker, Canadians were again treated to wise words from the Minister of Industry, Trade and Commerce (Mr. Lumley) today when he vowed that to wring jobs from Chrysler he would "play hardball". Where has this Minister been and what has he been doing that he is only now deciding to get tough? Is there any reason for Canadians to believe that the Government will deliver job security to the industry now, and not just more empty promises and fewer and fewer jobs?

Canadians last year gave up $1.6 billion in duties at the border under the auto agreement, while the United States only gave up $500 million. That was a $1.1 billion giveaway, and for that Canadians received considerably less than $1 billion in new investment. That is only 7 to 8 per cent of new investment in North America, and much less than our fair share.

While Chrysler seems to be leading the way in reneging on its promises to Canadians, the entire industry is not meeting its commitment to Canadian auto workers or taxpayers, and it is time the Government showed the auto manufacturers that it will not accept any more excuses.

* * *

DISARMAMENT

SUPPORT URGED FOR BAN ON CHEMICAL WEAPONS

Mr. Garnet M. Bloomfield (London-Middlesex): Madam Speaker, recent allegations emanating from Afghanistan contend that Soviet MIGs dropped cannisters that emitted a crippling brown gas on Moslem rebels. I am very concerned that such reports are becoming more and more commonplace in recent years. This being the case, and in light of the fact that the UN Committee on Disarmament is convening in New York today, February 1, 1983, to consider an agreement on the prohibition of chemical weapons, I would urge the Government of Canada to champion the call for a full and verifiable ban on all chemical weapons, at the United Nations.

A convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxic Weapons was entered into in 1972, but the problem of chemical weapons remains. In the UN the emphasis is on gaining agreement to prohibit the development, production and stockpiling of chemical weapons, and on the destruction of existing stocks.

The horrific results of such weapons can no longer be tolerated by any thinking nation. For the sake of all humanity, and in the pursuit of humanity, I strongly urge the Government of Canada to instruct the Canadian delegation at the UN Committee on Disarmament to work tirelessly to ensure that the negotiations which will begin today will be successful so that the spectre of chemical weapons can be finally removed.

* * *

RAILWAYS

CROWSNEST PASS RATE—EFFECT OF ANNOUNCED CHANGES

Mr. Len Gustafson (Assiniboia): Madam Speaker, the announcement in Winnipeg today by the Minister of Transport (Mr. Pepin) is startling and bad news for the western grain producers. The Government has absolutely disregarded some of the important economic factors that exist in the farming economy. The cost of production has increased at least 25 per cent while the price of grain on the world market has dropped significantly.

Farm bankruptcies have increased by 65 per cent over the past year. It will be impossible for grain producers to accept responsibility for increased freight rates. Yet the Government and the Minister of Transport by their announcement today seemingly turn a deaf ear to presentation after presentation made by farm groups.

I call upon the Liberal Government and the Minister responsible to reconsider an action that will be financially impossible to bear for the western grain producers.

* * *

[*Translation*]

FINANCE

NON-TAXATION OF WORKERS IN NORTHERN CITIES

Mr. André Maltais (Manicouagan): Madam Speaker, on behalf of the workers in the northern cities of Fermont, Gagnon, Shefferville, Labrador City and Wabush, I would like to ask the officials of the Department of Finance to review their recommendation to the Minister of Finance (Mr. Lalonde) that the allowances of northern workers be taxed because of the hardship imposed on these people who have created a very strong economy in the region. Furthermore,

taxation of northern workers' benefits might be a deterrent to the hiring by the companies involved of qualified employees to work in those regions.

I would also like to point out that the Committee set up by the Minister of State for Mines and Resources (Mrs. Erola) has suggested essentially that the tax exemption for northern workers be maintained. I believe that I am speaking on behalf of all the people who work north of the 55th parallel and who are affected by this measure.

I therefore ask the Minister of Finance to check with his officials with a view to getting more detailed recommendations on this group of workers, and I hope that substantial changes will be made to this policy, in accordance with the suggestions of the federal-provincial industrial and labour committee, which requires that the taxation benefits for northern workers remain unchanged.

* * *

• (1410)

[*English*]

GARRISON DIVERSION

INCREASE IN ALLOCATION OF UNITED STATES FUNDING

Mr. Terry Sargeant (Selkirk-Interlake): Madam Speaker, I was dismayed, as I am sure every Manitoban was, to learn that the administration of President Reagan plans to allocate a record $22.3 million to the Garrison Diversion Project in North Dakota. That is a five-fold increase over this year's interim allocation of $4 million.

The effect of allocating this money and proceeding with the Garrison Project will be devastating on the Province of Manitoba. At risk is a multi-million dollar commercial fishing industry, the quality of drinking water for many Manitoba communities, as well as tourism and farming in the Province. For native people, many of whom are dependent on Manitoba's lakes not only for their livelihood but for the very food on their table, the stakes are particularly high. In short, a decision to allocate these funds and to proceed with Garrison will damage not only the Manitoba environment but the Manitoba economy as well.

But there is hope. Because the House of Representatives did initially vote to deny the interim funding for Garrison in December of 1982, the door is still open to convince our American counterparts of the negative impact that approving this funding for Garrison will have on Manitoba. Therefore I urge the Government to make serious representation to the U.S. administration to stop this funding, and once again to send an all-party parliamentary delegation to Washington to convince members of Congress to vote against the Garrison allocation when the vote comes to be taken this summer.

S.O. 21

AGRICULTURE

INCREASE IN NUMBER OF FARM BANKRUPTCIES

Mr. G. M. Gurbin (Bruce-Grey): Madam Speaker, over the past several years the Canadian farm industry has been experiencing serious financial problems. Farm bankruptcies in 1982 increased by 57 per cent compared to 1981, and by 85 per cent relative to 1980. Continuation of these financial problems could seriously jeopardize traditional Canadian agricultural practices.

There are 86 members of the Canadian Farm Survival Association in Ottawa today to explain to Members of Parliament the importance of immediate action to resolve the farm financial crisis. The Minister of Agriculture (Mr. Whelan) is asked to address the problems of these farmers facing bankruptcy by immediately supporting appropriate bankruptcy legislation. He is also asked to provide long-term solutions by supporting proposals put forward for commodity price stabilization on a national basis, and also to support measures which would improve financing through agribonds and expanded Farm Credit Corporation refinancing resources.

* * *

TRADE

NEED TO INTENSIFY INTERNATIONAL MARKETING EFFORTS

Mr. Maurice A. Dionne (Northumberland-Miramichi): Madam Speaker, Canadian trade performance in recent years has been one of the bright spots in our economy, but to remain competitive in the 1980s we must intensify our international marketing efforts, particularly for manufactured goods.

New manufacturing orders in Canada rose in November by a substantial 7.4 per cent over the previous month. While gains over one month do not provide a guarantee for the future, there are other signs of an improving climate. The rise in December's Consumer Price Index was the lowest in more than four years, and the index has been registering a single-digit figure for the last five months. Encouraging also are growing indications of the willingness of business and labour to adopt a co-operative stance in resolving our economic difficulties.

Awareness of Canada's place in the world economy is crucial if we are to weather current conditions and be positioned to take advantage of recovery, when it comes. We have moved into 1983 in a mood of generally cautious optimism, though there are also many informed observers who consider that the next 20 years could be very prosperous years for Canadians. Nonetheless, there are great challenges before us, and our success in meeting these challenges will in no small part rest on the support and active co-operation of informed Canadians. This in turn will depend on the efforts of Members of this House to broaden public perception of the stake of the individual Canadian in the health and vigour of both our own and the world economy.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

RAILWAYS

CROWSNEST PASS RATE—ANNOUNCEMENT OF CHANGES

Hon. Don Mazankowski (Vegreville): Madam Speaker, my question is directed to the Minister of State for Economic Development who, I understand, is responding to questions relating to the announcement by the Minister of Transport concerning the Crow rate. This announcement by the Liberal Government has effectively killed the Crow, and in turn given us a turkey. This proposal is not only complex, it is going to be costly, divisive, and will create a great deal of uncertainty and apprehension in the agricultural community.

The proposal provides for a freight rate structure which will double freight rates for producers by 1985, increasing them to five times the present amount by the year 1990, or roughly $1 a bushel. Given that, and the fact that producers are under very severe pressures of huge input cost increases and declining prices, how does the Minister expect the producers of Canada to pay this added cost, or has he something in mind which will assure the producers of Canada that their grain prices will increase in a fashion similar to that of freight rates?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, I will not take advantage of the very obvious opening the Hon. Member for Vegreville gave me in his preamble. However, I might say, on behalf of the Minister of Transport and other Members of the Government, in fact the entire back bench who are associated with this initiative—

Mr. Hnatyshyn: Just let us have their names.

Mr. Johnston: —that it is quite the opposite of what the Hon. Member alleges. This is really quite an historic day which sees the introduction of a new regime which is fair to producers, which will create an enormous amount of industrial benefits, and which is fair to the country as a whole.

As to the impact on producers themselves, the Hon. Member knows full well that it is being phased in and that, even after the phase-in, my understanding is that the cost will be something like 14 per cent of the revenue from grain sold as opposed to, say, 20 per cent in the case of coal, and that is at present-day values. So in fact producers will continue to enjoy very substantial benefits.

In addition, as the Hon. Member also knows, this is an opportunity for western Canada to diversify its industrial and agricultural base, and I must say I am rather disappointed at the attitude adopted by the Hon. Member who I would have thought would have been most supportive of the very creative steps taken by this Government, in particular by the Minister of Transport, in leading the reform of this very important issue.

Mr. Mazankowski: Madam Speaker, talking about openings, may I simply say this is a very sad day for the western grain producer. It is going to be very destructive and will add further to the difficulties the producers of western Canada face. The fact of the matter is we are going to have a doubling of their freight rates by 1985, while at the same time, today, grain prices are equal in real terms to the price level of 1972-73.

REQUEST FOR DEFERRAL IN INCREASING FREIGHT COSTS

Hon. Don Mazankowski (Vegreville): Madam Speaker, is the Government not cognizant of the additional burden which is going to be placed on producers? How are they going to meet this additional cost? It can only lead to further bankruptcies and foreclosures in the western agricultural community. Given that fact, would the Minister not consider recommending to his colleague, the Minister of Transport, a deferral of these increased producer freight costs until such time as farm input costs stabilize and grain prices increase?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, I do believe the Hon. Member is speaking with surely his tongue in cheek at least. He well knows the distortions caused as the result of the Crow rate and that these distortions have to be eliminated. Surely he is aware, for example, that at the present time grain traffic accounts for 20 per cent of railway traffic and 3.5 per cent of revenue. Surely the Hon. Member for Vegreville is aware of that.

Now, the fact is that, as I said in my response to his first question, if we assume an increase of shipments, for example, to 41 million tonnes in 1991-92 from the current 31.1 million tonnes, the rate that western grain producers will be paying after Government payments will be $27.21 a tonne. This rate would still represent only 14 per cent of the present price of wheat, that is, I repeat, the present price of wheat. I hope that the Hon. Member will agree that it is very unlikely that we will not see substantial increases in the price of wheat during that period of time, to the end of the decade.

• (1420)

I must say that I find that the facts upon which the Hon. Member is proceeding are really quite unfounded. The regime would appear to be extremely favourable to the producers in the long term and, more important, extremely favourable—

Madam Speaker: Order, please.

Mr. Hnatyshyn: Madam Speaker, I want to lodge my protest that the Minister of Transport is not making a statement in the House of Commons, which is the proper place for a statement to be made, to the representatives of the people across Canada.

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: The negative impact of this proposal put forward by the Minister of Transport today in Winnipeg particularly affects the Saskatchewan farmer. It is a body-blow to the Saskatchewan farmer. The Magna Carta, the statutory Crowsnest rate, has been destroyed. That is unacceptable to the western farmer.

ADEQUACY OF GRAIN TRANSPORTATION SYSTEM

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I want to ask the Minister of State for Economic Development this question. The Government has made a statement to the effect that farmers in western Canada should accept this situation on the basis that there will be guarantees of service for grain transportation in western Canada. Where are those guarantees to the farmers of western Canada with respect to the ability of the railways to carry grain to export points?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, if the Hon. Member has carefully reviewed the material which was distributed to Members of the House this morning and to the press, he will have seen that there will be $16.5 billion in direct investment in the transportation system. The whole intent of that, of course, is to open up the transportation system, to eliminate the bottlenecks that have existed, and to provide efficient and effective transportation not only for grain, which represents approximately 20 per cent of the volume, but for other commodities which surely are of equal interest to Saskatchewan, such as sulphur and potash and, of course, the coal carriers are affected as well.

The whole purpose of this exercise is to make the transportation system more effective and also to diversify the agricultural base. It is my understanding that Saskatchewan represents approximately 60 per cent of grain shipments. Saskatchewan, with an efficient transportation network to move that grain, will probably see 60 per cent of the increased volume to which I referred a moment ago, which is estimated to rise to 41 million tonnes during the decade. That in itself represents something like $2 billion additional annual production at today's prices. If the present ratio is maintained, 60 per cent of that will be in the Province of Saskatchewan.

Mr. Hnatyshyn: Madam Speaker, what the Minister is saying is that the western grain farmers should buy a pig in a poke from this outfit. I can assure him that they will not accept that.

REQUEST THAT CHANGES BE POSTPONED

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I want to put a question to the Minister specifically with respect to the statement made by the Minister in his release in Winnipeg. In an announcement made today the Minister has stated that the Government is committed in principle to generally distance-related freight rates.

Does that mean that the Government is considering a variable rate structure? If not, will the Minister stand in his place and give the House the assurance now that the Government will not permit variable rates?

Finally, in view of the fact that this is going to have serious, negative consequences in western Canada, will the Minister not agree to put the whole proposal out to summer fallow?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, I must say that I am disappointed at the rhetoric. I wish the Hon. Member would take some time and examine the substance of these proposals.

The proposals which have been put forward will not only have very beneficial impact in terms of the very constituencies that these gentlemen who have been questioning me represent, but they are designed and intended to create long-term, economic development opportunities for the Hon. Member's Province, for western Canada and, in fact, for the country. It is unfortunate that the Question Period today will not permit us the timeframe—

Some Hon. Members: Oh, oh!

Mr. Mazankowski: It sure is.

Mr. Johnston: —to expose to Hon. Members the enormous potential that this initiative represents for the country as a whole as well as for the Member's particular Province.

Mr. Hnatyshyn: Madam Speaker, I would simply say to the Minister that the proposal put forward by the Minister of Transport is a bureaucratic boondoggle to put the control of western grain production in the hands of the bureaucrats and the Government of the day.

REQUEST THAT MINISTER OF TRANSPORT MAKE STATEMENT ON MOTIONS

Hon. Ray Hnatyshyn (Saskatoon West): Madam Speaker, I want to ask the Minister if he will not now agree—

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: Madam Speaker, I can understand why the NDP are so sensitive on this issue. It is because they have been on the back burner on it all along.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: I can understand why the Prime Minister smirks in his seat and why the Minister of State for the Wheat Board is hiding in Paris. He did not have the courage to come back to Canada when this was announced.

I want to ask the Minister whether he will give a commitment that at least the Minister of Transport will make a statement on motions in the House, so that we can ask somebody who purports to know something about the issue, some

questions about this very serious and, as the Minister said, historic announcement.

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, the Minister is usually in the House. He will be in the House, and I am sure he will welcome any questions the Hon. Member wishes to put during Question Period.

REASONS FOR GOVERNMENT ACTION

Hon. Edward Broadbent (Oshawa): Madam Speaker, since a question of basic principle is involved in this important matter, I should like to go to the Prime Minister with a question.

A historic bargain was reached in this country on the Crowsnest Pass freight rate, according to which our prairie farmers were guaranteed a certain rate. In return the CPR got billions of dollars in land, mineral rights and other material. Canadians all across the land benefited from the value of export sales provided by our prairie farmers.

Considering that the Prime Minister has said a number of times in the House that no change in these historic freight rates would be made without a consensus coming from prairie farmers, would he explain to the House today why he and his Government have reneged so completely on this deal and sold our prairie farmers down the drain?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Hon. Member is referring to my earlier statement about a consensus. I have had someone look up the report of what I said. It seems to me that I said we would do exactly what we have done. In *Hansard* for February 13, 1981, as reported at page 7213, I stated:

> At the present time our policy is not to touch the Crow rate, but if there is a general feeling in the west that the question must be reopened, then we would be happy to do so.

I think it is fair to say that just about everyone in the West agreed that the Crow rate should be reopened and that the question should be looked at. If we look at the two largest umbrella groups in the West, the Western Agricultural Conference and the Prairie Farm Commodity Coalition, we see that they made it quite clear that the Government had to take action. We took action. The difference is that we knew that once we took action there would be the reactionaries, being both Parties in the Opposition, who would prefer to keep the status quo forever.

I think there is a realization amongst sensible people in the West that if we wanted to have a decent transportation system there had to be a reopening of the Crow. We reopened it and we brought about a solution after a great deal of consultation. The Gilson Commission participated in that consultation and came up with recommendations. We have had, I dare say, the courage to reopen this very difficult question when the NDP and the Tories would prefer to sit back and have no policy position but to say that forever nothing must change in Canada.

Mr. Broadbent: Madam Speaker, the position of this Party is very clear. We want improvement in our grain handling system but we do not want the cost of that improvement to be forced on the backs of our prairie farmers. That is the issue.

CONTRIBUTION BY RAILWAYS

Hon. Edward Broadbent (Oshawa): I should like to put a supplementary question to the Prime Minister. Is he aware that, as a result of the announcement made today, the cost to our farmers will be about $1 billion per year, while at the same time the CPR will continue to reap the benefits of the historic handouts that they got? If the Prime Minister acknowledges that that is the fact, then why is the Government of Canada using this method of improving our grain handling facilities? Why does the Government not make the CPR put up some money, or why does it not turn to some other sources of revenue to improve our railway system, instead of punishing prairie farmers?

• (1430)

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, under the arrangements which were arrived at, both railways will be investing some $16.5 billion and all the taxpayers of Canada will be investing some $3.7 billion. When the Hon. Member projects the costs of the farmer to the end of the decade, he forgest that in the proposal we are making there will be a reopening of this and a rediscussion of the issue in Parliament after the 1985-86 year.

I wonder if it is not reasonable or if it is inconceivable, with taxpayers paying a very large sum of $3.7 billion—this is general taxpayers from all parts of Canada, from Nova Scotia to British Columbia—and with the railways, the CPR and the CNR, paying some $16.5 billion to improve the rail system, that western farmers should also be asked to look at some of their costs, not in terms of the historic bargain because they are being guaranteed what they received in the past, but whether they should not be asked in all fairness to look at some part of the increased costs over the future. That is the position the Government has taken. That is the position, I must say, which has been reasonably supported by many influential farmers' groups in the West.

Naturally there is no absolute consensus because it is a very difficult problem. Nobody likes to pay anything if he can get somebody else to pay. Once again, given that the transportation system had to be completely changed, and given that the Crow rate, as was recognized increasingly by farmers themselves and their organizations, had to be looked at again, somebody had to come forth with a solution and somebody had to come forth with negative criticisms. It was predictable who would bring up solutions: a Government which is intent on axing—on acting and on reforming—

Some Hon. Members: On axing!

Mr. Trudeau: —not an Opposition which is absolutely determined to be negative about everything.

Mr. Broadbent: I would be happy to send over to the Prime Minister a list of a half a dozen farm groups representing farmers on the Prairies who are opposed to this policy. I say to the Prime Minister that he should check his numbers as well. He will find out that under this agreement the CPR intends in fact to spend less in the coming fiscal year for our railway system than it spent in the recent past under the Crow. Instead of doing their share, they will be doing even less than their share, and we in this Party do not accept that.

REQUEST THAT FARMERS BE POLLED ON ISSUE

Hon. Edward Broadbent (Oshawa): Madam Speaker, if the Prime Minister is really committed to living up to his promise in the House to do what the farmers want to have done in western Canada, will he not go to the farmers? Will he not take the proposal which he had his Minister reveale in Winnipeg today instead of in the House, put it into a plebiscite, send it out to every prairie farmer, and hear what the farmers of Canada have to say on it?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, the Leader of the New Democratic Party is making two contradictory proposals. First he would want the Minister to be in the House today, and then he wants us to take it to the farmers.

Mr. Broadbent: Can't he do both?

Mr. Trudeau: The Minister has chosen to take it to the farmers, who have a more open mind on this subject than the Hon. Leader of the New Democratic Party.

* * *

AGRICULTURE

GOVERNMENT POSITION ON CREDIT LEGISLATION

Hon. John Wise (Elgin): Madam Speaker, in the absence of the Minister of Consumer and Corporate Affairs I want to direct my question to the Minister of Finance. It is sad that on this so-called historic day we see, as a result of an act of the Government, another nail being driven into the coffin of many grain producers, regardless of whether they be in western Canada or eastern Canada.

We have here in Ottawa today a number of food producers from the Canadian Farmers' Survival Association. I think the reason these people are here today should be obvious to all of us. This Association wants to determine the official position of the Government with reference to the re-enactment or reinstatement of the Farmers' Creditors Arrangement Act, 1934. Would the Minister, on behalf of the Government, provide us with some information on what is the official Government position with respect to that particular Act?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I should like to take this opportunity to pay tribute to the contribution made to this debate by the Hon. Member for Lambton-Middlesex. He has brought this issue to the attention of the House and of Cabinet in a very forceful, systematic, and constructive way. Various proposals have been put forward, including the one by the Hon. Member for Lambton-Middlesex himself. The Government is examining all of these specific proposals. The Farmers' Survival Association, in particular, suggested the possibility of a number of amendments to the Bankruptcy Act. My colleague, the Minister of Consumer and Corporate Affairs, is examining this proposal very attentively at the present time. I expect that my colleague will be in a position to make recommendations to his colleagues in the near future in that regard.

Mr. Wise: I appreciate the Minister's very reasonable response to that question.

PRIVATE MEMBER'S BILL

Hon. John Wise (Elgin): Madam Speaker, I recognize that the Hon. Member for Lambton-Middlesex in fact has a Private Member's Bill on this subject. I think the confusion arises from the fact that there have been a fair number of press reports in that part of the country indicating that it is the Government's intention to incorporate that Private Member's Bill into Bill C-12, respecting the Bankruptcy Act, which is now before the House. There have been very clear press reports indicating that that will be done. Could we obtain a concrete assurance from the Minister of Finance that in fact these press reports are true?

Hon. Marc Lalonde (Minister of Finance): Madam Speaker, I can confirm that the Government has a great deal of sympathy for the type of approach proposed by the Hon. Member for Lambton-Middlesex. However, as I indicated, the Minister of Consumer and Corporate Affairs is examining the detailed implications of such a measure, and he is expected to report to Cabinet in the near future.

* * *

RAILWAYS

CROWSNEST PASS RATE—ESTABLISHMENT OF WORKING GROUP

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, I should like to ask the Minister of State for Economic Development to clarify some questions concerning the announcement made today in Winnipeg. It has already been pointed out that the announcement is a very complex one. Also I suggest to the Minister that it is incomplete in the sense that a working group, comprised of bureaucrats and producer organizations, will be put in place to decide how the money will be distributed to producers. Could the Minister enlighten us as to what kind of process that will be? Is the working group in place? When will it report? What are its terms of

reference? What other areas of enlightenment can he shed on this very complex subject?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, concerning the issue of the process of payment, there are some details which remain to be worked out. When that has been accomplished, of course they will be made available. The over-all principles of payment as set forth in the Gilson Report—the broad lines, of course—have been adopted. Further details will follow in due course.

Mr. Mayer: It is very important that the Minister should understand that a very complex set of proposals has been put in front of us today and that the bureaucrats have had a long time to work at it and understand it.

PRODUCERS' UNDERSTANDING OF GOVERNMENT PROPOSALS

Mr. Charles Mayer (Portage-Marquette): Madam Speaker, could the Minister give us some assurance that producers throughout the country will have a chance not only to have equal input into the decision that will be made as to how to distribute the payments, but to understand the full implications of it before the Government implements the proposals it has put forward today?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, the Government in all areas of this kind has followed an elaborate process of consultation. I can assure the Hon. Member that the interest of all affected groups will be taken into account.

MULTIPLIER EFFECT OF FARM SPENDING

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, my question is directed to the Minister of State for Economic Development. Railway investment plans have been described by the Minister of Transport as a good deal for Canada since they provide a multiplier effect of just over $2 for every dollar invested by the railways. This is due to the jobs and investment created in the spin-off from that investment. Is the Minister aware that the multiplier effect from farm spending is between 3.5 and 7 times each dollar spent? Could he explain to the House why they chose to shortcut those spending plans instead of letting farm dollars go the usual route? They have shortcut them and moved them over to the railways to generate only $2 for every dollar, instead of allowing them to go through the regular channels and create 3.5 to 7 times each dollar spent. What kinds of offsetting proposals is the Government planning to overcome this reduction or restriction to the Canadian economy, which will probably amount to somewhere between $3 billion and $6 billion by the end of the decade?

• (1440)

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, I find that question somewhat convoluted.

Some Hon. Members: Oh, oh!

Mr. Johnston: The fact is the investment by the railways is absolutely essential to increasing, in an effective and efficient manner, grain exports from the West, which I pointed out in my earlier response are anticipated to rise by ten million tonnes over the decade. For that grain to get to market, Madam Speaker, it is essential that these investments be made.

It is a fact that these investments will carry with them very beneficial industrial spin-offs that are of value, of course, to the whole country. Besides that, I come back to the point that the basic Crow benefit of $651 million will continue to be paid to the farmers of western Canada. This will permit them options to diversify further and to undertake other areas of agricultural activity, which may very well create a much greater and much more viable agricultural sector in the West and also in the food processing sector itself. Surely the Hon. Member, who comes from Saskatchewan, should be appreciative of the benefits that this proposal will have for the very constituents for whom he is now pleading a case, a case founded on shifting sand indeed.

Mr. Althouse: Madam Speaker, it is because I am from Saskatchewan that I am concerned. I am concerned as a Saskatchewan farmer, not just about my own constituents who will be affected by this move, but I am concerned also about employees of Massey-Ferguson, employees of fertilizer companies and so on. They are going to be laid off because there will not be as much money expended on that part of the economy since the money is being used in a less efficient method here.

REQUEST FOR OFFSETTING PROGRAMS TO MEET FARMERS' COSTS

Mr. Vic Althouse (Humboldt-Lake Centre): Madam Speaker, I am also concerned about some of the assumptions made by the media and by the ministry. It appears the whole thrust of the argument in the proposal by the Minister of Transport is that shipments out of the country will increase. But it has been assumed that shipping grain is like shipping coal, that the last units are the ones that make the most profit for the shipper. This is not the case with grain. What programs are being contemplated by the Government to take into account the fact that the last units of production in farming are the most expensive, and to account for the fact that we are already beyond the point of being able to pay for those last units? They are costing more than the market will return. What offsetting benefits or programs are being proposed to handle that aspect?

Mr. Baker (Nepean-Carleton): Get him to repeat the question.

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, I thought I made it clear a few moments ago that Saskatchewan, with 60 per cent of grain exports, and with the additional potential of $2 billion in revenue at present day prices over the decade of which we are speaking will realize a benefit of approximately $1.2 billion in additional revenue because this initiative will ensure that the grain gets to market in an efficient manner.

Some Hon. Members: Oh, oh!

Mr. Johnston: One of the complementary initiatives is, of course, the construction of something like 3,800 hopper cars.

An Hon. Member: Here we go again.

Mr. Johnston: If Hon. Members are interested in the answer, Madam Speaker, I would suggest that they give me an opportunity to provide the facts.

Some Hon. Members: Oh, oh!

Mr. Johnston: The Hon. Member knows that is contained in the material before him. As the Prime Minister pointed out, what is being asked here is a participation in the cost in future. The Crow benefit to the tune of $651 million will continue to be paid to the prairie grain farmers.

An Hon. Member: Sit down.

Mr. Johnston: It is these additional costs in the future which they are being invited to share in with the other taxpayers of Canada.

Mr. Deans: They are not being invited to share at all. It is like inviting the old age pensioners to share.

* * *

NATIONAL REVENUE

GARNISHEEING OF SMALL BUSINESS ACCOUNTS

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, my question is for the Minister of National Revenue. The collection departments of the National Revenue offices across Canada, certainly of British Columbia, are garnisheeing 100 per cent of accounts receivable of small businesses even though that will mean those businesses cannot pay their employees. When did that directive go out from his office, and why?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, if accounts of certain businesses were garnisheed, it was certainly not done because of any specific instructions from the Department of National Revenue. These businesses were clearly defaulting on payments, either for income tax or deductions at source, so it is not a matter of specific instructions but of the administration of our tax laws.

[*English*]

GOVERNMENT POLICY

Mr. Benno Friesen (Surrey-White Rock-North Delta): Madam Speaker, we know the Government is short of money, but is it a small business policy of the Government now to shut down businesses in order to extract every last ounce of blood it can from those small businesses?

Is it part of the Minister's policy to send out third person directives without the knowledge of the business affected by those directives?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Madam Speaker, I fail to see why the Hon. Member insists on the credibility of his statements, I explained to him that when it was necessary to garnishee the bank account of a company or person, it was because the company or person had seriously defaulted on income tax payments. If a person or company has defaulted on income tax payments, the other taxpayers who do pay their taxes every month are in fact paying as well for those who do not, and the Hon. Member should realize this.

* * *

[*English*]

EXTERNAL AFFAIRS

ROLE OF CANADA IN MIDDLE EAST PEACE PROCESS

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is for the Prime Minister. The President of Egypt met with the House of Commons and Senate Foreign Affairs Committees this morning. He had discussions with the Prime Minister yesterday. The President discussed the Canadian role in the peace process in the Middle East, and his Minister of State has said that Canada should play a more active role.

Will the Prime Minister tell us whether he agrees that Canada should play a more active role in the Middle East peace process? If he does, how does the Prime Minister see us playing a more active role?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, for the time being I think the preferred option would be to support President Reagan's initiative of last September, which is well known to the Hon. Member, I am sure. We have indicated our support for that as well as for other options. If the Hon. Member would urge us to be more active, I suppose we could support that option more actively and appeal for the help of the Opposition to make it appear to be a united House of Commons which is encouraging President Reagan to follow up on his proposal.

Mr. Crosbie: Madam Speaker, if the Prime Minister needs any help from us, we have already stated our support for President Reagan's initiative.

CONSTRUCTION OF ISRAELI SETTLEMENTS ON OCCUPIED LANDS

Hon. John C. Crosbie (St. John's West): Madam Speaker, the President of Egypt said this morning that Canada could help influence Israel because we have many connections there. I presume he has asked the Prime Minister to increase our activities in that direction to get a Middle East settlement. Could the Prime Minister tell the House whether we are opposing further construction by Israel of settlements in the Gaza Strip and on the West Bank? Can the Prime Minister tell us what representations we have made? Does the Prime Minister think that the peace process can proceed without the freezing of those settlements by Israel? What is our position on that?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, our position has been stated several times by the Secretary of State for External Affairs. It is to the effect that we do oppose the settlement policy on the West Bank. It is part of Resolution 242 which we support, that all lands occupied by Israel should be evacuated, and that includes the West Bank. We have stated those positions publicly. We have stated them also to the Government of Israel.

My inclination at this stage would be to feel that our influence—our joint influence, since the Tory Party is joining the Government on this—would be to increase our pressure on the Americans to carry through with their plan, because I do not feel that it is very likely that we will get the present Government of Israel to change its settlements policy.

* * *

● (1450)

[*Translation*]

ECONOMIC DEVELOPMENT

GOVERNMENT'S PROPOSAL FOR TRANSPORTATION OF WESTERN GRAIN—CONSEQUENCES FOR QUEBEC FARMERS

Hon. Roch La Salle (Joliette): Madam Speaker, my question is directed to the Minister of State for Economic Development. Considering the concern raised by the new Western grain shipping plan, especially among Quebec farmers, could the Minister, in view of today's statement, inform the House whether he held prior consultations with the Quebec Farm Producers' Union or other farm organizations in Quebec to find out whether today's proposal would be acceptable to Quebec's agricultural industry?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, I have the impression that my colleague, the Hon. Minister of Transport, had consultations throughout the province and across Canada. In fact, he is well aware of the concern mentioned by the Hon. Member for Joliette. In any case, Madam Speaker, I would like to point out that this concern is ill-founded and although a number of representatives of the Parti Québécois have tried to dramatize the situation across the province, we have been given the assurance, by independent studies, that there is no reason for people to be concerned about this policy.

STATEMENT BY MINISTER OF AGRICULTURE—INQUIRY WHETHER AGRICULTURAL PRODUCERS UNION OF QUEBEC WAS CONSULTED

Hon. Roch La Salle (Joliette): Madam Speaker, I have also heard the Members of the Quebec Government expressing their concern, but I have also received letters from representatives of the Quebec Farm Producers' Union who were worried and were demanding positive action on the part of Members of the Government. Therefore, I am just asking the Minister whether he can provide some clarification, since the Minister of Agriculture in a letter to the Quebec Farm Producers' Union has stated that the apprehended negative effects would and should disappear as a result of the statement made today by the Minister of Transport. I am just asking the Minister whether he can give the House the assurance that the Quebec Farm Producers' Union will be able to set aside its concern as a result of this announcement or whether the Government did not bother to consult the Quebec Farmers' Association before making this statement?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, I certainly do hope that today's announcement will lay to rest all previous concern. However, I may add that steps have been taken to reassure Quebec farmers, and that the Canadian Livestock Board is there to monitor the new policy. As I said before, independent studies have been made which gave us the assurance that there is no problem, that no markets and no incomes will be lost, and so on. In any case, we have taken steps to set up a monitoring mechanism to determine exactly what the effects will be, not only in Quebec but also in the Atlantic Provinces.

* * *

[*English*]

AUTOMOTIVE INDUSTRY

CHRYSLER CORPORATION—MINISTER'S NEGOTIATIONS

Mr. Derek Blackburn (Brant): Madam Speaker, my question is directed to the Minister of Industry, Trade and Commerce. For the last few months he has purportedly been doing battle with Canadian Chrysler Corporation, only to wring out of them a lot of hollow promises and no action. Today he is reported to have said that he will begin to play hard ball with

Chrysler, at long last. What specific assurances can he give the House and the Canadian UAW workers that no more jobs will be lost, either to those who are on lay-off or who have existing jobs?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, as the Hon. Member knows, I had a meeting with the UAW yesterday in which we discussed a number of possibilities to assist me in my negotiations with Chrysler. I would hope that the Hon. Member would be as positive about these negotiations as the UAW was yesterday.

Mr. Blackburn: One can hardly be optimistic if one looks at the Minister's track record so far. It has been a dismal failure.

AMOUNT OF DUTY REMISSION

Mr. Derek Blackburn (Brant): Madam Speaker, when one considers that both Chrysler and AMC, through the remission of duties, owe the Canadian Government and the taxpayers about $300 million, can the Minister consider this to be hardball? What will he do to make sure that either the remissions are paid or Chrysler lives up to the original agreement?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, with respect to the preamble to the Hon. Member's question, we have obviously been doing something right. There are over 43,000 workers in Chrysler plants in the United States who are unemployed and only some 240 in Canada. Obviously the Government of Canada and Chrysler Canada have done something positive.

Some Hon. Members: Hear, hear!

Mr. Lumley: Second, with respect to duty remission and the Government of Canada fulfilling its obligations, this will be undertaken during negotiations with the Chrysler Corporation.

* * *

RAILWAYS

CROWSNEST PASS RATE—RELATIONSHIP OF FREIGHT RATES TO GRAIN PRICES

Mr. S. J. Korchinski (Mackenzie): Since the price of grain is at the 1972-73 level in terms of purchasing power, and since the Economic Outlook Conference did not predict any foreseeable increase in the next year or two, why has the Government totally rejected the proposal whereby any possible increase in freight rates would be geared to increases in the price of grain and instead took the other course, which was simply slapping on an increase regardless of an increase in grain?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, I did not hear the question.

Mr. Korchinski: Madam Speaker, I will repeat the question. Since the Economic Outlook Conference did not predict any foreseeable increase in the price of grain and since the purchasing power is at the 1972-73 level, why has the Government totally ignored the proposal whereby the increase of any freight rate would be related to the price of grain?

Mr. Johnston: Madam Speaker, I will infer that that question is addressed to me. I did not hear anyone say that it was addressed to me. I will assume so since I am taking questions on the subject.

As I pointed out earlier, the present wheat freight rates per tonne represent on average less than 5 per cent of the price of a tonne of wheat and, of course, that is not the case with respect to all other commodities. That is not a fair freight rate under the circumstances. The regime which has been implemented and phased in, which maintains the Crow benefit payment to farmers in a phased-in fashion, seems to me to take into account the fact of the current economic situation with respect to grain production. Therefore, over the period, one would expect to see an increase in the value of those crops, quite substantially beyond even the $2 billion which would be a result of a ten million tonne increase at current price levels.

Even then, at current prices, as I pointed out in an earlier answer, the freight cost would only represent 14 per cent of the value of the wheat sold. So, it strikes me as very fair indeed to the producer.

APPLICATION OF FINANCIAL RESTRAINT PROGRAM—GOVERNMENT POSITION

Mr. S. J. Korchinski (Mackenzie): Madam Speaker, may I ask the Minister why the Government totally ignored its own six and five program and, instead of sticking to a six and five increase, it slapped on a 100 per cent increase in the next ten years?

Some Hon. Members: Hear, hear!

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, I think the exchange that has taken place here today illustrates full well the importance of the initiative that has been taken. The facts that have been brought out on the floor of the House by myself and the Prime Minister on this side clearly demonstrate, I believe, that we should be able to look forward to the support of all Parties in terms of moving this very important initiative through the House—

Mr. Blenkarn: Answer the question.

Mr. Johnston: —and particularly out of committee in a timely manner. I look forward to see the Hon. Member participate in those deliberations.

Oral Questions

APPLICATION TO RATES OF RESTRAINT GUIDELINES

Mr. Doug Neil (Moose Jaw): Madam Speaker, I want to repeat the question asked by the Hon. Member for Mackenzie. I am addressing it to the Minister responsible for Economic Development. Why did the Government not stick to its six and five program when it came to increases in the rates?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, the fact is—

Mr. Blenkarn: Answer it.

Mr. Johnston: Let us look at the facts. They are that the basic Crow benefit, the gap in 1982-83, is being paid to the grain producers and, in fact, there is no inflationary increase in the current period. The increase next year will be 3 per cent which is lower than 6 per cent or 5 per cent; the following year it will be 3 per cent, which is lower than 6 per cent or 5 per cent; and the following year it will be 3 per cent, which is lower than 6 per cent or 5 per cent—

Some Hon. Members: Order.

Mr. Johnston: It would be wonderful if that is the rate of inflation at that time. In fact, beginning in 1986, the grain producers will be required to pick up the first six percentage points. Let us hope that it is not that high if our campaign is successful, as it appears to be. But they will be required to pick up the first six percentage points which has an historical basis in terms of Canadian inflationary experience. Therefore, I would suggest that the program is very much in keeping—

Madam Speaker: Order. The Hon. Member for Moose Jaw.

• (1500)

EFFECT OF ACREAGE PAYMENT ON GRAIN GROWERS

Mr. Doug Neil (Moose Jaw): Madam Speaker, my supplementary question is directed to the same Minister. I am rather confused, because the Government's own documents indicate that between 1982-83 to 1985-86, a four year period, the net increase to the grain producer will be from $4.89 a tonne to $9.35 a tonne. In less than four years there will be an increase of 91.20 per cent.

Some Hon. Members: Oh, oh!

Mr. Neil: That does not sound like six and five should.

The other question I have is with respect to the proposed acreage payment. Has the Government conducted a study to determine what effect this acreage payment will have on the grain producer? I understand that the acreage payment program is to be spread around all the producers and the impact will be upon those people who presently benefit from the Crow rate. Has a study been done on this aspect, and will the Minister agree to table such a study?

Hon. Donald J. Johnston (Minister of State for Economic Development and Minister of State for Science and Technology): Madam Speaker, I am not in a position to say specifically what studies are available on the subject, but I can assure the Hon. Member that there was an enormous amount of deliberation and study by everyone, including Mr. Gilson, in terms of proposing a regime which would have a beneficial effect not only on the grain producer but also on the whole agricultural economy in western Canada, with the capacity of that economy to diversify and also with the incentive, if you like, which will be injected in that economy, which will enable the rail transportation system itself to be modernized and to become more effective and efficient. That is the underlying reason for this initiative, which is widely supported by everyone familiar with the bottlenecks and difficulties which have arisen in the past with respect to the transportation of grain in western Canada.

* * *

[*Translation*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

TABLING OF REPORT OF COMMISSION FOR THE PROVINCE OF NEW BRUNSWICK, 1983

Madam Speaker: In accordance with Section 19 of the Electoral Boundaries Readjustment Act, Chapter E-2 of the Revised Statutes of Canada, 1970, I have the duty to table an authentic copy of the report of the Electoral Boundaries Commission for the province of New-Brunswick, 1983.

As Hon. Members will know, Standing Order 46(4) provides that the reports laid before the House in accordance with an Act of Parliament are deemed to have been permanently referred to the Committee designated by the member tabling the report. In this case, I suggest that the report be deferred to the Standing Committee on Privileges and Elections. However, the statute under which the Electoral Boundaries Commission submit their reports to the House determines the procedure to be followed with regard to these reports.

* * *

[*English*]

BUSINESS OF THE HOUSE

DISPOSITION OF STRIKING COMMITTEE REPORT

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, last week the Hon. Member for Yukon (Mr. Nielsen) asked me if we would be designating an Opposition day this week and I told him that I would do so at the beginning of this week. I would now like to designate Friday of this week as an Opposition day.

[*Translation*]

At the same time, since it is important for the Committees to become operational as soon as possible in accordance with the new rules, the Hon. Member for London-East (Mr. Turner) yesterday tabled a report concerning the striking of

the Standing Committees of the House. I would like to inform my colleagues in the House that we intend to move that this report be concurred in as soon as possible, namely tomorrow, immediately after the oral question period.

[*English*]

Hon. Erik Nielsen (Yukon): Madam Speaker, earlier this week the Government House Leader (Mr. Pinard) said that on Thursday we would be discussing the third reading stage of the legislation now before us. Is he saying that he will be giving notice to concur in the Striking Committee report, to take effect some time next week?

[*Translation*]

Mr. Pinard: No, Madam Speaker. What I have said is that on Wednesday, that is tomorrow, we shall move for concurrence in the report after the oral question period. The report was tabled yesterday and notice was given yesterday as well. This requires a notice of 48 hours and we shall therefore be able to move for concurrence on Wednesday, which is tomorrow. Since this concerns the striking of the Committees, I do not believe that any other subject can be more important for Hon. Members on both sides of the House. I also believe that it is urgent that this report be debated. We want it to receive concurrence as soon as possible and we believe that this can be done tomorrow by allowing Members on both sides of the House to speak on a day normally set aside for private members' business.

[*English*]

Mr. Nielsen: Naturally, when notice is given it will become a Government Order. I am just trying to ascertain with some degree of certainty whether it is correct that Thursday will be set aside for debate on the third reading stage of the legislation now before us, the Old Age Security legislation, that Wednesday will be a normal Private Members' day, and that Friday of this week will be an allotted day. Am I correct in those assumptions?

[*Translation*]

Mr. Pinard: Madam Speaker, as I have just stated, tomorrow, we shall debate, if necessary and if the Opposition so wishes, the report of the Striking Committee which was tabled yesterday by the Hon. Member for London-East (Mr. Turner). We gave notice of our intention yesterday and we plan to move for concurrence in this report tomorrow. Of course, if the report is approved without debate, we shall proceed to private members' business. However, if the report is debated for an hour, there will be one hour less for private members' business.

I would also like to confirm that, on Thursday, we shall proceed with third reading of Bill C-131 and that, as I have already indicated, Friday will be an allotted day.

I hope this time everything is clear.

[*English*]

Mr. Nielsen: Unfortunately, it is abundantly clear. What the Government House Leader is saying, knowing full well that we intend to debate that report, is that we either shut up or we do not get our Private Members' day.

Some Hon. Members: Shame.

Mr. Nielsen: The whole day is taken up with Private Members' Business. I can give him notice now, as I have done before, that we will be debating that report. He knows that fact, yet he comes in here and steals the Private Members' day under the new rules. He pleaded for some acts of good faith on the part of Hon. Members throughout the House. I do not consider his action in trying to pre-empt Private Members' day in this underhanded fashion to be any display of good faith on his part or on the Government's part.

Some Hon. Members: Hear, hear!

Mr. Pinard: I am very much surprised by the reaction of the Hon. Member for Yukon. The reason the report of the Striking Committee in relation to the Standing Committees was tabled only yesterday was because of the very request of the Hon. Member for Yukon in the Striking Committee. That report could have been tabled earlier because the Committee was ready to table that report any time last week. It was at his request that we waited until the last ten sitting days, in conformity with the new Standing Orders, to table that report.

On the very same Striking Committee, the Hon. Member for Yukon was the one asking that, as early as possible after the tabling on that report, we move concurrence in that report so that we—

Mr. Nielsen: That is not true.

Mr. Pinard: —could allow the committees to work. That was your own request.

Mr. Nielsen: That is not true.

Mr. Pinard: There is nothing else than the functioning of committees that interests more Private Members. That is why we are calling the motion tomorrow for debate. Therefore, I am surprised by that reaction. We want the committees to work as early as possible.

Mr. Wilson: Twisting the truth.

Mr. Pinard: I have been very courteous today in rising 24 hours in advance and letting my colleague know that we intended to do that. Theoretically, we could have waited until the last minute. However, I wanted to give him fair notice. That is an additional reason I am surprised by his negative reaction.

I am telling him now that we want to allow the committee system to work as early as possible. That is in line with and consequential to the request made by the Hon. Member himself. He is free to allow this report to go without further debate because, after all, it is the first time since I have been a

Member of Parliament in the last nine years that a Party has forced that kind of Striking Committee to meet. It will be the first time in many years that a political party will have forced debate on the report of such a Striking Committee.

What I am saying is that what we are doing is proper. We are giving proper notice and we thought and still think that we are doing only what the Hon. Member wanted us to do.

Some Hon. Members: Hear, hear!

• (1510)

Mr. Nielsen: Madam Speaker, that is a deliberate distortion of the truth. What I requested in the final meeting of the Striking Committee, and the Government House Leader well knows this, is only that the report be introduced on the last possible sitting day, which was last Monday. There was no request whatsoever to bring on debate on that report as soon as possible. I would have expected that to occur, but I would not have expected it to occur at the expense of a whole Private Members' day; and that is what the House Leader is attempting to steal from us.

I am sure that if he had been following the normal parliamentary courtesies he would have expressed his intentions, which no doubt he knew of when he met with the Striking Committee and when he discussed this matter with myself and the Hon. Member for Hamilton Mountain (Mr. Deans), the Acting House Leader for the New Democratic Party. But he did not do that, knowing full well as he sat there what he intended to do this week. I find that totally not in keeping with the kind of good faith that he has been asking us to display and which we think we have displayed in the adoption of these experimental rules. Indeed, I find his action most underhanded and despicable in attempting to undermine Private Members in this way.

Mr. Pinard: Madam Speaker, I fail to understand why the Hon. Member gets so upset. After all, if he reads the recorded notes of the Committee which met last week, in the third meeting he himself asked the Chairman of that Committee, the Government Whip, when he intended to move concurrence of that report. I remember very well that the Government Whip answered him, "As early as possible after the tabling of the report". It was after that answer that the Hon. Member for the Yukon suggested and pressed very much in the Committee that in fact we do not table that report before the last allowed day, which was yesterday.

Today, all he is getting is what he asked for. For other reasons—and I do not want to impute any motives to him—he seems to have different views today. What I am saying is that we did not know last week he would react this way when he was pressing for us to table the report yesterday and that we move concurrence in that report as early as possible to allow the committees to work in the House of Commons and in the parliamentary system. Now must we conclude that he is not interested in seeing the committees work?

He is saying that tomorrow is Private Members' day. We have had a very hard time to find three Bills to be dealt with for Private Members' Business tomorrow. That is a fact, because colleagues on his own side are not ready to proceed. The committee system is very important for Private Members. If they want to debate it, why do they want to use Government time to do it? We have three days a week, as I explained last week, to deal with urgent and important business for the Government; therefore, our intent is still there. But if he has very strong reasons and he is able to convince himself that he is right, changing his mind today, then we might consider dealing with this matter some time next week. I think it is unfortunate that we have to wait that long to have the committee system work.

I would have expected that the Hon. Member would have facilitated, in a spirit of parliamentary reform, the adoption of that report, because once again it is the first time in many, many years that the House Leader of the Official Opposition forces a debate on the report of a Striking Committee.

Mr. Nielsen: Madam Speaker, it is not the Official Opposition which is forcing a debate on that report, it is the intransigence of the Government House Leader in his unreasonable treatment of the recommendations of the Special Committee which intended flexibility in numbers on those committees but have been required to submit to the diktats of the Government House Leader.

When he speaks of the actions of the Government Whip with respect to the timing of the tabling of the report and the debating of it, he will well recall that when I asked the Government Whip that question as Chairman of the Striking Committee, he did not answer but looked over to the Government House Leader in order to get his answer.

No one suspected that any attempt would be made to steal Private Members' days in this underhanded way. What the Government should do if it wants to treat Parliamentarians fairly—there are all kinds of Private Members on this side who were not canvassed and who have Bills that can be debated tomorrow—and if he wants to act in good faith, let him designate Friday for the debating of the report of the Striking Committee.

Mr. Deans: Madam Speaker, I listened to this exchange with some interest. I want to offer the comment that perhaps it is the kind of consideration that ought to take place at a meeting that could be called between the House Leaders in order to try to find an alternative that would satisfy even the noisy Tory in the back row.

I think it would be better, in the interests of the civility of the House, if we did not have the debate tomorrow. I do not see any reason why we should, in all fairness, create a conflict unnecessarily, and quite obviously we are going to have that conflict. I do not think that will facilitate the implementation and good working of the new House rules.

So keeping that in mind, I would like to ask the Government House Leader and the Opposition House Leader if it might not be more appropriate for us to discuss this—

Mr. Baker (Nepean-Carleton): It would have been.

Mr. Deans: Well, we can still do it. We could attempt to find an alternative date on which to have the debate as quickly as possible, perhaps even to agree on a time limit in order to have the debate dealt with in a reasonable way and not have the animosity that is quite evidently growing in the House of Commons continue.

Mr. Lewis: Madam Speaker, I enter this debate in support of my colleague, the Hon. Member for Yukon (Mr. Nielsen). The Government House Leader made the point in reply that they were having great difficulty finding Private Members to bring forward their Bills.

I would remind the Government House Leader that during Question Period, in reply to questions from the Hon. Member for Elgin (Mr. Wise) with respect to amendments to the Bankruptcy Act put forward by the Hon. Member for Lambton-Middlesex (Mr. Ferguson), which are going to be debated tomorrow, the Minister of Finance (Mr. Lalonde) gave him great credit. Great credit does not go anywhere unless the Private Members' hour can go forward. Therefore, the Government House Leader is eliminating the Private Members' hour during which there is going to be consideration of a Bill which will help the farmers of Canada.

* * *

POINT OF ORDER

MR. MAZANKOWSKI—ANNOUNCEMENT OF GOVERNMENT POLICY OUTSIDE HOUSE

Hon. Don Mazankowski (Vegreville): Today once again we have witnessed a callous affront to this institution of Parliament by a very autocratic Government. This is the fourth occasion that a very important matter of substantive Government policy having to do with very major changes to Western grain transportation has been announced outside the House.

I remind you, Madam Speaker, that such similar announcements were made back on February 8, 1982, June 28, 1982, August 4, 1982, and again today we had a very, very substantive announcement.

Once again Parliament has been circumvented. I believe major announcements of Government policy should be made in this House of Commons. The fact of the matter is that the issue itself is very complex. It has raised a number of important questions, questions which Members on all sides of the House should have an opportunity to clarify, but the answers that we received to questions on this very important subject in the House today have been far from satisfactory and far from complete.

I draw your attention to Standing Order 18(4) at page 13, where is outlined, as it is even in the Business of the House, the procedure for calling for Statements by Ministers. Just to reflect on that for a moment, Standing Order 18(4) provides:

> (4) On Statements by Ministers, as listed in section (3) of this Standing Order, a Minister of the Crown may make a short factual announcement or statement of government policy. A spokesman for each of the parties in opposition to the government may comment briefly thereon and Members may be permitted to address questions thereon to the Minister. The Speaker shall limit the time for such proceedings as he or she deems fit.

That is a very, very important function of the parliamentary process, a function which has been denied as a result of the actions of this Government.

Madam Speaker, I draw this matter to your attention and I wish you would take it under advisement. It is not the first time that I have raised it, and I will continue to raise it because it does impair our ability to discharge our responsibilities as effective Members of this House of Commons.

• (1520)

Hon. Yvon Pinard (President of the Privy Council): Madam Speaker, the Hon. Member has raised a very interesting question. I congratulate him on the way he raised it and on the way he has explained it. Unfortunately, the Standing Order to which he has referred indicates that there is a discretion that can be utilized by a Minister. A Minister does not have to make a statement, but "may" make a statement. I quote from page 13 Standing Order 18(4):

> —a Minister of the Crown may make a short factual announcement or statement of government policy. That is consistent with the previous Standing Order 15.

Many rulings have been made by the Chair to the effect that there is that discretion. On the other hand, I agree with the Hon. Member for Vegreville (Mr. Mazankowski) that more often in this House we should witness statements made by Ministers, allowing a short, controlled debate on the subject of policy raised in the statement.

Unfortunately, at least since I have been dealing with House business, first as Parliamentary Secretary and then as House Leader, there have been demonstrated abuses with regard to the length of time used in dealing with comment on the statement, causing the Government often to lose a whole day which could be used to deal with urgent business. Possibly we could agree at some point. It would be possible for any reasonable spokesman from the Opposition to negotiate in advance a reasonable length of time for questions and remarks following such a statement in order to allow the Government to proceed with additional business on the day the statement is made. It would then be possible for Ministers to make more statements in the House. I will be open-minded to that kind of discussion or agreement.

For the time being, unfortunately, we have on one hand Ministers who do not want to spend a whole day in the House on a statement while the Government has a pressing necessity to deal with urgent business. On the other hand, we would like to allow the Opposition the opportunity to express its views and to ask questions.

I am not saying that this opportunity does not exist even when Ministers make statements outside the House. Questions can be asked in Question Period of Ministers that particular day or on days following. This Friday will be an Opposition day. The Opposition will have the opportunity of raising this matter in their motion. Nevertheless, I would be open-minded

toward allowing more statements, provided we had a commitment or agreement from the other side not to abuse the length of time allotted to asking questions of Minister who make statements. I look forward to discussing that with my counterparts in the near future, if they are still willing to negotiate in good faith.

Finally, in so far as tomorrow is concerned, I admit that I am much surprised by the reaction of the Hon. Member for Yukon. I was expecting him to applaud. Since he is not applauding but shouting and crying, I will reconsider with pleasure—

Madam Speaker: Order, please. The Minister is not now discussing the point of order raised by the Hon. Member for Vegreville (Mr. Mazankowski). I must remind him that if he is rising now, he must discuss the point or order.

[*Translation*]

Mr. Pinard: You are right, Madam Speaker, but I just wanted to make things perfectly clear. With regard to the business for tomorrow, the decision is not final. I am prepared to reconsider my suggestion and to postpone this debate until the following Wednesday so that following consultations we might come to an agreement. There have been consultations in the past but they did not bring any positive results. I hope this time, that the results will be more encouraging but if such is not the case, we shall proceed on the following Wednesday to the striking of Committees and the adoption of the report.

[*English*]

Hon. Erik Nielsen (Yukon): Madam Speaker, I am very happy to hear the Government House Leader say that he will reconsider the matter and allow us a normal Private Member's day tomorrow. I thought I heard him say, however, that he may be disposed to carry the notice to concur on to the following Wednesday which, of course, would be just as objectionable. However, we can discuss that.

In any event, I was going to alert the Chair to the possibility of a point of order tomorrow questioning the ability of the Government to displace Private Members' day, now Wednesday, by this device. Quite frankly, I very much doubt that the Government has the prerogative of displacing Private Members' day by the use of this kind of device. While I attribute the best of motives to the Government House Leader in changing his mind, I am very doubtful that it could have been done in the first place and I would have raised that point tomorrow.

Mr. Deans: Madam Speaker, I am glad there is a reconsideration for tomorrow. I want to raise—

Madam Speaker: Order, please. We are discussing two matters at the same time. I am a little bit uneasy about orderly discussion in the House. I want first to rule on the point of order brought forward by the Hon. Member for Vegreville. We can then continue discussion of Government business.

Mr. Hnatyshyn: Madam Speaker, may I be heard on this point of order?

Madam Speaker: I do not think the House needs to be further enlightened on the point of order.

Some Hon. Members: Oh, oh!

Madam Speaker: It is quite clear in the Standing Order which deals with Statements by Ministers that the Standing Order is permissive, but does not place an obligation on the Government to make statements of Government policies under Statements by Ministers. It is purely permissive.

I appreciate the point of order brought forward by the Hon. Member for Vegreville. He probably feels very much aggrieved by the situation. However, it is the choice of the Government to make its statements at whatever time the Government feels it must.

* * *

BUSINESS OF THE HOUSE

DISPOSITION OF STRIKING COMMITTEE REPORT

Madam Speaker: Now that we have cleared this particular point of order, I see that it is the desire of Hon. Members to return to the discussion of Government business. In the interest of what appears to be a desire to come to some kind of agreement, I will allow the House to return to that discussion and I will recognize for that purpose the Hon. Member for Hamilton Mountain (Mr. Deans), who had the floor before I ruled.

Mr. Deans: Madam Speaker, I had wanted to raise a point very similar to the point raised by the Hon. Member for Vegreville (Mr. Mazankowski). I want to make one comment, if I may, on the statement made by the Government House Leader.

The Government House Leader said in response to the question about the making of statements that if he could get agreement for a short debate on Statements, he might consider implementing once again the practice of having Ministers make statements.

I consider that to be a direct attack on the Speaker. It is quite clearly the responsibility of the Speaker to determine the length of time to be allocated for reply to statements made by any Minister in the House. It is not the responsibility of the House Leader, it is not the responsibility of the Opposition House Leader and it is not my responsibility to set up in advance some agreement as to how long will be taken. It is directly the responsibility of the Speaker to determine when there has been sufficient discussion on any statement made.

I therefore suggest, in the interests of the people who are most affected by the actions being taken by the Government today, that a Minister of the Crown should stand in his place today and make a statement with regard to the changes to the Crow rate. It should be done now. I have nothing further to say on the other matter.

Madam Speaker: I did want to comment on what the Minister said about possible abuses of the time allocated to Statements by Ministers. I was distracted by the number of Members who were eager to take the floor at that time. I think it is fair to remind the House that the time taken under Statements by Ministers by the different intervenors in the House is determined by the Speaker. The Speaker goes by rule-of-thumb. Depending on how much time the Minister takes, the other statements are more or less related to that period.

The Speaker has interrupted some Members who have taken more time than the Minister had taken to make the statement. If my memory is correct, we have not had any exceptions to that. Questions then follow. That, too, is regulated at the discretion of the Speaker. We have had periods of two hours for questions, including the statement. Depending on the number of Members who wanted to ask questions, I did not think at that time that was excessive. However, if the time to be allocated to these kinds of statements is to be discussed and negotiated between the Parties, I think that would make my job even easier.

• (1530)

[*Translation*]

Mr. Claude-André Lachance (Rosemont): Madam Speaker, I would like to draw your attention to a comment made during the previous debate by the Member for Yukon (Mr. Nielsen), a comment he may wish to withdraw, since it is more or less a false accusation, and I do not think that is in keeping with the Rules of the House. He said that the Members on the Committee had bowed to the wishes of the President of the Privy Council (Mr. Pinard) in the debate on the number of Members now on the Committees and on the Striking Committee's report. I should like to point out to the Hon. Member and to Members on both sides of the House, that the Committee has decided not to intervene in this difference of opinion between the Parliamentary House Leaders, and if I misunderstood his comments, perhaps the Hon. Member would like to withdraw them.

[*English*]

Mr. Nielsen: Madam Speaker, in the best interest of the work of that committee, I think I should make it abundantly clear that if the Member has that interpretation of what I said, it is quite wrong. I was referring throughout to the Striking Committee and not to the Special Committee of which he is a member.

Mr. Cosgrove: Madam Speaker, a propos of the discussion between the Government House leader and the House leader for Her Majesty's Loyal Opposition, I would like to point out that the Hon. Member for Mississauga South (Mr. Blenkarn), a Conservative Member, indicated in Parliament today, presumably with the approval of his House leader, the agreement of that Party to deal expeditiously with Bill C-142, which was introduced in order to bring some security to depositors in organizations covered by the Canada Deposit Insurance Corporation. It is impossible for this Government to deal with that item and send it on to committee if we cannot even agree to find a forum under which to debate the issue of striking those committees. I would have thought that in the interest of those people looking for additional security—

Madam Speaker: Order. The Hon. Minister is into debate. I think we all realize that the Parties now want to negotiate some kind of solution to that particular problem. I understand the Hon. Minister's desire to have that report debated promptly, but I think it will probably happen if the Parties agree.

[*Translation*]

Mr. Pinard: Madam Speaker, in his comments, the Member for Yukon (Mr. Nielsen) doubted the Government had the right to put motions on Wednesday, since it is a Private Members' Day. I want to make it clear that we do not agree at all with this view, that a motion can be put on a Wednesday just as on any other day on which Government Orders are dealt with, that there is no basis for this view and especially, there is nothing in the Rules or parliamentary procedure to support this reasoning. Therefore, we reserve the right to put our motions whenever it is necessary to do so. I agreed to postpone the debate on the Striking Committee's report until a later date, probably not later than next Wednesday, because the Hon. Member's reaction took me by surprise. We shall discuss the matter later, and I hope we will be able to agree, and otherwise, we reserve the right to call this motion on a Wednesday, either tomorrow or next week.

Madam Speaker: The Hon. Member did not raise the question. He said that he was thinking of raising it tomorrow, because he had some doubts as to the Government's right to cancel the Private Members' hour, but he did not really raise the question.

[*English*]

Mr. Nielsen: That is entirely correct, and I should hasten also to correct the misapprehension the Government House leader might have with respect to what I said. I do not question the Government's right to give notice on a Wednesday; what I question is the right to allow a Government order of the day, such as that notice would trigger, to displace a private Bill.

Madam Speaker: Order, please. Let us not have that debate now. We will have it in due course.

Mr. Nielsen: It was not a debate; I was simply correcting him.

Madam Speaker: Yes. Well, it is a hypothetical situation for the time being.

Mr. Nielsen: His statement was not.

Mr. Taylor: Madam Speaker, the Government House leader mentioned it was difficult to find Members who wanted their

private Bills brought forward. I would like to remind the Hon. Member that Bill C-628, an Act to amend the Criminal Code concerning computer crime, has been on the books for almost two years, and I have almost begged the Minister of Justice and other people involved to bring forth this Bill. So certainly there are Bills ready to go on Private Members' day and I thought the Government House leader should know that.

[*Translation*]

Mr. Pinard: I shall remember that, Madam Speaker. The problem is that the Hon. Member may be ready but not necessarily on the day we want the Bill to be debated. Of course, the Bill is ready to be debated, but when we call Members, sometimes we are told: Yes, I am ready, but not tomorrow, I would rather do it next week or the week after. We had quite a few problems getting ready for last Wednesday, and I am told that this has also been the case for tomorrow's sitting. So I repeat what I said, and my statement stands.

[*English*]

Mr. Taylor: Madam Speaker, the Government House Leader implies I have been called and had turned down the opportunity. I have never been called up. I am ready to go any time I am called. I am begging to go; it is an important Bill.

Madam Speaker: I am sure the Hon. President of the Privy Council (Mr. Pinard) will take note of that.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

MR. CULLEN—THE PLIGHT OF THE PETROCHEMICAL INDUSTRY IN SARNIA

Hon. Bud Cullen (Sarnia-Lambton): Madam Speaker, I have a petition signed by 11,000 of my constituents. The wording of the petition is theirs, and is as follows:

To the Honourable the House of Commons in Parliament assembled.

The Petition of the undersigned humbly sheweth tha. the Petrochemical industry is in trouble in Sarnia and in Canada because of the federal Government's Petrochemical Feedstock Taxation Policy; and that thousands of jobs are in jeopardy in both the short and the long term; and

That Canada's petrochemical industry—

Some Hon. Members: Hear, hear!

Mr. Cullen: It is hard to hear, what I am saying. The petition goes on:

—is a major manufacturing sector contributing to Canada's economy, and Canada needs it; and

That the Chemical Valley in Sarnia is one of Canada's most important petrochemical centres; and

That Sarnia and all its citizens are concerned for the future of the industry, their community, their families, and indeed the country; and

That there is inequality in the costs of petrochemical feedstocks between the industry in Eastern Canada and Western Canada.

Madam Speaker: Order. I am afraid the Hon. Member is taking some latitude in what is allowed in presenting a Petition. The title of the Petition should be read out in the House and that is about all.

Mr. Cullen: Madam Speaker, I appreciate that censure. The problem I have is that the wording was prepared by them and is not mine. The wording is that of the petitioners who felt they were complying with the rules. I think they might feel they were shortchanged if I had not read it all, so I will just finish up with the prayer.

Madam Speaker: The Hon. Member, who knows the rules, might have advised them of what they could do.

Mr. Cullen: Madam Speaker, I agree that is right, and next time I am sure they will ask me. I thank you for the admonition. The prayer is:

As in duty bound your petitioners will ever pray.

Thank you, Madam Speaker.

[*Translation*]

MR. HERBERT—CENTRAL AMERICA—REQUEST THAT CANADA ESTABLISH A SOCIAL AID POLICY

Mr. Hal Herbert (Vaudreuil): Madam Speaker, I should like to table a petition on behalf of the Development and Peace Movement of the Vaudreuil-Soulanges area. It is signed by 3,424 of my constituents who urge the Canadian Government to denounce human rights violations in El Salvador, Guatemala, Nicaragua and Honduras, to develop its own economic assistance policy with regard to Central American countries, and to support the organizations which champion human rights in those countries.

* * *

[*English*]

ELECTORAL BOUNDARIES READJUSTMENT ACT

AMENDMENT TO CHANGE THE NAME OF THE ELECTORAL DISTRICT OF DAUPHIN

Mr. Laverne Lewycky (Dauphin) moved for leave to introduce Bill C-672, to change the name of the electoral district of Dauphin.

• (1540)

Madam Speaker: Order, please. I see the Hon. Member wants to make a brief statement. I am sorry, but we have passed that time and he did not rise. Will the House agree to allow the Hon. Member to make a brief statement?

Some Hon. Members: Agreed.

Mr. Lewycky: Thank you very much, Madam Speaker. I have just a brief comment on the background of the Bill.

Both the village and the rural municipality of Dauphin were incorporated in 1898, and subsequently gave their name to the Dauphin federal constituency which was created in 1903. Since its inception, the constituency of Dauphin has sent nine Members of Parliament to Ottawa, and I am honoured to serve the constituency in this the year of its eightieth anniversary.

The former village of Dauphin is now a thriving town of 10,000 people, and given its rich history of representation in Ottawa and its continued role as a major geographic, economic and cultural centre, it is important that the name "Dauphin" remain as part of the title of the constituency. Some 110 miles northwest of the town of Dauphin is the second largest town in the riding, Swan River. In its own right, Swan River is an important geographic, economic and communications centre, acting as both a focal point for the surrounding region and as means of access to Manitoba's North. Incorporated in 1908, the town has since experienced continuous population growth, in spite of the fact that there has been a move from rural to urban areas.

Historically, Swan River has been part of the Dauphin constituency. It is so under the current Parliament and under the new boundary commission proposal, and it remains in the Dauphin constituency. Therefore, given Swan River's distance from the riding's other major centre, Dauphin, and the need to emphasize its importance within the riding as a whole, given its geographic, historical and socio-economic distinctiveness, and given the overwhelming support for the constituency name change from constituents, I introduce first reading of this Bill with the motion that on May 11, 1983, the seventy-fifth anniversary of the town of Swan River, the Dauphin federal constituency henceforth be known as the Dauphin-Swan River federal constituency.

Madam Speaker: The Hon. Member has taken quite a lot of liberty in the statement that he is allowed to make at this time, but I am sure that his constituents will be very happy.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 4,589, 4,595 and 4,672.

[*Text*]

STUDY TO ASSESS TRANSPORTATION FREIGHT AND PASSENGER ENERGY CONSERVATION

Question No. 4,589—**Mr. Mazankowski:**

Was a study conducted on behalf of the Department of Transport regarding the "assessment of freight and passenger conservation options" and, if so (a) what were the terms of reference (b) to whom was the study contracted (c) what expertise does the contractor have in rail transportation (d) what was the cost (e) what impact, if any, will the results of the study have on VIA Rail Canada Inc. and on the consideration of changes to the Crowsnest Pass rate?

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): A study to assess transportation freight and passenger energy conservation is under way.

(a) The objective of this study is to identify and analyse all meaningful transportation fuel conservation strategies and assess their limits in terms of socio-economic impacts.

(b) The Department of Supply and Services, on behalf of Transport Canada, contracted this study to Jouko A. Parviainen & Associates of Oakville, Ontario.

(c) The project team includes Mr. R. O. Maughan, of Maughan Railway Consulting Services, Inc. Mr. Maughan is a transportation specialist in Rail Freight.

(d) The estimated cost is $81,315.

(e) The study report will be made available to the railways. The study should be useful for the promotion of freight and passenger energy conservation in rail transportation.

GREY CUP, 1982

Question No. 4,595—**Mr. McCuish:**

1. Were the pre-game and half-time shows organized for the 1982 Grey Cup Game sponsored by a government Department and, if so (a) which Department (b) what was the total cost?

2. Were any of the participating groups or individuals paid for their attendance at the Grey Cup Game and, if so, in each case (a) who were they (b) how much were they paid?

Hon. Mark MacGuigan (Minister of Justice): 1. (a) The Canadian Unity Information Office sponsored the half-time show for the 1982 Grey Cup on behalf of the Government of Canada. (b) cost: $77,504.

2. (a) The 48th Highlanders of Canada, (Canadian Forces Reserve Unit Band). Totem, an agency involved in co-ordinating native dancers for special events; (b) Highlanders: $5,097 (as a prerequisite to clearance for the band from the American Federation of Musicians), Totem: $1,500 paid to cover transportation and meals for fifty native dancers.

SENATE OF CANADA

Question No. 4,672—**Mr. Kilgour:**

For the most recent years for which Government records were kept, what was the aggregate cost (a) per day (b) per year to the taxpayer of the Senate of Canada?

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): The information requested is available in the Estimates and in the Public Accounts for each year since 1867. In recent years the Senate has been funded by Parliament Vote 1.

S.O. 30

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. David Smith (Parliamentary Secretary to President of the Privy Council): Madam Speaker, if question No. 4,101 could be made an order for return, this return would be tabled immediately.

[*Translation*]

Madam Speaker: The questions enumerated by the Hon. Parliamentary Secretary have been answered. Is it the pleasure of the House that question No. 4,101 be deemed to have been made an order for return?

Some Hon. Members: Agreed.

[*Text*]

EMPLOYEES OF DEPARTMENT OF AGRICULTURE ATTENDING UNIVERSITY

Question No. 4,101—**Mr. Neil:**

1. In each year 1975 to 1982, how many employees of the Department of Agriculture were given extended absences to attend university to study for either a Masters degree or a PhD and, in each case (a) what was his/her name (b) what were his/her qualifications when he/she joined the Department (c) on what date did he/she join the Department and on what date was he/she given the extended absence (d) for what period is his/her extended absence and which university will he/she be attending (e) what remuneration was paid during his/her period of extended absence?

2. Is an employee on extended absence under contract with the Department to return and work with the Department after completing his/her studies and, if so, what are the terms of the contract?

Return tabled.

[*English*]

Mr. Smith: Madam Speaker, I ask that the remaining questions be allowed to stand.

Madam Speaker: The questions enumerated by the Parliamentary Secretary have been replied to. Shall the remaining questions stand?

Some Hon. Members: Agreed.

MOTION TO ADJOURN UNDER S.O. 30

[*English*]

RAILWAYS

ANNOUNCED CHANGES IN CROWSNEST PASS RATES

Madam Speaker: I have a notice of motion for an emergency debate by the Hon. Member for Oshawa (Mr. Broadbent).

Hon. Edward Broadbent (Oshawa): Madam Speaker, I ask leave, seconded by the Hon. Member for Humboldt-Lake Centre (Mr. Althouse) to move adjournment of the House under Standing Order 30 for the purpose of discussing a specific and important matter requiring urgent consideration, namely: the announcement this morning by the federal Government of its intention to break unilaterally, the historic Crowsnest Pass Freight Rate Agreement; an agreement which dates back to 1896 and which guarantees to grain farmers freight rates in perpetuity and which provides in return to the CPR, material, land and mineral rights; an agreement which the Prime Minister (Mr. Trudeau) had promised a number of times in the House of Commons would not be changed without a consensus among grain farmers. An agreement thus unilaterally broken constitutes a complete breach of trust between the Prime Minister and the Government on the one hand and those affected by the agreement on the other hand.

Madam Speaker: There can be no doubt that the matter raised by the Hon. Member for Oshawa is important. The Chair must be satisfied that all the conditions laid down by the Standing Order are being met in this case.

Section (16)(a) states that the matter proposed for discussion must relate to a genuine emergency. In his proposed motion, the Hon. Member for Oshawa states that the Prime Minister (Mr. Trudeau) has promised a number of times in the House of Commons that the agreement would not be changed without a consensus among grain farmers. The matter has therefore been raised before in this House, and indeed in numerous ways. For example, on February 26, 1982, a supply motion was moved and debated which read in part as follows:

That this House condemns the Government for abandoning the historical and statutory rights of western grain producers by proposing an end to the Crowsnest Pass freight rate.

I must also point out that the Hon. Member stated in his notice the matter to be:

—the announcement this morning by the federal Government of its intention to break unilaterally the historic Crowsnest Pass Freight Rate Agreement;

No indication is given in the notice as to when a decision may be taken or implemented. Under those circumstances, the Chair finds no justification for the contention that the matter calls for immediate and urgent consideration. The House, in all probability, will find the opportunity in the near future, as it has, for instance, during the Question Period, to discuss this matter in another context.

Finally, the Chair has serious reservations in connection wth the terms in which the proposed motion is couched. That type of motion is perhaps more in the nature of a non-confidence motion. May I quote in part from a ruling made by Mr. Speaker Lamoureux on June 29, 1971, as will be found on page 7434 of *Hansard* of that date. It reads:

I would indicate to the Hon. Member that in my view this is not the kind of motion or the kind of subject which ought to be considered under the terms of Standing Order 26. This is essentially a motion of non-confidence. It is a substantive motion. It does not deal with a matter which is a sudden occurrence.

Under these circumstances, it is with regret that I must decide that the matter is not proper to be discussed at this time under the terms of Standing Order 30.

Mr. Broadbent: Madam Speaker, for technical reasons I am not entirely surprised by your ruling and I respect that judg-

ment. However, we did not know earlier today that the Government was going to make such an historic announcement affecting farmers throughout Canada, particularly in the prairies. I had hoped that the Government would at least have the courtesy to make a statement on motions, so that we would have a chance to debate the matter. This not having been done, Madam Speaker, I move the adjournment of the House.

Madam Speaker: I am very sorry, but the House cannot accept the motion to adjourn the House because the House at the present is under an order of the House. There is some order of business that has to be completed before any such motion could be in order.

I regret to have to say to the Hon. Member that I cannot accept his motion to adjourn the House. Standing Order 8.(3) reads as follows:

When it is provided in any Standing or Special Order of this House that any business specified by such Order shall be continued, forthwith disposed of, or concluded in any sitting, the House shall not be adjourned before such proceedings have been completed except pursuant to a motion to adjourn proposed by a Minister of the Crown.

For that reason, and based on this Standing Order, I cannot accept the motion of the Hon. Member. It is out of order.

Orders of the day.

GOVERNMENT ORDERS

[*English*]

OLD AGE SECURITY ACT (NO. 2)

MEASURE TO AMEND

The House resumed consideration of Bill C-131, to amend the Old Age Security Act (No. 2) as reported (without amendment) from the Standing Committee on Health, Welfare and Social Affairs, and the motion of Mr. Dantzer (p. 21795).

Mr. Sid Parker (Kootenay East-Revelstoke): Mr. Speaker, before the lunch break I was speaking about the amendment to Bill C-131 and referring to the comments made by the Conservative Party, specifically those of the Hon. Member for Athabasca (Mr. Shields) and the Hon. Member for Edmonton-Strathcona (Mr. Kilgour). The latter Member stated in his speech that his Party considered that the application of the six and five program to working people was not a problem and that they could support it. He said they were opposed to its application to Family Allowances and pensions. They knew full well from the statements and the "Budget in Brief", that it was tied to the Family Allowance, to pensions, and to the various programs.

● (1550)

The Conservative Party and the Liberal Party have openly attacked social programs for which we have fought so hard over the years. The Hon. Member for Winnipeg North Centre (Mr. Knowles) fought in the House to gain these programs, and now they are being eroded away with the help of the Conservative Party. For Conservative Members to rise in the House at this time after supporting Bill C-124 is a disgrace to the intelligence of the people of Canada. Canadians know that they supported the basic program, Bill C-124, which created the problem we are having today. This was well spelled out in June when the Government presented the program. Today we saw a prime example of what was taking place in the House. At that time I spoke about some of the things which were happening with regard to the six and five program. I said that the President of CP Rail, Ian Sinclair, had been appointed chairman of the blue chip committee to expound on the virtues of the six and five program. At that time the President of the Treasury Board danced to the tune of the President of CP Rail, and the Minister of Transport (Mr. Pepin) danced to the tune of that program. Now we have the Minister of State for Economic Development (Mr. Johnston) dancing to that tune.

We have a situation where the Government of Canada and the Official Opposition are supporting the kind of structure wherein big companies dictate the policies which are eroding the very basic social programs for which we have fought so hard.

I see Mr. Speaker motioning to me. I thank the House for the opportunity of participating in this debate.

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, I am glad to rise once again and participate this time in report stage of Bill C-131. I recall very well at second reading the Hon. Member for Thunder Bay-Nipigon (Mr. Masters) telling us that his mother liked the capping of her pension, and the Hon. Member for Mission-Port Moody (Mr. Rose) talking about whether she was going to kneecap him or he, her. In any event, his mother did not write me. The Bill has been through committee and it is back here for report stage. It is not my intention to talk about my mother. I suppose I could because she is a recipient of the old age pension as well. Rather, I think it is pertinent to talk about the need of Canadian pensioners for this meagre income, if that is all they have, which was promised to them by their Government and is now proposed to be reduced. I use the word "reduced" in its proper sense. The Government says that they will still get an increase, but anyone would know that the purchasing power of these pensions is being reduced.

I heard the comments of the NDP Member who spoke before me. He was critical of the fact that the Progressive Conservative Party opposed this Bill at the same time as it supported the six and five program. I find that to be the most natural coupling of ideas. We on this side know, even if the Party to my left has no idea of any economic realities, that the Government must exercise some restraint.

Some Hon. Members: Oh, oh!

Mr. Clarke: Mr. Speaker, when one pricks a balloon one gets a lot of hot air out of it. If they will allow me to continue,

let met say that we on this side know that the Government must begin to balance budgets. There are only two ways of doing this. I remember many people coming before the Standing Committee on Public Accounts and presenting ways of balancing budgets, eliminating deficits or whatever. There are only two ways. One is to restrain expenditures and the other is to increase revenues. The policies of the Government opposite have given us neither of those two things. They have given us reduced revenues and increased expenditures. How have they done this?

They have gone through and increased estimates all the way along the line, normally far in excess of any reasonable amounts which might have been expected because of inflationary gains or anything like that. Then, because of their other economic policies, they have thrown 1.3 million Canadians out of work. Not only do these Canadians cease to be taxpayers contributing to the general revenues of the country, but they become a serious drain, through unemployment insurance, which has amounted so far this year to $8 billion. That is not a way of balancing budgets.

Now, having succeeded in getting the budgets so far out of whack that there will probably be a $26 billion deficit this year, not counting unemployment insurance payouts, the Government decided to practise more restraint through this Bill by reducing the increase due to old age pensioners. I choose carefully the words—increase due to them. Generally speaking, these Canadian pensioners have been through one depression. Some of them might say that they have been through two or three. They have been through more than one war. Some might have even been through four wars. They have contributed throughout their whole lives to this country. For the most part—and I am not speaking of the well-to-do ones—they are depending on the country now for their very existence through this relatively meagre old age pension. To take away the ability of the pensioners of Canada to keep up is a reprehensible move by the Government.

It is not as if there were no other way to solve the problems of Government. In the recent budget adjustments—and I cannot remember which of the last three since none of them has been fully brought into effect—there was a proposal to reduce the highest marginal rates of personal income tax. From a certain economic or business point of view that is commendable. It is a way of creating more capital pools, which are very important for creating jobs in Canada. It is a better way for the Government to get more tax revenues, because higher tax rates penalize producers and it encourages things like underground economies. If by a simple adjustment they increased the tax rates, not reduced them as much as they propose now, they could have acquired the extra revenue from general taxpayers—and this is a very small amount about which I am talking—including higher income pensioners. I am sure they would not mind contributing a little of their highest-end income in order to save the most needy of our pensioners from this reduction in their purchasing power.

What I am saying is that there were many ways in which the Government could have attempted to balance budgets. We on this side support its attempts at restraint. This is why we supported Bill C-124. We could see that the six and five program had its attractions and in many ways was a necessary evil. However, to try to balance budgets on the backs of pensioners who have been through wars and depressions and are at the mercy of the Government now for some degree of dignity and well-being in their old age, is a measure which we deplore and with which we do not agree. This is why we have spoken consistently against this unfair and unnecessary attack on Canadian senior citizens.

• (1600)

Mr. Douglas Roche (Edmonton South): Mr. Speaker, in rising to speak at report stage of Bill C-131 and particularly to give support to the amendment introduced by the Hon. Member for Okanagan North (Mr. Dantzer), I want to pay special tribute to his leadership on the entire question of pensions which has enabled the House to take a good look at all the implications of the changing demographic scene in Canada. This has now led to a special study in which my colleague, the Hon. Member for Okanagan North, will play a very important role.

I am struck once more by how the Government want only breaks its commitments in the name of six and five. Just as in the case of Public Service pensions with Bill C-133, the Government is indulging in the gamesmanship of six and five to breach its obligations arbitrarily and unilaterally. It was nearly nine months ago, on April 20, 1982, that the Minister of National Health and Welfare (Miss Bégin) told the conference on industrial relations:

> We have no intention of changing the "rules of the game". We want to maintain the indexing of Old Age Security Pension and Supplement every three months, and to retain the universality of the basic OAS pension.

Now I ask you, Mr. Speaker, what about the question of credibility of the Minister of National Health and Welfare in the light of that statement? What about the question of the credibility of the Government with senior citizens who only have us on this side of the House to raise their case that inflation and the ravages of inflation must not be fought on the backs of people who are the most defenceless?

This present about face reminds one of 1974 with the "Zap, you're frozen" statement of the Prime Minister (Mr. Trudeau) or of the 1980 pledge of cheaper energy prices. We see now how hollow those promises were. Credibility is surely the most essential bond between a Government and its electorate, especially that part of the electorate that is the most vulnerable, our senior citizens. To the very limited extent that this Liberal Government maintains any credibilty with the Canadian people, then Bill C-131 damages it still further.

My second major objection to this piece of legislation now before us at report stage is that it fights inflation on the backs of those who are least able to bear it. It is true that the Government is compensating the least advantaged through the Guaranteed Income Supplement, which brings their income to the level that it would have been otherwise. But that does not

help the approximately 1.1 million pensioners who are just slightly above the cut-off or poverty line.

Last summer I went on an extensive door-to-door tour of my constituency of Edmonton South. I spoke literally to hundreds of people, many of them senior citizens. Time and again they spoke of life on the brink of poverty with shoestring budgeting. It may well be that Bill C-131 will cost the senior citizens "only" $290 over 1983 and 1984 in lost indexation that otherwise would have accrued to them, but I submit that this sum is too much for them to bear. A public opinion sounding which I took in my riding, moveover, revealed that fully 62.2 per cent of all my constituents supported increased, rather than reduced, support for senior citizens.

I also have reservations about the Government using GIS to make up the loss in Old Age Security. Since the Guaranteed Income Supplement is means tested, that suggests we are getting away from the principle of universality. It may be that Bill C-131 is thus the thin edge of the wedge; the beginning of a process by which government pensions will become a privilege and not a right.

Through these measures, the Government claims that it will be saving some $31 million. The figures seem to vary as to what exactly will be saved. I do not think the Government even knows, except that it will be a rather minor amount relative to the totality of the federal budget deficit of some $23 billion. I wonder whether it is worth breaking a fundamental commitment to the senior citizens of this country for this sum. Why does the Government not look at cutting the deficit through saving in Government advertising, which costs are now approaching $100 million a year? What about many other expenditures which the Government can cut? Many of them the Government has made over the past decade largely to increase its own political popularity. Why does the Government not take a good, hard look at those kinds of things to try to approach some degree of sanity in the $23 billion deficit level rather than going to the senior citizens first, the most vulnerable people? To make senior citizens an exception to the Government's six and five program might be doubly appropriate as a reflection of the Government's confidence in its own anti-inflation program. If the Government is so certain that inflation will fall, then payouts for Old Age Security will fall correspondingly. Hence, why is this ever optimistic Government breaching a trust and causing hardship to cap pensions which, when inflation falls, will not mean capping in any event?

Above all, the Government is being quite hypocritical in maintaining, as the Minister of National Health and Welfare did on second reading of this Bill, that Bill C-131 is "asking 1.1 million Old Age Pensioners to help lead the way in the fight against inflation"?

Finally, I object to this Bill because it is an ad hoc approach to a basic issue facing our society, which is the caring for the elderly in a manner which is economically viable, and above all socially just. We have spent literally hours of parliamentary time debating public service pensions, and now Old Age Security. Would it not have been more profitable to begin consideration of the broader question on aging and some action following the United Nations Conference on Aging which took place in Vienna in 1982? What about a long-range approach to consider all the implications of demographically changing lines in our society, in which we know we are entering, what is to be called the greying of our society?

To this end at the start of the new session, if there is ever going to be a new session and an end to this interminable first session that has brought such misery to the people of Canada, I will be proposing a motion to consider the subject of aging in its entirety; to consider all of the aspects of aging today, both demographically and economically. I will make some proposals in a Private Member's motion at that time, Sir.

Once more, I urge the Government to reconsider its short-term palliative Bill C-131. It breaks the Government's word, it creates hardship and it is hypocritical. Against these points, the gamesmanship of six and five is no defence whatsoever.

• (1610)

Mr. Ray Skelly (Comox-Powell River): It is with a great deal of pleasure, Mr. Speaker, that I rise to speak on Bill C-131. Before I make my introductory remarks, I would like to comment on some of the input from the Hon. Member for Vancouver-Quadra (Mr. Clarke) who spoke previously. He seemed to have some problem in understanding why we ridicule his Party on their position on Bill C-124 before it came into law and on their present position of opposing the legislation relating to civil servant pensions and old age security. I think that most of us are confused about the Conservatives' position on leadership and a number of other matters. The Hon. Member suggested that we do not understand the economics of the issue. I fail to see how anyone can understand their actions after witnessing what they did last weekend and seeing their position on Bill C-124 last summer which invoked the six and five program.

I think people should be very aware of the Conservatives' view of that legislation at that time. There was an amendment moved by the NDP, which the Conservatives voted against, that the six and five legislation not apply to pensions. We are not talking about confusion; we are talking about blatant hypocrisy. That Party cannot have it both ways. They will either have to stand up on principle or put up and shut up. That is about the size of it.

It is rather interesting to see some of the responses that the Conservatives made to this legislation. They had many opportunities to have all their Members turn up and vote against the legislation, but their record is atrocious. As a matter of fact, when their Whip was asked where his people were on many occasions, he stated that they were out at static cling conferences and quilting bees. When the Hon. Member for St. John's West (Mr. Crosbie) was asked what his Party's policy would be on some of these economic issues that affect senior citizens, his response, as reported in *Maclean's* magazine was, "If we told them what we would do they certainly would not elect us in the forthcoming election." I suggest that we are looking at

issues that distinguish between truth and hypocrisy on the part of the Conservative Party.

The legislation we are discussing today ultimately deals with the economic policy of the six and five program. Anyone who is evaluating the economy and the six and five policy and who has any integrity will see that this legislation is destructive.

The Liberal Party has failed to instil any sense of direction in the people of this country in attempting economic recovery. It has, instead, imposed its six and five policy on pensioners, those who depend on Family Allowances and others in our society who cannot afford the kind of restraint the Government is imposing upon them. If the Government had imposed that kind of restraint on Michael Pitfield, perhaps its credibility might be somewhat stronger today. I would suggest that the Liberal Government of Canada is probably one of the most discredited groups in the country today. It has discredited itself because of its blatant economic attack on pensioners, retired civil servants and those who depend on the Family Allowance income. It is a totally wrong direction to take toward economic recovery.

The previous speaker mentioned that we are anticipating a new budget and speech from the Throne if this session ever ends. It is amazing that we have not heard one constructive suggestion from the Government in the time that we have been here. It has only caused chaos and conflict in the country up to this time, and this legislation in front of us now is no exception. I hope that the Government will resolve to find programs that will assist the country so that we may see a new Speech from the Throne and a new budget. Hopefully, there will be measures in the budget that will provide assistance to the senior citizens in this country, instead of hammering the pensioners and retired civil servants as this legislation does.

It has been many years since the Government last introduced any constructive measures to assist senior citizens. At that time the Government added a paltry sum of $35 to the base rate of pensions, and allowed it to increase through indexation. However, that foundation of indexation has been chopped out as a result of the present legislation. That $35 increase was a sham. We should be considering a program to support senior citizens instead of being faced with this legislation in the House.

I find it very offensive that the Government is totally ignoring the diversity of this country. This is evident when one sees the assumptions made in the Bill. Senior citizens who live in rural areas such as the area I represent find the cost of living extremely high. They find the cost of food, housing, transportation and other services extremely high. At this time they need every nickel they can manage to eke out of what is already a very inadequate pension. They do not need their pensions cut back by a six and five program. The Government's assumptions are totally inaccurate when dealing with senior citizens. Instead, we should be considering an increase in pensions to meet the cost of living, and certainly an increase in the base of those pensions.

I would like to deal with housing as it affects senior citizens. There is a great shortage of decent housing for senior citizens in many communities. What housing is available is generally high cost. Provincial Governments, which have traditionally taken responsibility for carrying on senior citizen programs, have reduced revenues, with the result that senior citizen housing programs are in a state of collapse. Therefore, there are hundreds of senior citizens in small communities such as Powell River waiting for access to decent and reasonably priced housing. We should be considering matters such as this, instead of trying to find ways to cut indexing on senior citizens' pensions. They should be provided with additional services. As well, the Government should be considering ways to offset the high cost of living.

Intermediate care for seniors is another area of concern. Many senior citizens do not have access to intermediate and extended care facilities. Many of the facilities in this country are without adequate funds and have very limited programs. Many of these facilities are merely human storehouses where people are put out of sight of the community. In many cases they are the most appalling spectacles I have ever laid my eyes on. Yet the Government sits on its thumbs doing nothing for senior citizens who need those types of services. The hypocrisy is astounding.

We should be considering the provision of better recreation facilities for seniors, instead of capping their pensions at six and five. We should be providing adequate recreation and community support services for seniors so they could enjoy their declining years, instead of worrying about what the Government has in store for them in its next measure.

Most senior citizens are confined because of inadequate transportation services. They are becoming less active and, in some cases, they are in declining health and thereby confined to their homes. They are not able to participate with family and friends in the community. The Government's role, both federally and provincially, is absolutely disgusting in this regard.

Finally, I would suggest that the matter comes down to straight politics. There are three Parties in the House. I believe the Conservatives have clearly illustrated that they are absolutely in bed with the Liberals on this particular issue. They favour the restraint program. It is not Dome, Massey Ferguson or Chrysler who are being told to tighten their belts. It is not Ian Sinclair or the Royal Bank of Canada. Those two Parties, the Conservatives and the Liberals, chose to make senior citizens tighten their belts and probably take their belts off and tighten them around their throats. This hypocrisy must end.

Those two Parties have to take their heads out of the sand and recognize that we cannot have it both ways. We have to stand up on this principle and provide adequate funding for these people and abandon this self-destructive approach of the six and five program, especially as it is applied to seniors, retired civil servants and people attempting to live on Family Allowance.

• (1620)

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, as I join in the debate today, I suppose we are coming to the end of this trio of discriminatory legislation which the Government has seen fit to bring out. I might just briefly recall the remarks of the Hon. Member who spoke previously. He said that the Tories were in bed with the Liberals on this matter. Certainly we are not in bed with the Tories—with the Liberals on this matter.

An Hon. Member: We know you are not in bed with the Tories.

Mr. McKinnon: As I said the other day, when there is some noise in this House, it always comes from that small pack of lonesome souls on the left-hand side who are better at making noise than at making sense.

There are three Bills which we sometimes discuss. The NDP have been ostensibly or supposedly speaking on Bill C-131 today and on Bill C-133 a few days ago, but all their speeches have really been on Bill C-124. They like to claim that these are part of Bill C-124. Bill C-124 was the six and five legislation which, for the most part, applied to civil servants who are in the work force, with all that entails. Bills C-131 and C-133, which we oppose, are designed to apply against senior citizens. Some of them are more senior than others. My constituency has several of both kinds.

Bill C-131, which we are discussing today, hits at the old age pensioners and their pensions. The bill which we discussed a couple of days ago, Bill C-133, applied to retired civil servants. However, these are elderly people. Bill C-124 was made to apply against people still in the work force, still with bargaining capabilities, still with flexibility in their lifestyles and their choice of occupation. Not everyone has it, but some have. Of course, it is of interest that Bill C-124 called for a pay cut in the salary of MPs, which would lead to a pay cut in their pensions later on, and the NDP opposed the Bill. We voted in favour of that pay cut for MPs and it was passed. We have cheerfully paid the 5 per cent ever since and will continue to do so.

I see that the Minister of Veterans Affairs (Mr. Campbell) has entered the House. A little earlier today he spoke on a matter of some interest to me with regard to veterans. Concerning the indexation of veterans' pensions, the Minister has at times used terms which would lead people to draw the wrong conclusion. A matter of terminology is involved which is unfortunate. I am certain that the Minister does not intend to mislead some of the pensioners, but he does.

The Minister included a note with the last cheques sent out from the Department to disabled veterans and their widows and to those who receive the War Veterans Allowance. There may be others, but that is the general group to whom the cheques are sent. To the general public, a "veteran" means someone who served in a war or, I suppose, served in the forces for a long time. Indexation certainly does apply to many people who served in World War II. Disability cheques, not veterans' cheques, are received by those who suffered disabilities during their service, probably in World War II or even in peacetime, although they are the rare exceptions, believe me.

In any event, the message included in those cheques sent out stated:

Dear friend,

Having heard a good deal about the Canadian Government's assault on inflation, you may have had some concern about the effect of the "six and five" program on your own pension. I am pleased to inform you that "six and five" restrictions do not apply to disability pensions or widows pensions.

That is fine, so far. It continues:

Effective January 1, 1983, disability pensioners and recipients of widows pensions will receive a cost of living increase of 11.5 per cent.

It is fine until that point, but then the Minister states:

The Canadian Government considers veterans to be a very special group of citizens.

He does not mention disabled veterans or widows of veterans, but he says that veterans are a very special group of citizens. He states:

It is for that reason the purchasing power of your cheque is being maintained by the addition of a full cost of living increase. It is the Government's way of saying "Thank You" to Canadian Veterans and their dependants for unselfish service when it was needed.

The problem there is that a great number of veterans who draw the old age pension and perhaps a small disability pension believe that they will not suffer from this legislation, but they certainly will, because if they are drawing the Old Age Security payment, they will be limited to the 6 per cent increase throughout the term of this year.

Today, the Minister again rose in response to a speech made by someone in the small group to our left, I believe, to point out that veterans' pensions had not been subject to a capping of indexation. It depends on what kind of a veteran one is. In terms of the veterans' disability pension, the Minister is correct. If he is referring to other pension cheques received by people who are veterans, he is incorrect. I would hope that he, being the gentleman that I know he is, would clear that up, possibly with another memorandum which he could send out with next month's cheques.

I would like to discuss briefly the position now of the Minister of National Health and Welfare (Miss Bégin). It can only be embarrassing, I assume, because of what she has allowed to happen as a result of this program. The Government has seen the old and infirm as its first target in its effort to show that it knows what restraint means. There is doubt that it knows what restraint means at all. Its intimate knowledge is far removed, I can assure Hon. Members. There is no indication that there will be any restraint in the Government's public attitude toward self-aggrandizement, self-advertising and looking after its friends in a variety of positions. Its attitude is exemplified in a letter issued on the subject a month or so ago which stated:

The people who will have this reduction in living standards imposed on them are single people with current annual incomes as low as $8,640 and coupled with current annual incomes as low as $11,760. These are not the nation's rich who are being asked to pay for the recession and the Government's fiscal problems.

I entirely agree with that letter. There is no doubt but that there is a vast area that is left above those rather small incomes, in this day and age. I suppose there are enough people, if there were any justice in this world, to upset the Government. However, I doubt that they will be doing that.

I am glad to see that the Minister of National Health and Welfare is entering the House. She has not yet resolved, to my satisfaction, a problem concerning pensions which I mentioned yesterday. If she would not mind dealing in rough figures, perhaps she could outline what would happen to a pensioner receiving Old Age Security payments of, say, $250 a month—I believe it is approximately $253 right now—and also receiving a private pension of $248 a month, bringing the total just below the area in which one would receive the Guaranteed Income Supplement. I believe the Minister said yesterday that even if one received a supplement of as little as $2 a month, indexation would apply. I want to know if the indexation would include the indexation of the private pension, because if there is a minimum income which everyone is to receive, it will escalate at the rate of the Consumer Price Index. In order to fill the gap, the example of $2 which the pensioner draws on the Guaranteed Income Supplement would have to increase by perhaps $25, from $2 to $27 in the next month, from $27 to $50, or something like that. I want to know whether that will in fact keep pace with the Consumer Price Index for all of that person's income, not just for the Guaranteed Income Supplement. If so, this would amount to supplementing a private pension, and I feel that that is something the Government should consider and upon which it should make a clear policy statement.

I have completed my remarks, and if the Minister wishes to reply to my question, she will certainly have my concurrence.

[*Translation*]

Miss Bégin: Mr. Speaker—

The Acting Speaker (Mr. Corbin): Is the Hon. Minister of National Health and Welfare (Miss Bégin) rising on a point of order?

Miss Bégin: No, Mr. Speaker. I thought that under the new system with which I am not yet familiar, I had to reply immediately to the Hon. Member, failing which, the official record would show that the Government had refused to reply. When are we supposed to—

The Acting Speaker (Mr. Corbin): No. Order, please! There is no question and answer period provided for at the report stage. With the unanimous consent of the House, however, including, of course, the Hon. Member who has just resumed his seat, the Minister could perhaps entertain a question.

• (1630)

[*English*]

Has the Minister the unanimous consent of the House to reply to those matters raised by the Hon. Member who has just spoken?

Some Hon. Members: Agreed.

Miss Bégin: Mr. Speaker, I am glad to answer that question because we all care for pensioners. The answer to the Member's question is that if a person receives the basic OAS and a pension from a private source of whatever nature, which is small enough that that person qualifies also for a very small GIS, say $2 or $5 a month, then that pensioner is considered to have a total income so low that his or her full OAS and the small GIS is fully indexed. Do I answer correctly?

Mr. McKinnon: Mr. Speaker, I rise on a point of order. That is the worst possible news I could have received. I had hoped that their income would rise to some level that the Minister has in mind, not just a small supplement to each of them because of indexation.

[*Translation*]

Mr. Roy: Mr. Speaker—

The Acting Speaker (Mr. Corbin): Order, please! I apologize to the Hon. Member for Laval (Mr. Roy)—

[*English*]

Mr. Skelly: Mr. Speaker, I wonder whether on the same grounds that the Minister had an opportunity to put a question, I would like to—

The Acting Speaker (Mr. Corbin): Order. I suppose that could be done if there was unanimous consent.

Some Hon. Members: No.

The Acting Speaker (Mr. Corbin): There is not unanimous consent.

Mr. Skelly: Mr. Speaker, I rise on a point of order. I wonder if you would make some judgment as to whether the Hon. Member's remarks were factual in that he failed to indicate to the House that he had voted against an amendment—

The Acting Speaker (Mr. Corbin): Order. I am afraid that is not a point of order, it is debate.

[*Translation*]

Mr. Marcel Roy (Laval): Mr. Speaker, for several reasons I am pleased to speak to the Act to amend the Old Age Security Act (No. 2), but since my time is limited due to the fact that the debate will be ending in a few minutes, I must try and clarify certain aspects which have been left in doubt.

The way the two official Opposition parties see it, it is a disaster, but, as the Minister has kept repeating at the report stage, at second reading or in Committee, it is not a disaster

but indeed the application of a principle aimed at capping indexation in all sectors at 6 per cent the first year and 5 per cent the second year. But the Minister, the Cabinet and the Government have protected the elderly. Those who benefit from income security will not be affected; therefore, all such elderly people will receive their full pension with no change in the indexation. Spouses as well will benefit from it, Mr. Speaker. If they figure on the list of income security recipients, they will not be affected in any way whatsoever. Members opposite are somehow on a witch hunt if they expect the people to believe that, but they will not succeed. All one needs to do is to meet with senior citizens, as I have done recently. As the Opposition claims, those people were under the impression that they would lose part of their pension and that they would be driven right out of their homes. That statement has been made in the course of the debate, Mr. Speaker. Let us call a spade a spade. I read in yesterday's *Hansard* that the Member for Kingston and the Islands (Miss MacDonald) had said that a number of Members had spoken to the Bill, but that in committee, and I am quoting from page 22342:

—we had only four sessions to hear witnesses. Every single witness and every group and organization appearing before us, crowded into those four sessions, violently and strenuously opposed the measures in the Bill.

The Hon. Member is implying that the committee did not sit long enough. In fact, I was responsible for chairing all sessions held by the Standing Committee on Health, Welfare and Social Affairs. When Members so requested, the Minister was always available and always attended Committee sessions to answer questions put by Members. The reason we had only four sessions is that we had no other witnesses who wanted to appear before the committee and give evidence. Mr. Speaker, the list of witnesses shows that the most concern was shown, not by senior citizens, but by the Opposition, who wanted to play politics, because they even invited members of the Public Service Alliance of Canada to fill the room where one of the Committee sessions was held, and all associations and organizations who, through the Clerk, asked to appear before the Committee, were duly received.

In fact, many times the Clerk had to call witnesses on the telephone to get them to appear before the Committee. So if the Member for Kingston and the Islands says that there was a restriction on the number of witnesses, I can inform the House that that is absolutely not true. All witnesses and associations who wanted to appear before the Committee were duly received, all the time normally available was indeed used, we extended the time during which the Committee was supposed to sit and once, when the Minister was appearing before the Committee one evening, Opposition Members said after a half-hour of debate: We have no further questions. The evidence contained in the issues of the Standing Committee on Health, Welfare and Social Affairs shows that anyone who wanted to appear before the Committee was admitted, and that included any Members who wished to take part in the debate. However, the same issues always comes up. It was implied that the senior citizens were being victimized by the six and five program. Hon. Members opposite have never realized that inflation is the worst problem for people on a fixed income and that this is why we want to curb it. If inflation continues to increase at the same rate as in the past, obviously the gap between have and have-not in our society will widen. We only have to look at the Senate report on poverty to realize to what extent some people become the victims of inflation, and these people are always those on fixed incomes. This is why the Government is attacking this cancer in our economy, namely inflation, and we are now witnessing a reduction in the inflation rate. The gap caused by inflation is closing up.

Mr. Speaker, senior citizens know who is responsible for our pension scheme in Canada. They know that it is the Liberal Government and the Liberal philosophy. the New Democrats spoke about it, but the Liberals acted. Mr. Speaker, you come from a very beautiful area and you certainly have often seen ships going by and gulls flying over them. The gulls think of themselves as captains of the ships, but they simply fly over them and leave their visiting card as they pass. But the captain is the master on board. While the New Democrats talk about pensions, the Liberals act, they pass legislation and for 25 years now have been providing pensions to senior citizens and widows who need them, by amending the Old Age Security Act.

Mr. Keeper: You are cutting down pensions!

Mr. Roy: Mr. Speaker, I believe that it is important for these people to feel secure. We have to consider how far-ranging this debate has become.

The Hon. Member for Kingston and the Islands asked the Director General of Planning, Evaluation and Liaison, Mr. Allen, the following question: "What would be the cost during the first month, that is January, for the people affected? I am not speaking about those who receive the income supplement as they will not be affected. I am not speaking about spouses whose income is guaranteed as they will not be affected. I am speaking about those who receive only the basic pension; by what amount will their January cheques be cut?" This was the reply given by Mr. Allen to the Hon. Member for Kingston and the Islands: "Let me qualify my answer. We are projecting a reduction of about 50c. per pensioner in January 1983, that is 50c. for each pensioner who has a sufficient income and does not receive any supplement." I repeat that the figure quoted was 50c. per pensioner in January, but the Opposition has amplified this throughout the debate and has even suggested that some senior citizens will lose their homes.

Mr. Speaker, this shows to what extent the Opposition is willing to play politics on the backs of senior citizens, but we only have to meet with these people to realize how much confidence they have in the Minister of National Health and Welfare (Miss Bégin), who with the continuing support of

Government Members, has always protected them and defended them in Cabinet.

• (1640)

Mr. Keeper: Mr. Speaker, I have a question for the Hon. Member for Laval (Mr. Roy).

The Acting Speaker (Mr. Corbin): Is the Hon. Member for Laval willing to accept a question since there is only one minute left to the time allotted to him?

Mr. Roy: Certainly. This is my reason for giving the Opposition the chance to ask questions, Mr. Speaker.

The Acting Speaker (Mr. Corbin): The Hon. Member for Winnipeg-St. James (Mr. Keeper).

Mr. Keeper: Mr. Speaker, NDP Members propose and Liberal Members dispose. NDP Members are now suggesting that the Government should pay full pensions to the pensioners. Why is the Liberal government not withdrawing this bill?

Mr. Roy: Because the Liberal Government is responsible for running the country in much the same way as the captain at the helm of his ship. While the NDP Members are like seagulls, chirping and taking wing, the Liberal Members are assuming their responsibility of governing the country. Inflation was the main factor limiting the development of our economy and this is why various programs have been set up. Inflation is slowing down from month to month. And when inflation reaches its normal level, if this is still possible, then we will increase benefits to old age pensioners and, I am sure, Mr. Speaker, that the Liberal philosophy will once again be implemented.

[*English*]

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, in defence of this Bill, the Hon. Member for Laval (Mr. Roy) overlooked something which some of us would probably remember a little better than he would. The first accommodation provided for senior citizens or others who might need accommodation away from home was provided by organizations in this nation. They might have been provided by the CWL, The Women's Institute, The Eastern Star, or what have you. I happen to have had some personal experience with them in my Province.

When they were established, the old age pension, so-called at that time, gave the citizen residing in those homes the full cost of his or her resident requirement, including food plus a few dollars, $3, $4 or $5 which might buy some cigarette tobacco, chocolate bars once in a while, or whatever. There was a little bit left over from the pension for that purpose.

No matter how you slice this cake, there is no residence away from home for senior citizens within the price of the old age pension cheque. Not only is that accommodation no longer available as it was at that price, it now requires an additional payment of $30, $40, $50 or $100 a month in those homes which were long since bought and paid for and where there is no capital cost. They cannot survive on their old age pension. Supplementary payments are required.

The relative value of the old age pension today versus that of its initial conception is below the value that was intended. In addition, it is now proposed to limit the indexing of it to six and five. People now residing in those homes will be even worse off. They will have to get other public support in many instances in order to reside in those homes. That is an utter and complete condemnation of this Government and its management of the affairs of the senior citizens of this land. This is one reason why this concept is so thoroughly opposed.

Of course, they have arrived in this position because they ignored the advice of some of their predecessors, even in their own Party. They ignored the advice of economists who used to say we should have cyclical budgeting, that we should have a surplus when times are good so that we can afford a deficit when times are not so good. That went out the window long ago with the extravagance of Liberal politics.

Budgets have been increased successively to the point that the Government now finds itself so constrained that it cannot index the old age pension. That is the gravest condemnation that this Government could receive.

There has been some discussion about war veterans pensions. I do not think this issue should have been left entirely as it was. I do not criticize anyone who made a comment, but we should point out that those who served in the Armed Forces for a period of years and earned a retirement pension now find themselves subject to six and five in respect of their pension as do other people. Do not try to tell all of those who have been in the army that they are not subject to six and five, because a great many of them are.

So much for the Government's lack of wisdom as it abandoned the cyclical process of financing the requirements of this nation. This is probably the end result of its lack of economic wisdom which has been evident throughout this land. The people of Canada should know this. If they do know, or ever did know it, they should again be reminded.

It was my privilege to sit in this House when John Turner introduced a budget. I can still see him as he defended that budget. As we criticized it, he defended it just like an evangelist. One would have thought it was the best thing since sliced bread. My comment on that budget was that it was the beginning of the step toward an 80 cent dollar. In his budget, he paved the way for the extravagance of Government to this day. In his budget he set an example for successive increments and deficit financing.

I made a remark at a gathering which happened to include some bankers, one of whom was within earshot, a rather responsible senior banking person. I made that remark to him in 1973. He asked me what I thought about the budget. I said, "Well, Mr. Bell, this is the first of the steps that the Liberal Government will take to bring us to an 80 cent dollar." He looked at me and said, "For any Member of Parliament to be

as irresponsible as to make a statement like that about the stability of his own dollar is real heresy."

• (1650)

I said, "That might be so, Sir, but my prediction will rest upon what this Government does this year and what it continues to do in successive years". I do not take back my statement that this is the basis for the 80 cent dollar. And the evangelistic Turner stood across the floor of this House and defended that extravagance with a verve that could hardly be understood in view of the way he is presented to the Canadian public today. Those were the budgets which started us toward the position where we can no longer extend to civil servants, old age pensioners or retirees from the army the indexation for which they paid and which this Government committed itself to extending to them. This is unquestionably an absolute reneging by the Government of Canada on its contractual arrangement with those people. It is criminal that we should have to neglect the needs of this nation so badly and that we should have conducted our financing with so little forethought.

But it is even worse than that, Mr. Speaker. We have today a group of farmers who are going bankrupt. We are in a financial position where we are not going to index pensions for civil servants or any retirees. Nor are we going to put enough money into the Farm Credit Corporation to extend to farmers the bridge financing they so badly need. We are, however, going to put billions behind such crummy corporations as Maislin. Where is the judgment of this Government with respect to the needy people of this land? How can we put literally billions into guarantees for outfits such as Dome, Chrysler, Massey-Ferguson and Maislin and then say to our old age pensioners: "I am sorry, but we cannot index your pension"? Does the public not understand the hypocrisy which this Government is practising?

Why am I concerned about this, Mr. Speaker? It happens that the latest statistics indicate there are approximately 8,700 people in the constituency of Carleton-Charlotte who are over 65. These people, constituting 19 per cent of the voters in my riding, are going to be affected one way or another. Now, let us carry that a little further. There are roughly 3,000 who do not get the GIS, which means there are 5,700 who do. So the 3,000 do not get indexation. I know some of those people, Mr. Speaker, and they are scraping the bottom of the barrel to get by now. When the Government uses a broad brush in this policy of retrenchment, it is not being equitable. It has not recognized the real and pertinent need of some people.

It would be popular in the eyes of Canadians, perhaps, to say to a retired deputy minister or a retired director general with 35 years of service: "We are not going to index your pension". Of course, no Member of the Government would admit that a deputy minister who retired five years ago is now getting more pay in pension than he drew when he was employed. So he is all right, he is looked after, but the little guy below the poverty line is the one who is going to suffer.

What about the army retirees I mentioned earlier? What about those who have had short service in rather menial jobs and they retired five or ten years ago? They have been struggling to exist and their pension will not be indexed except to the extent of 6 per cent. They have not had the opportunity a retired deputy minister or director general has had to be receiving more in pension than they ever earned. These people are going to suffer because the pension they accumulated over, say, ten years of service does not amount to much.

I see that I have used up my time, Mr. Speaker, but I want to say to you that the broad brush approach of hitting everyone over the head with a club does not work. We need a compromise between the insanity of that approach and the need of many people.

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, I also rise on the report stage of Bill C-131 to express my extreme disappointment that the Government is attacking a certain segment of our society under the guise of six and five. Government Members need to realize right from the start that the only reason that we have these cutback Bills is the years and years of deficit we have had, the years of Government spending more money than it was taking in. Those deficits led directly and inevitably, as they have since the beginning of organized society, to inflation. Inflation, Mr. Speaker, is simply too many dollars chasing too few goods. As societies in the past have learned, inflation impacts upon different segments of society in different and unfair ways. It always attacks people with fixed incomes most severely. Those people, of course, are old age pensioners.

We all know that inflation of 3 per cent to 4 per cent causes the value of a dollar to drop by 50 per cent in maybe 15 or 20 years, so that by the time a person who has retired at age 65 with a pension of $1,000 a month reaches 80, that pension will be worth about $500. Now inflation of 3 per cent or 4 per cent can be coped with, but when you get into inflation rates of 10 per cent, 15 per cent and 20 per cent, the value of money drops by 50 per cent within three, four or five years. And that is how inflation impacts so severely on the seniors. That is why they need to have the indexation, Mr. Speaker. Therefore, this cutback is totally unfair and clearly the result of deliberate actions by this Liberal Government, backed by Liberal Party policies.

There is no doubt that our friends to the left, the NDP, also support that, because they continually call for more Government spending. So they have to be roped in, and Canadians need to understand that. Every person receiving Old Age Security who votes for the Liberal Party in the next election, is voting for more of the same, and for his own self destruction. Every retired federal civil servant now realizes, the few who voted for the Liberal Party in the past, that he had been sabotaged, and if he votes for the Liberal Party in the future he is going to get more knives in the back. The situation is exactly the same for the youth of this country, Mr. Speaker, because those deficits simply mean that the next generation will have to accept a much lower standard of living in order to pay for our expenditures today.

Now, Mr. Speaker, none of us would do that to our families, we would not impose a debt on the next generation. Indeed,

most of us work in order to leave a little bit of capital for the next generation so that they can have a leg up, so that they can be a little bit ahead. It is in that way that we have increased the standard of living in our western society enormously since the times of kings and queens when our ancestors were serfs. But, Mr. Speaker, when the Government has deficits, it is imposing a mortgage on that next generation, just as surely as if it were cutting off their legs. As a result, they are less able to cope in life.

• (1700)

Surely, in times of inflation, 6 and 5 per cent is not a reasonable settlement of the problem. Six per cent of our income of $65,000 means that from January 1 this year all Members of the House, including Members of the New Democratic Party, will accept an increase of about $3,900. Yet we expect senior citizens, whose income may be about $3,000, to take an increase of $180. That is not right, Mr. Speaker, and this is not a Bill that I can support.

While I am a Conservative in terms of the importance of generating wealth and I know that we must have the capital of the nation owned and controlled by individuals, I know that millions of individual decisions on capital, whether they relate to small farms or little businesses, will lead to a much wiser result than a decision made by a king, a Prime Minister and a Cabinet, or a bureaucracy. As a Progressive Conservative, I believe that in times of inflation we cannot have percentage settlements in terms of social legislation. The rich get incredibly richer and the poor do not advance.

The Minister could have introduced a flat rate of $1,000 across the board. In that way, senior citizens and those people who are hurt the most could recover the actual increase in the cost of living, and people making $60,000 or $90,000 would get $1,000.

The Minister, with her $100,000 income, cannot convince me that her actual cost of living has gone up by $6,500. That is how much more she will take out of the economy this year, compared to last year. I do not believe that the Minister is working any harder than she did last year. Her productivity has not increased one whit, yet she is going to take $6,500 more out of the Canadian economy, compared to the senior citizen who is living below the poverty line and will get $180 more. That is not what we should stand for in this House, particularly when there is a solution.

In times of inflation we should go from percentage settlements to flat, across-the-board settlements. That would bring the Canadian people closer together and make them more equal in opportunity and the amount taken out of the economy.

I will resume my seat so that the Minister may rise, during my time, and answer that point.

Miss Bégin: I cannot, and you know the rule very well.

Mr. Thacker: Stand up and speak, Madam Minister.

Miss Bégin: Read your book.

Mr. Deputy Speaker: Order, please. The Hon. Member for Lethbridge-Foothills (Mr. Thacker) has the floor.

Mr. Thacker: Mr. Speaker, the Minister of National Health and Welfare (Miss Bégin) will not rise.

Miss Bégin: I cannot rise.

Mr. Taylor: Stand up if you are going to make a speech.

Mr. Thacker: Mr. Speaker, I am sure the House would grant unanimous consent for the Minister to rise and answer the question I am putting to her. Normally at report stage, if it were not for the fact that the Government has imposed closure, she would have to rise, and she would rise.

Miss Bégin: I cannot. Read your rules.

Mr. Thacker: It is only because of the closure motion that she cannot answer. I will sit down now, because I want to ask the House for unanimous consent for the Minister to rise and answer the question why the Government introduced percentages rather than a flat, across-the-board settlement during times of inflation.

Mr. Deputy Speaker: Is there unanimous consent for the Minister of National Health and Welfare to rise at this point?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: There appears to be consent.

Miss Bégin: Thank you, Mr. Speaker. The Hon. Member knows very well that the rules prevent me from speaking at report stage and that I can only answer questions at third reading, but I appreciate the unanimous consent that Members have given me.

I answered the Hon. Member while he was speaking, but he may not have heard. A flat component in the income tax system always plays in favour of the wealthy. I think the Hon. Member is not familiar with the income tax system.

If he wants to be a little more specific and explain in exactly what form that amount of money would reach people, maybe then we could talk business. I am not sure if he is doing that or playing politics.

Mr. Deputy Speaker: The Hon. Member for Lethbridge-Foothills had ten minutes, and that is the normal time allowed. He may continue with unanimous consent of the House. Is there unanimous consent?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am pleased to speak today on behalf of my constituents in Burnaby, particularly old age pensioners and those close to pension age. I am strongly opposed to Bill C-131 which, in many ways, constitutes an attack on the standard of living of some of the

people of our society who are the most vulnerable to increased costs.

I want to make it very clear that in my view the Liberal Government and its Conservative allies should hang their heads in shame. They are attacking the victims of inflation in an inequitable and unfair way. I say the Liberal Government and its Conservative allies, because this Bill flows directly from Bill C-124 which the Conservative Party supported vigorously last summer. Let there be no mistake, Mr. Speaker, Bill C-124 and the accompanying documents were very explicit in the reference to pensions and the fact that there would be cuts in real terms, in old age pensions as well as pensions granted to retired public servants, retired members of the RCMP and retired members of the Canadian Armed Forces.

No one should have been surprised, of course. Indeed, the point was made on many occasions by Members of the New Democratic Party during debate on Bill C-124 that Conservatives and Liberals together were supporting legislation which would ultimately lead to cuts in old age pensions. I can assure, you, Mr. Speaker, that every old age pensioner in the constituency of Burnaby is under no illusion about the fact that it was the Liberals and Conservatives who laid the ground work for Bill C-131.

The Hon. Member for Winnipeg North Centre (Mr. Knowles), who has fought for many years for improved pensions for all Canadians, has expressed his anger and outrage at the fact that once again the Government attacks old age pensioners and erodes the protection that he and Members of this Party fought for over the years.

The effect of this Bill will be a decline in the standard of living of literally thousands and thousands of elderly people across the country. Some one million Canadians are affected, half of them women. That attack flows directly from the Liberal-Conservative Bill C-124, the six and five guidelines. It is fundamentally unfair by virtue of the fact that the total savings effected are something in the order of $105 million. What is so objectionable about the Bill is that there is no fairness, no equity, no justice whatsoever in the manner in which this sacrifice is demanded.

I could give a number of examples but because my time is limited I will only give a couple. Recently the taxation statistics were released by the federal Government. They show that the Income Tax Act is so riddled with loopholes that over 2,000 people in Canada with incomes of over $50,000 per year paid not one penny in income tax, and over 150 Canadians with incomes over $200,000 per year paid not a penny in income tax.

What kind of nerve does the Government and its Conservative allies have to ask old age pensioners to sacrifice their standard of living without asking for some kind of sacrifice from the wealthiest people—those who make over $50,000 and those who make over $200,000 per year and who are not being asked to make any sacrifice? They do not pay any taxes whatsoever.

The Conservative Party has been silent when there have been calls for tax reform to close the loopholes and ensure an element of equity. As Carter said back in the 1960s, "A buck is a buck is a buck" and should be taxed as such.

• (1710)

As well I would note that at the same time as the Government is proposing a cut in real terms in old age pensions for thousands of Canadians, it is proposing to spend billions and billions of dollars on purchasing fighter aircraft, F-18s. What kind of priorities does the Government have when it would cut the standard of living of old age pensioners and spend billions of dollars on weapons of destruction which are not needed? Surely these kinds of priorities cannot be defended either by the Liberal Government or by its Conservative allies.

The effect of this Bill is like a direct tax on those who are over 65 years of age in society. If anyone were to suggest that it be done directly, that indeed there be a tax on some one million Canadians who are entitled to the old age pension but not the GIS, I am sure there would be a justifiable cry of anger across the country. But because it is being done in this underhanded way, perhaps it is not quite as clear. I assure you, Mr. Speaker, that we in this Party will be making very clear to old age pensioners from one end of the country to the other exactly what is the effect of this Bill.

The fact of the matter is that it reduces incomes by more than $300 over the next two years for the average old age pensioner and, just as important, it reduces the base for future increases of the old age pension. This is a permanent cut in the standard of living of old age pensioners. It has been argued that those affected are those who can afford to bear the burden because they are not receiving the GIS. As the National Council of Welfare pointed out, over 100,000 poor and near-poor elderly Canadians will have their incomes reduced as a result of the limitation on indexation of the Old Age Security. These are the people who cannot afford this cut in their standard of living.

There is no control whatsoever on prices. As one of my constituents pointed out to me, it would be one thing to ask old age pensioners to take a cut in their standard of living if at the same time there was an assurance that the prices of the goods and services they need would be cut. That is not the case. While old age pensions are being cut in real terms, is there any control whatsoever, for example, on the price of food, on the price of clothing, on energy prices, on the price of transportation or housing? These are the costs which most directly affect old age pensioners. The federal Government and its Conservative allies are doing nothing whatsoever to control these increases in costs.

It may be that because there are no organized lobbies such as those of the powerful and rich Canadian Bankers' Association and others, that perhaps because there is not a vocal or outspoken lobby, the Government thinks it can get away with it. Once again I assure all Members on the Government side of the House who support this legislation that their voters will be

reminded of the fact that they took part in a cut in the standard of living of their constituents. These cuts have a particularly devastating impact upon women because cuts in pensions disproportionately affect women.

I see that my time is drawing to an end. In conclusion, once again I emphasize the fact, as many of my constituents in Burnaby have pointed out, that these cuts are unfair. They are inequitable and basically represent an attack on the victims of inflation rather than coming to grips with the real economic problems of the country. Certainly we cannot accept that kind of attack either by the Liberal Government or by its Conservative allies.

Mr. Roland de Corneille (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, we have been debating Bill C-131 since November 18. By now we have had ample opportunity to examine its every detail through first reading, second reading, Committee meetings, and now through report stage debate.

At the beginning of yesterday's debate, the Minister said that we had already heard 71 Members speak on the debate of this particular Bill since last November. I would not need to speak if I were not concerned that much of the rhetoric we have heard about the details has effectively buried the basic reason for introducing and passing Bill C-131. I cannot remain silent and let that happen.

We on the Government side of the House must remind the Opposition and the public that we regard the scourge of inflation as a devilish force which erodes the purchasing power of those who can least afford it—those on fixed incomes, the welfare poor, the working poor and the unemployed. That is precisely why we have begun this massive program of six and five to reduce inflation. We are not yet able to say that we can stop inflation, but we have to reduce it because it is ravaging the savings of the elderly and hurting the working poor. Yes, we have decided that even to bring inflation down to 6 per cent would require the efforts of all Canadians.

We on the Government side of the House decided that it would mean an all-out effort on the part of the Government. We decided that we had to begin with ourselves, with our Public Service and with what the Government was paying out of the taxpayers' coffers. It had to apply to all Government programs. Only if we proved our sincerity and determination to apply this to every aspect could we appear to be credible or could we hope to get others to follow our example. We must set the example and appear credible if we are to succeed in calling upon and involving the co-operation of the Provinces to join us in applying six and five to their Public Services and to all their programs where their taxpayers are paying out money. Otherwise, the private sector knows that the war against inflation could not succeed if it alone were left to fight the battle.

There are some people receiving Old Age Security pensions who happily have additional incomes. They can and should and probably want to join in to do their part in the battle against inflation. That is why Bill C-131 exists. It ensures that they also are included. It is in their interests and the interests of everyone that inflation comes down. We have set our hearts and our minds to the battle against inflation through the six and five program. This is our resolve. Bill C-131 is only a part of that program.

We shall keep faith with all groups, that no one group will alone have to exercise restraint. We are all in it together. We shall not waver and flinch just because of our success, because of political expediency or because of the petty politics played by Opposition Parties.

It is distasteful to me as a Liberal to hear the Opposition lecturing us about compassion for the elderly. I am a Liberal precisely because it was a Liberal Government that brought in Old Age Security in the first place, that brought in spouses allowances, that brought in the Canada Pension Plan, that brought in the Guaranteed Income Supplement and that brought in medicare, all of which have taken away the fear and horror of becoming older that existed in the past. It is rather tragic to hear the Opposition Parties lecturing us, when we have brought in all this concern and compassion, that we should be compassionate for the elderly.

Mr. Taylor: You are the ones who are taking it away.

Mr. de Corneille: Also it was a Liberal Government which gave full indexing to the Old Age Security pension, to the Canada Pension and to the Guaranteed Income Supplement. We did this precisely to try to shelter the aged from the ravages of inflation.

How dare those Parties lecture us when now, in order to protect the elderly and all other vulnerable people in our society, we say that we must introduce six and five to reduce inflation.

Mr. Taylor: How dare you rob the old.

Mr. de Corneille: They conveniently ignore the fact that through Bill C-131 we are living up to our policy and tradition of protecting the vulnerable.

Mr. Taylor: You are robbing the hungry.

Mr. de Corneille: When they stop shouting I shall continue. It is really getting to them to hear some facts for a change. They are bleating and crying out in agony to hear the policy of the Liberal Government throughout all these decades to protect the aged and those who need protection.

Mr. Taylor: What are you talking about?

• (1720)

Mr. Deputy Speaker: Order, please. The Parliamentary Secretary has the floor.

Mr. Taylor: Let him tell the truth then.

Mr. de Corneille: We do this by making sure that those who are elderly and need supplements will get an extra increase just to make sure that they will be covered to a level of full indexation. That is how much we care. We put a 6 per cent inflation

limit for those who can afford it and give full indexation in effect to those who need the GIS. And that is fair.

Mr. Schroder: That is a fact.

Mr. Keeper: Ask the Bishops.

Mr. de Corneille: I hope that I have put Bill C-131 back into the context of the battle against inflation, to protect the elderly who have more to lose from the ravages of inflation than any others in our society.

Mr. Taylor: Tell the Minister that.

Mr. de Corneille: As a Liberal, I am proud of our record, proud of our policies of sincerity, and of our consistent battle to maintain dignity for those who are elderly. I hope that when this legislation on six and five is passed and this battle against inflation is won we shall quickly resume our forward march to new legislation on behalf of the single pensioner, which probably will be received with great disapproval from those on the opposite benches who will not want any further social progress.

Mr. Thacker: You embarrass even the Pharisees.

Mr. de Corneille: But we shall carry forward and march to new legislation on behalf of the single pensioner and for a more effective pension scheme for all Canadians.

Mr. Taylor: Who wrote that stuff?

Mr. de Corneille: I pledge myself to continue my work on this course.

Mr. Bruce Halliday (Oxford): Mr. Speaker, when one observes the Parliamentary Secretary who has just spoken one finds him to be very quick to learn from the Prime Minister (Mr. Trudeau). He said what he thinks the people want to hear, but then he and his Government went ahead and did the very opposite.

Mr. Friesen: And that is a fact.

Mr. Halliday: We hear the Hon. Member over there talking about concern for the social needs of the people of this country. And then the very Bill which the Hon. Member for Eglinton-Lawrence (Mr. de Corneille) is talking about is a Bill to take away a social program from the people. It is that kind of hypocrisy with which his speech was laden. I hope the Hon. Member for Eglinton-Lawrence takes a second look at his speech in the clear light of day and realizes what he has been saying and compares it to what his Government has been doing over the last number of years.

Many things have been said about Bill C-131, but I want to look at it in the context of this Government over the last ten or 15 years. We have a context here of a Government that has been elected and tries to govern on the basis of sloganeering. For instance, we have heard such things as, "The land is strong; we are going to wrestle inflation to the ground"; "the just society", and now we have the six and five program which the Government has chosen to bring forward precisely at this time because the Government thinks it has guessed well. The Government thinks it has chosen an opportune time to suggest to the Canadian people that a program of six and five, if it is publicized and marketed enough, will tie in fortuitously with the natural improvement in the economy which is bound to come. The Government has a special committee set up of people in the Prime Minister's office and from the Senate who are pushing and marketing this program of six and five. This is a slogan for the survival of the present Liberal Party.

We were provided a few months ago with a loose leaf document which is two or three inches thick. One extracted from that book, among other things, two pages with the heading "6 and 5 Strategy for the Next Three Months". It is interesting to see what this special committee of the Government proposes as strategy for the next three months. It explains what the Minister should do, what the ordinary Liberal backbencher should do. There are many points on the list, but No. 11 on the list reads:

> Continued efforts be made to cut back Government expenditure in the spirit of 6 and 5 and demonstrate commitment to restraint;

That is the priority this Government puts on some type of expenditure restraint. No. 11 on that list is a marketing gimmick to try to sell to the people of Canada the need at long last to have some restraint in government spending. But we know the Liberal Government does not mean that. We have heard just this afternoon about the big gift to Maislin. We know about the $600 million that was spent recently to buy an oil company that will return no new oil to this country at all. It is pure hypocrisy to think that the Government is serious about this. We know the Government's past record does not conform with that at all.

As we look at this whole thing in perspective, not only is this a needle into the senior citizens of this country, just as this phoney issue of six and five is, but we have this problem of closure and allocation of time. In this session we have had 15 instances when the present Government has instituted allocation of time or closure in order to cut off debate. As a matter of fact, since the beginning of this year, every single piece of Government legislation that has come before this House has been cut off by this Government. This Government has limited debate by the Opposition. This Government does not want to hear the truth about this kind of social program and how it is affecting in an adverse way the lives and the ability of our senior citizens to enjoy their lives in their advancing years. This is a double whammy at our senior citizens. This Government attacks them by slogans, trying to convince and con them into going along with this. We have heard the Parliamentary Secretary say the seniors want to be a part of this. He actually said that the senior citizens want to be a part of this restraint program for they get less real income. I do not believe that is true. I think he will hear when the next election comes that they did not appreciate his speaking on their behalf suggesting that they want to have less income at this time.

Mr. de Corneille: We will see.

Old Age Security Act (No. 2)

Mr. Halliday: There are a lot of problems with Bill C-131, Mr. Speaker. I want to touch on just a few of them. When the Minister appeared before the committee she made the suggestion that the Government was going to look after anybody who was on GIS. That was very benevolent of the Minister. We appreciate the fact that she is at least willing to show some concern for those who are GIS recipients. She was intimating, although she did not say so in so many words,that the bulk of Canadian pensioners were eligible to receive GIS. Of course, that is not true. With all due respect to the Minister, she was a little bit misleading to the senior citizens.

Miss Bégin: No.

Mr. Halliday: Only 15 per cent of the pensioners in Canada get the full benefit of GIS.

Miss Bégin: Fifty-five per cent do get some.

Mr. Halliday: The Minister says that 55 per cent do get some. That is true. Some get a very little bit. But I was saying that only 15 per cent of all pensioners are provided with the full provisions of GIS. We must not forget that it leaves an awful lot, 85 per cent, of senior citizens who will suffer to a greater or lesser extent from this drop in income which the Minister has provided.

Miss Bégin: That is not true.

Mr. Thacker: They can't hack that over there.

Mr. Halliday: Another thing that bothers me is the refusal of the Government to accept the very reasonable amendment proposed by my colleague, the Hon. Member for Okanagan North (Mr. Dantzer). He is our expert critic on the subject of pensions. He pointed out by way of his amendment, which the Government turned down, that the plans of the Government are not to provide this increase in the OAS payments at the end of 1984 as we proposed in our amendment. We felt that we could probably go along with this reduction for a two-year period, as the Minister suggested, if she would agree to increasing it up to the regular level again for 1985 and onward. But the Government and the Minister refused to do that. Therefore, what we find is that our senior citizens will suffer for the rest of their lives from a lower level of payment, no matter what the indexing feature is in future years. Because of what is being done now all senior citizens who are on OAS will receive less.

● (1730)

What concerns me about attacking senior citizens' pensions is that they suffer the most from this Government's penchant to increase various kinds of sales taxes inordinately. Seniors are unable to escape the marked increases in taxation on commodities such as oil, gas, heating fuels and other products which they need. Their expenditures tend to be high because of the increases they are faced with in the various Provinces.

Increases that are based simply upon the Consumer Price Index do not adequately meet their added cost of living which seniors must meet daily.

Another most inequitable factor which the Government has not faced up to is that a large majority of the 10 or 11 million people in the work force in Canada are not susceptible to the six and five program—unfortunately for the program—while the small sector of senior citizens who are not in the work force are included among those who have to submit to that six and five program. It may have been justifiable if they were in the work force.

I do not think I could conclude any better than by quoting a sentence from a statement made by a representative of the Professional Institute of the Public Service of Canada at a hearing of the Standing Committee on Health, Welfare and Social Affairs. She saids:

> In the world-wide Christian tradition, in terms of the sinking ship, women, children and the elderly go first to ensure that they may escape any harm. In this sinking ship, women and the elderly are expected to plug up the holes and keep the ship afloat.

[*Translation*]

Mr. Gilles Marceau (Jonquière): Mr. Speaker, as I rise to take part in this debate on Bill C-131, I would like to explain briefly my four reasons for doing so.

The first is that I have had an opportunity to observe the work of the Committee on Health, Welfare and Social Affairs, of which I have been a member for many years, and to look carefully at our objectives and the reasons why we now have to introduce such a Bill, which is clearly unpleasant and politically damaging.

However, Mr. Speaker, I must point out that although many groups were invited to appear before our Committee, all those wanting to express their views have had the opportunity to do so because all those interested in speaking were able to appear. We can therefore conclude, Mr. Speaker, that there are more intelligent people than we might think. There are more people who are aware that when a Government takes its responsibilities, it receives public approval. In view of the reactions we heard in Committee, we can see that, while those people might not accept all our reasons, they still understood that we had to do something and that what we did was necessary and urgent.

Mr. Speaker, my second reason for taking part, probably very briefly, in this debate, is that, as Government Members, we are often criticized for blindly following Government policy while not having the courage to approve it publicly, and for not assuming our responsibilities as members of the Government team. I must therefore say that if I have decided to take part in this debate and state that I shall support this Bill, it is because I feel that it is my duty as member of a Government which realizes that, under the present conditions problems have to be faced and we accept the responsibilities that these problems involve. It is therefore as a Government Member that I shall vote for this Bill, probably with regret, as all of my colleagues, because the capping of people's pensions and

incomes is not a pleasant thing to do. It would probably be much easier to present the same arguments as my colleagues opposite, but I can understand their position because they have no choice but to say that if they were in our place, they would do something else and choose another solution? It is an easy thing to say when they already know that they will never be in our place, when they were in the past, their major decisions were generally about the same as those of a Government which is trying to act responsibly!

Mr. Speaker, my third reason for taking part in this debate is that I find it absolutely shocking and surprising that some people try to imply that members of the Liberal Party are working against senior citizens. It is simply ridiculous to believe that a Government Member or a Member of Parliament, a responsible citizen, can work against a particular group in society, especially those who have given their life, their health and their energies to build our country. This is an unfair distortion of the difficult and unpleasant decision that we must make concerning this Bill. I certainly do not want to pose as the great defender of senior citizens, but like other people, I realize that if one group in our society deserves better protection and assistance, it is certainly those who have reached retirement age.

Mr. Speaker, I would say that is exactly what we have been doing for several years since this Government took office, and I would like to commend the Minister of National Health and Welfare (Miss Bégin) who has shown leadership in that field. She has been working extremely hard to bring additional assistance to the elderly, with the full support of her colleagues in Government and, I am glad to point out, of our colleagues opposite.

Mr. Speaker, I think we all agree that it is unfortunate that we should be forced to limit the increase in the income of the elderly, but our situation is like that of a sick person who goes to see a physician and is told: "I will have to do some surgery. You will feel some pain, but you will be much better off in the end". Would anyone ever suggest that this physician is hurting his patient on purpose? Is it not rather because the physician knows full well he has to do that if he wants his patient to recover? Well, Mr. Speaker, that is the way I look at the situation. We are acting in the interest of the elderly, in the interest of others who cannot cope with runaway inflation, and in the interest of those who have limited incomes. So much so in fact that if inflation cannot be controlled, their predicament will go from bad to worse. That is why we have decided to set a limit on the increase.

I was listening to my colleague from Burnaby (Mr. Robinson)—who is a Committee Member and who attends our meetings now and then—when he said that there will be a decrease of $300. I would be tempted to tell my friends opposite that their calculations are not always according to the book, and they have just given me a proof of that. Indeed, I have every reason to believe that the Minister of National Health and Welfare is quite right when she states that the January cheque will show $251.12 and that the monthly amount will drop by 50 cents down to $250.62 once this Bill becomes law. That means $6 for a full year. I am not a chartered accountant, I have no degree in accounting, but I just cannot understand how anyone would say publicly that senior citizens will be hit as hard as the Hon. Member for Burnaby said they will be, when in fact the loss will be no more than $6. True, the basic pension will not increase at the same rate, but that is a problem we will solve in due time. The important thing to remember is what we have done and why. Mr. Speaker, I conclude by saying that I will vote in favour of this Bill, but I hope that we will not have to take similar action in the future, that inflation will go down as we expect, and that senior citizens will be better off in the long run.

● (1740)

[*English*]

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, in the three minutes left to me in the debate at report stage on this Bill which will cap pensions of senior citizens, I would like to make just three short but very important points. I think that the Bill is wrong for the following reasons: first, it is based upon the premise that if one is powerful enough, one can do anything one wants. I remember how, with great fanfare during the last election campaign, the Government announced the extra moneys that it would give to those who required supplementary benefits. As soon as we came into this session, the Government did indeed pass that legislation. But now, almost at the first opportunity, when there is pressure for funds on the part of the Government, what does it do? It takes away. We return to the old adage that if a Government is big enough and powerful enough to give something, it is also big enough to take it away. First, it creates the dependency, and then it creates the withdrawal.

The second reason this is wrong is that it punishes those who follow the dictates of thrift and planning. Here we have a policy which is based on capping the increases on OAS, but not on the supplement. I understand the rationale of the Government in that those who are the poorest deserve to have as much protection as possible. However, one should take into consideration the figures given to the House and to the Minister by the Hon. Member for Victoria (Mr. McKinnon), to which I think the Minister was very carefully listening. I also think she was genuinely surprised by the disparity among people which will be created by this particular legislation.

Miss Bégin: No, I am not.

Mr. Friesen: Well, I hope you were surprised.

Miss Bégin: Absolutely not.

Mr. Friesen: This group of people who have saved all of their lives and have invested in private pension plans will now be punished because the OAS will be capped, but the supple-

ment will not. That is wrong in principle and the Government cannot prosper if it does things that are wrong in principle.

The third reason this legislation is wrong is that the role of a government, the first duty of a government, ought to be to protect those who are defenceless. In the past year we have seen the Government protecting the banks and the super corporations such as Dome, Massey-Ferguson and the trucking company, and now it wants to attack people on pension. It is wrong to attack those who are most vulnerable.

Just over a year ago, in November, the Government floated a bond at over 19 per cent interest. Within a year, those interests rates dropped by about 40 per cent. Because the Government planned poorly, it cost the taxpayer an extra $2 billion, and now it will punish the pensioners for it.

Mr. Speaker, it is wrong in principle.

[*Translation*]

Mr. Deputy Speaker: Order. It being 5.45 p.m., pursuant to order made Monday, January 31, 1983, it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the report stage of the Bill.

[*English*]

Accordingly, the question is on the motion of Mr. Dantzer. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

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

(*Division No. 285*)

YEAS

Messrs.

Althouse
Andre
Baker (Nepean-Carleton)
Beatty
Blackburn
Blaikie
Blenkarn
Bosley
Broadbent
Carney (Miss)
Clark (Yellowhead)
Clarke (Vancouver Quadra)
Cooper
Corbett
Cossitt (Mrs.)
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Deans
de Jong
Dick
Domm
Elzinga
Epp
Fennell
Forrestall
Fraser
Fretz
Friesen
Fulton
Gamble
Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hargrave
Hawkes
Heap
Hnatyshyn
Hovdebo
Howie
Huntington
Jarvis
Jelinek
Jewett (Miss)
Keeper
Kempling
Kilgour
King
Knowles
Kristiansen
Kushner
Lambert
La Salle
Lewis
Lewycky
MacDonald (Miss) (Kingston and the Islands)
MacDougall
MacKay
Malone
Manly
Mazankowski
McCain
McDermid
McDonald (Ms.) (Broadview-Greenwood)
McGrath
McKenzie
McKinnon
McKnight
McLean
McMillan
Miller
Mitchell (Mrs.)
Mitges
Munro (Esquimalt-Saanich)
Murphy
Murta
Neil
Nickerson
Nielsen
Nystrom
Ogle
Orlikow
Parker
Reid (St. Catharines)
Robinson (Burnaby)
Roche
Rose
Sargeant
Scott (Victoria-Haliburton)
Shields
Siddon
Skelly
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Waddell
Wilson
Wise
Young—109.

NAYS

Messrs.

Appolloni (Mrs.)
Bachand
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Francis
Frith
Garant
Gauthier
Gendron
Gimaïel
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Harquail
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Ittinuar
Johnston
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Munro (Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid (Kenora-Rainy River)
Roberts
Rompkey
Rossi
Roy
Savard
Schroder
Smith
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Yanakis—129.

● (1810)

Madam Speaker: I declare the motion defeated.

Motion (Mr. Dantzer) negatived.

[*Translation*]

Miss Bégin moved that the Bill be concurred in.

Madam Speaker: Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Motion agreed to.

Madam Speaker: When shall the Bill be read for the third time? At the next sitting of the House?

Some Hon. Members: Agreed.

Madam Speaker: It being 6.14 p.m., this House is adjourned until tomorrow at 2 p.m., pursuant to Standing Order 2(1).

At 6.14 p.m. the House adjourned, without question put, pursuant to Standing Order.

END OF VOLUME XIX